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EU-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 the project. 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 November 2008 by all participating institutes. Most of the 29 reports were delivered in February 2009. This issue and all previous issues of *EU-27 Watch* (formerly *EU-25/27 Watch*) are available on the homepage of EU-CONSENT (www.eu-consent.net) and on the internet sites of most of the contributing institutes.

Please note the **detailed table of content** that allows readers to easily grasp key information and headlines of the country reports.

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The EU in 2009 – a reassuring outlook even in times of crisis?

Tanja Leppik-Bork, Christina Minniberger and Julian Plottka

In the second half of 2008 the European Union has been faced by many crises: the ‘ratification’ crisis, the ‘Georgian’ crisis, and last but by no means least, the financial and economic crisis. These crises touch the institutional architecture and the future shape of the EU, its neighbourhood and external relations, and the financial and economic policies within the EU. During these ‘hard’ times, one of the founding members of the EU was holding the presidency of the EU – and some say luckily so.

In this last issue of EU-27 Watch within the lifetime of EU-CONSENT, all those issues are dealt with and a prospect for 2009 is given, a year that might well be a year of opportunities but also of uncertainties:

- the future of the EU after the Irish ‘No’,
- the priorities for transatlantic relations after President Bush,
- the EU response to the financial crisis and the challenges of global governance,
- the evaluation of the French Presidency and expectations for the Czech Presidency,
- prospects for European Neighbourhood Policy and enlargement after ‘Georgia’, and
- other current national issues.

As in the other issues of EU-27 Watch, the country reports give a unique snapshot of discourses and debates on those topics in all 27 member states as well as in Croatia and Turkey.

What becomes obvious when dipping into the reports is that while there is consensus on some of the issues, there is also a lot of heterogeneity. This may not be too surprising given the different experiences, economic and political situations of the 27 member states, and the two candidate states.¹

Future of the EU: waiting for the second Irish referendum

With regard to the future of the EU after the Irish ‘No’, most member states seem to be satisfied with the agreement reached at the European Council meeting in December 2008: Ireland has got some concessions and agreed, in exchange, to hold a second referendum, probably in autumn 2009. These concessions include special arrangements regarding sensitive areas where Ireland’s neutrality could be touched upon such as taxation policy, family, social and ethical issues, and Common Security and Defence Policy.² The further concession, the agreement to keep the principle of ‘one Commissioner per member state’, has been the most controversial. While some governments welcomed the fact that all countries will keep ‘their’ Commissioner,³ especially the Benelux countries deplored the keeping of this principle as a “step back”⁴ with regard to the supranational character of the European Commission.⁵ The Belgian Prime Minister emphasised that the ratification “should not happen at the expense of the treaty’s essential elements”.⁶ Some media were even less enthusiastic, for example, an Italian analyst pointed out, “quoting a popular phrase by opera singer Maria Callas, ‘once you start making too many concessions, you’ll never be able to stop, since people will expect you to do so automatically’”.⁷

¹ See also Barbara Lippert/Timo Goosmann: Introduction: A portrait of the Union in a puzzling state of mind, in: Institut für Europäische Politik (Ed.): EU-25 Watch, No. 2, January 2006, Berlin, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-25_Watch-No2.pdf (last access: 19 March 2009), pp. 8-17.

² For further details see Conclusions of the European Council, available at: http://www.eu2008.fr/webdav/site/PFUE/shared/import/1211_Conseil_europeen/European_Council_12-12-2008_Conclusions_EN.pdf (last access: 17 March 2009).

³ Mentioned, for instance in the Austrian, French, or Slovenian chapters on the future of the EU (chapter I.1).

⁴ Belgian chapter on the future of the EU (chapter I.1).

⁵ See the Belgian, Dutch and Luxemburg chapters on the future of the EU (chapter I.1).

⁶ Quotation is taken from the Belgian chapter on the future of the EU (chapter I.1).

⁷ Quotation is taken from the Italian chapter on the future of the EU (chapter I.1).

Regarding Turkey and Croatia, the latter seems to be quite optimistic about the accession process commencing as planned, whereas Turkey fears that enlargement is currently not among the EU's main priorities.⁸

Other institutional issues influenced by the still unclear future of the Lisbon Treaty, e.g. the formation of the next Commission, or the 'personal tableau' (President of the European Parliament, President of the European Commission, President of the European Council, High Representative), so far have not received much public attention besides first speculations about possible candidates.⁹

Interest in the upcoming European Parliament elections in June 2009 varies significantly throughout Europe – from high expectations and support in some new member states, for instance Cyprus and Poland, to disillusion in other member states, such as Finland and Belgium. As stated in the French report, regarding voter participation and public attention, "one should not expect a miracle for the next elections".¹⁰ Contrary to this, in Poland the European Parliament is seen as "a serious, democratic institution"¹¹ and no concerns are mentioned regarding the turnout of the election.

Transatlantic relations: high expectations and hopes for more multilateral relations

The election of Barack Obama as 44th President of the United States in November 2008 was warmly welcomed all over Europe. The new US administration is widely believed to provide an opportunity to re-define or revitalise EU-US relations and also bilateral relations with the US. The following areas were mentioned in most of the country reports to be of top priority in this context: regional conflicts (Afghanistan, Iraq, Middle East), energy and climate policies, and the financial and economic crisis. In general, there seems to be a wish for a shift from unilateralism or bilateralism, to multilateral transatlantic relations on a more equal footing. But despite all the enthusiasm and optimism concerning President Obama's election, Europeans also have to be aware, as the Portuguese report put it in a nutshell, that "no matter how much Obama was acclaimed as the 'candidate of the Europeans' he will be the 'American President'".¹²

What is underlined in most reports as well is that the EU will also have to become more active at the global level. As summarised by a French journalist, Florence Autret, "on all these issues (diplomacy, economy or environment) the election of Barack Obama will place Europe face to face with its own responsibilities".¹³ Most criticised in this context is the inability of Europe to speak with "one voice"¹⁴ and, for example noted in the Bulgarian report, the focus of the EU on internal problems. Commissioner for External Relations Benita, Ferrero-Waldner, also emphasised that Europe would not get a better partnership for free.¹⁵

The financial and economic crisis – the EU response

During 2008, the financial and economic crisis crossed the Atlantic and finally reached the European continent in the second semester of the year. But, as the reports clearly show, the 29 national economies have been hit quite differently. Some financial systems like Denmark's or Luxembourg's came early under strong pressure,¹⁶ while other, for example Croatia's,¹⁷ still stand strong. In the real economy the consequences diverge as well among the reporting countries. For example, the European Commission expects a 29 times higher economic growth than the Eurozone average for Cyprus.¹⁸ While some of the governments and societies have to struggle hard with the economic

⁸ See Croatian and Turkish chapters on the future of the EU (chapter I.1).

⁹ See, for instance, the Bulgarian, Czech, or Dutch chapters on the future of the EU (chapter I.1).

¹⁰ French chapter on the future of the EU (chapter I.1).

¹¹ Polish chapter on the future of the EU (chapter I.1).

¹² Portuguese chapter on transatlantic relations (chapter I.2).

¹³ Quotation taken from the French chapter on transatlantic relations (chapter I.2).

¹⁴ Mentioned, for instance, in the Croatian, French, or Slovenian chapters on transatlantic relations (chapter I.2).

¹⁵ Quotation taken from the Austrian chapter on transatlantic relations (chapter I.2).

¹⁶ See the Danish and Luxembourgian chapter on the financial crisis and challenges of global governance (chapter I.3).

¹⁷ See e.g. the Croatian, Cypriot and Czech chapters on the financial crisis and challenges of global governance (chapter I.3).

¹⁸ See the Cypriot chapter and for other countries, experiencing modest consequences of the crisis in the real economy, e.g. the Czech and Finnish chapters on the on the financial crisis and challenges of global governance (chapter I.3).

downturn,¹⁹ other governments could prepare measures against the approaching recession.²⁰ That provoked individual reactions of the member states at first. This is widely discussed in the reports. Some criticise “the lack of an answer from the EU at the beginning”,²¹ as it is reported from the Belgian Prime Minister, while others, e.g. the Lithuanian government, emphasise that “every state should take in to account its own situation before choosing concrete actions”.²²

In summer 2008, politicians were mainly concerned with seeking “a tangible response to turbulence on financial markets”,²³ as the agenda of the French Presidency showed. This searching process became constructive during a series of summits starting with a meeting of the four European G8 member states – France, Germany, Italy, and the United Kingdom – on 4 October 2008,²⁴ followed by the Economic and Financial Affairs Council on 7 October 2008,²⁵ and the first meeting of the heads of state and government of the Eurozone member states and the British Prime Minister on 12 October 2008.²⁶ Finally the European Council on 15 and 16 October 2008 endorsed, among other measures, the principles the Eurozone member states had previously agreed on. As the consequences for the real economy had already become more obvious, the European Council invited “the Commission to make appropriate proposals” “to support growth and employment”.²⁷ After a first communication on 29 October 2008²⁸, the European Commission published “A European Economic Recovery Plan” on 26 November 2008.²⁹ In line with this communication, the European Council on 11 and 12 December agreed on the “European Economic Recovery Plan”.³⁰

Whether these initiatives are an adequate response to the economic challenges and why the European Union acted as it did, is controversially debated in the country reports. The evaluations cover the whole spectrum from being “right and very ambitious”,³¹ as the former Austrian Chancellor is quoted, to regarding the European Economic and Recovery Plan as the best proof that the European Union is institutionally not able to “have a single strategy”.³² The controversy about concrete measures is even stronger: Should the member states stick to the Stability and Growth Pact? Are protectionist measures justified? Does Europe need an economic government? But on one point almost all reports agree: The Euro is a factor of stability and the European Central Bank’s crisis management was efficient. Thus, some speculations about countries joining the Eurozone are made. Just one country seems to be immune against such ideas: the United Kingdom.³³

¹⁹ See e.g. the Danish, Estonian, Greek, Latvian and Turkish chapters on the on the financial crisis and challenges of global governance (chapter I.3).

²⁰ See e.g. the Croatian chapter on the on the financial crisis and challenges of global governance (chapter I.3).

²¹ See the Belgian chapter on the financial crisis and challenges of global governance (chapter I.3).

²² Lithuanian chapter on the financial crisis and challenges of global governance (chapter I.3).

²³ Council of the European Union: Work Programme for the Council (Economic and Financial Affairs), Doc. 11204/08, 27 June 2008, available at: <http://register.consilium.europa.eu/pdf/en/08/st11/st11204.en08.pdf> (last access: 16 March 2009).

²⁴ See French Council Presidency: Summit on the international financial crisis, 4 October 2008, available at: http://www.eu2008.fr/PFUE/lang/en/accueil/PFUE-10_2008/PFUE-04.10.2008/sommet_crise_financiere_internationale (last access: 16 March 2009).

²⁵ See Council of the European Union: 2894th Council meeting Economic and Financial Affairs, press release, Doc. 13784/08 (Presse 279), 7 October 2008, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/103250.pdf (last access: 16 March 2009).

²⁶ See French Council Presidency: Summit of the euro area countries: declaration on a concerted European action plan of the euro area countries, 12 October 2008, available at: http://www.eu2008.fr/PFUE/lang/en/accueil/PFUE-10_2008/PFUE-12.10.2008/sommet_pays_zone_euro_declaration_plan_action_concertee (last access: 16 March 2009); Council of the European Union: Summit of the Euro Area countries – Declaration on a concerted European Action Plan of the Euro Area countries, Doc. 14239/08, 14 October 2008, available at: <http://register.consilium.europa.eu/pdf/en/08/st14/st14239.en08.pdf> (last access: 16 March 2009).

²⁷ Council of the European Union: Brussels European Council 15 and 16 October 2008. Presidency Conclusions, Doc. 14368/08, 16 October 2008, available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/103441.pdf (last access: 16 March 2009).

²⁸ European Commission: Communication from the Commission to the European Council. From financial crisis to recovery: A European framework for action, COM (2008) 706, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0706:FIN:EN:PDF> (last access: 16 March 2009).

²⁹ European Commission: Communication from the Commission to the European Council. A European Economic Recovery Plan, COM (2008) 800, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0800:FIN:EN:PDF> (last access: 16 March 2009).

³⁰ Council of the European Union: Brussels European Council 11 and 12 December 2008. Presidency Conclusions, Doc. 17271/1/08, 13 February 2009, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/104692.pdf (last access: 16 March 2009).

³¹ See the Austrian chapter on the financial crisis and challenges of global governance (chapter I.3).

³² Hungarian chapter on the financial crisis and challenges of global governance (chapter I.3).

³³ See the British chapter on the financial crisis and challenges of global governance (chapter I.3).

Regarding the global stage, the current crisis is regarded as “a time of change in the global architecture”.³⁴ Concerning the direction of change, there is a broad consensus among the reporting countries that the world will become much more multi-polar and the so called ‘rising powers’ will enter the political stage. Just about the time frame when this will take place, disagreement is found in the reports: The Hungarian report e.g. expresses the expectation of change in the “near future”,³⁵ while others regard a decade³⁶ as being a realistic time frame.

Praise for efficient French crisis handling, mixed expectations for Czech Presidency

The French Presidency was regarded as a highly successful one by most member states, especially praising its efficient decision-making and its ability to represent the EU as a strong unity.³⁷ Some,³⁸ though, criticised the ‘Sarko show’ for being too personified and omnipresent, and smaller member states felt especially ignored and left out. These mixed feelings were reinforced by President Sarkozy’s speech to the European Parliament, when he stated that “larger European countries do not have special duties, but they do have special responsibilities”.³⁹ The Czech report also stresses critically that “Sarkozy’s glamour and energy seemed to overshadow occasional reports about logistical problems and organizational chaos”.⁴⁰ Yet, the main results: road map for the further ratification process, energy and climate package, dealing with the Georgian and financial crisis, were welcomed. Also, the Union for the Mediterranean – a matter of specific importance for the French President – perceived positive feedback especially in Southern member states, such as Cyprus, Malta and Italy.⁴¹ Furthermore, the Energy and Climate Package was strongly supported and warmly welcomed. For instance in Sweden and Denmark it is perceived as a crucial basis for the United Nations Climate Change Conference in Copenhagen.⁴² Nevertheless, among others, the Finnish Member of the European Parliament, Satu Hassi, critically remarked that “the EU copped out and gave too many concessions to the industries’ lobbying”.⁴³

While most agree with the importance of the Czech Presidency’s priorities (the so called three E’s – Economy, Energy and Europe in the World⁴⁴), some member states⁴⁵ are concerned because of the eurosceptic Czech President, Vaclav Klaus. Especially his statement that people like Sarkozy harm Europe and trample the basic idea of Europe because they do not respect diversity and plurality of ideas, overshadowed relations between Brussels and Prague.⁴⁶ However, especially new member states, for example Poland, are looking forward to the performance of the Czech Presidency, seeing it as a benchmark for their future presidencies. Despite some European-wide scepticism, German experts also estimate that “a smoother Czech EU-Presidency is a necessary change to the stressful last six months of the French predecessors”.⁴⁷

These evaluations in the country reports bring to mind discussions over whether big founding member states, like France, are on principle more capable of representing the EU at the international level and brokering agreements than smaller and newer member states.

³⁴ Romanian chapter on the financial crisis and challenges of global governance (chapter I.3).

³⁵ Hungarian chapter on the financial crisis and challenges of global governance (chapter I.3).

³⁶ See, e.g., the German chapter on the financial crisis and challenges of global governance (chapter I.3).

³⁷ Mentioned, for instance, in the Greek, Maltese, or Swedish chapters on the French Presidency (chapter II).

³⁸ Mentioned for instance, in the Czech and Romanian chapters on the French Presidency (chapter II).

³⁹ Quotation taken from the Portuguese chapter on the French Presidency (chapter II).

⁴⁰ Mentioned in the Czech chapter on the French Presidency (chapter II).

⁴¹ Nevertheless, the Cypriot report expressed concerns about the conflict-resolving role of the EU in the Mediterranean area, especially concerning its inability to solve the Cyprus conflict.

⁴² See Danish chapter on the French Presidency (chapter II).

⁴³ Quotation taken from the Finnish chapter on current issues and discourses (chapter IV).

⁴⁴ See Work Programme and Priorities of the Czech EU Presidency, available at: <http://www.eu2009.cz/en/czech-presidency/programme-and-priorities/programme-and-priorities-479/> (last access: 19 March 2009).

⁴⁵ Mentioned, for instance, in the British chapter on the French Presidency (chapter II).

⁴⁶ Quotation from the Czech chapter on the French Presidency (chapter II).

⁴⁷ German chapter on the French Presidency (chapter II).

Repercussions of the 'Georgian' crisis

The Georgian crisis underlined once more the importance of stability and peace in the EU's neighbourhood. While most member states were highly satisfied with the common EU response to this crisis, the consequences for the future strategic goals of the European Neighbourhood Policy (ENP) and enlargement seem to be far from clear.

While some member states, like Hungary and Lithuania, emphasised especially the importance of the Eastern Partnership, others like Latvia highlighted the importance of offering a membership perspective for the Western Balkan countries, or the need for an "open door" policy of the EU, as stated for example in the Lithuanian report.

Looking into the reports, it can be observed that discussions about ENP seem to be of higher salience in Eastern European countries. The focus of many of these newer member states lies first and foremost on guaranteeing security, a statement emphasised by the Romanian Minister of Foreign Affairs describing the ENP as "instruments that we have at our disposal for pursuing our security policy in the neighbourhood".⁴⁸ Overall, despite the lack of clear strategic goals, it seems that the ENP is widely regarded as an important instrument to create a "ring of prosperous and democratic neighbours".⁴⁹

Another issue of high importance are relations with Russia – a topic that has been discussed very controversially in the reports. While the German and Luxembourg Minister of Foreign Affairs Frank-Walter Steinmeier and Jean Asselborn caution against the isolation of Russia,⁵⁰ other member states, for example Estonia, showed concerns about Russia being treated too privileged by stating that "Europe has not given its neighbours the same privileges as have been given to Russia".⁵¹ Concerning NATO enlargement, no European strategy could be observed. Some common ground was found concerning the need for stabilising conflicts between Russia and Georgia as well as Ukraine – with or without an enlargement perspective for the latter.

Financial crisis, energy security, and climate change high on national agendas

The other issues currently on national agendas show a picture of diverse national topics/events and common challenges. Besides internal problems like corruption scandals, all European countries are currently dealing with the consequences of the financial and economic crisis. Furthermore, the threat posed by the gas conflict between Ukraine and Russia, revitalised the discussions about securing energy supply. Throughout Europe the fight against climate change seems to be an issue of high salience. The consequences of illegal immigration is an urgent topic especially in, among others, Italy and Malta. Besides those Europe-wide concerns, exceptional internal events have taken place for instance, in Belgium, where the government resigned after a scandal in the twilight of the financial crisis. Also, Latvia is sincerely suffering from a loss of confidence in the national government, parliament and political parties.⁵² Furthermore, as covered by international media, Greece was hit by a wave of mass protests after the death of a 15-year-old, while Germany is celebrating the 20-years-anniversary of the fall of the Berlin Wall.

Outlook

Overall, what can be deduced from the country reports is that while the member states and the EU face many challenges, the general mood seems not to be too pessimistic. As mentioned in the Bulgarian report, a crisis can also be seen as a chance.⁵³ Thus, although at the beginning of 2009 there are still many uncertainties ahead, there might also be some opportunities lying ahead.

⁴⁸ Quotation taken from the Romanian chapter on the prospects for ENP and enlargement after 'Georgia' (chapter III).

⁴⁹ Mentioned in the Dutch chapter on the prospects for ENP and enlargement after 'Georgia' (chapter III).

⁵⁰ Mentioned in the Luxembourgian chapter on the prospects for ENP and enlargement after 'Georgia' (chapter III).

⁵¹ Quotation taken from the Estonian chapter on the prospects for ENP and enlargement after 'Georgia' (chapter III).

⁵² See Latvian chapter on current issues and discourses (chapter IV).

⁵³ Mentioned in the Bulgarian chapter on the future of the EU (chapter I.1).

In addition, the French Presidency also demonstrated the ability of the EU to reach results and effective policy making in 'vital'/popular areas such as energy, climate, immigration, etc., even in time of crisis.

What is reassuring is that almost four years after the French and Dutch 'No' to the Constitutional Treaty, the member states and the EU are still capable of policy-making, establishing new 'European' policies (e.g. energy policy), and dealing with current crises and challenges despite the increased internal heterogeneity after the 'big bang' enlargement in 2004/2007.



2009: A year of opportunities and uncertainties?

The year 2009 might be a year of opportunities and uncertainties with regard to

- (1) the future of the EU after the Irish 'No',*
- (2) renewed transatlantic relations after President Bush, and*
- (3) the financial crisis and challenges of global governance.*

Please respond to the detailed questions number 1-3 below and outline major trends, reactions and considerations of these issues in your country (refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion).

I.1

How does the future of the EU after the Irish 'No' look like?

- **Please refer to**
 - the conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty,
 - the upcoming European Parliament elections in June 2009,
 - the formation of the new Commission in autumn 2009,
 - the appointment of the High Representative.
- **Which long-term implications and scenarios for the integration process itself are expected and discussed?**

The future of the EU after the Irish 'No'

Austria*

Conclusions of European Council seen mainly positive

Wolfgang Schüssel, former Chancellor and current foreign affairs spokesman of the Austrian Peoples Party (ÖVP), stated that the solution found at the European Council in December 2008 was a good proposal for Ireland and that he expected the schedule for the Lisbon Treaty to stay on time. The Lisbon Treaty is in his words "the central core for the EU for the next years".⁵⁴

The decision to maintain the "one state – one Commissioner" principle was generally perceived positively, only Johannes Voggenhuber, MEP of the Greens, expressed his concern that this decision would lead backwards into a re-nationalisation of the Commission.⁵⁵

European Elections: Payoff or new chance?

The European Parliament elections in June 2009 are seen by the Austrian Freedom Party (FPÖ) as an opportunity for a payoff with the parties which denied Austrians a popular vote regarding the Lisbon Treaty. The party keeps emphasising that it is not against the EU as such, but that it wants the EU to change, as they see current developments as a huge mistake.⁵⁶

In November, European Parliamentarians of the Austrian Peoples Party (ÖVP) and of the Social Democrats (SPÖ) publicly announced that they expected more active pro-European politics from their parties back in Austria. There is a need for change, and a clear commitment to Europe in order to be able to work properly

* Austrian Institute of International Affairs.

⁵⁴ "Schüssel: EU-Gipfel unterbreitet Irland gutes Angebot", press release, available at: http://www.ots.at/presseaussendung.php?schluessel=OTS20081212_OTSO255 (last access: 17 February 2009).

⁵⁵ Johannes Voggenhuber: "EU-Gipfel: Mutlos, unentschlossen und zerstritten in die Krise", press release, available at: http://www.gruene.at/europaeische_union/artikel/lesen/38501/ (last access: 17 February 2009).

⁵⁶ "Strache: Regierung soll EU-Märchenstunde beenden", press release, available at: http://www.fpoe.at/index.php?id=477&backPID=616&pS=1233446399&tt_news=26964 (last access: 17 February 2009).

and credible regarding the upcoming elections in June 2009 for the European Parliament.⁵⁷

No candidate found for the new Commission

Regarding the formation of a new Commission in autumn 2009, the Austrian Government still has to decide who it will present as a candidate. However, some representatives of the Social Democrats have already signalled that this time, the party might raise claim to nominate the Austrian Commissioner. Nevertheless, commentators speculate that this is a part of the political bargain and that in the end, Chancellor Werner Faymann (SPÖ) will leave this post to the Austrian Peoples Party. The reason behind this might be that Faymann does not want to put his EU-critical track in doubt by sending a candidate from his party.⁵⁸

Besides, Austrians have generally reacted positively to the concessions made in consequence of the Irish 'No'. After all, this has enabled Austria to keep a post in the Commission, as already mentioned above.

Besides from the news that there would be an appointment, no statement could be found on the appointment of the High Representative for the Common Foreign and Security Policy.

The future of the EU after the Irish 'No'

Belgium*

Hope for an early second Irish referendum but no major concern about the future of the EU

The Irish 'No' created of course some concerns about the integration process and the future of the European Union (EU).⁵⁹ But Belgian politicians seemed to take a very pragmatic approach and were rather confident

⁵⁷ "EU-Abgeordnete von SPÖ und ÖVP fordern aktive Pro-Europapolitik", Der Standard, 18 November 2008, available at: <http://derstandard.at/druck/?id=1226397081337> (last access: 17 February 2009).

⁵⁸ "Nichts ist klar, Frau Kommissar", Der Standard, 8. January 2009, available at: <http://derstandard.at/druck/?id=1231151240812> (last access: 17 February 2009).

* Centre d'étude de la vie politique, Université libre de Bruxelles.

⁵⁹ See Knack, 6 November 2008, available at: www.knack.be (last access: 12 February 2009).

that a solution would be found for both Ireland and the EU. Globally speaking, press coverage did not reflect any major concern about the European integration process itself. It seems that the EU remains largely taken for granted by public opinion and politicians in Belgium. There were little doubts the crisis would end although there were some debates about the length of the current situation.

The Irish 'No'

The Belgian political elite, particularly the Prime Minister Yves Leterme, claimed to be willing to be patient and tolerant as they understood the troubles faced by the Irish government. However, although the Prime Minister noted that Ireland needs time to solve its problems, the only solution envisaged by Belgian politicians and media was the organisation of a second referendum that should take place quickly. Indeed, the only solution put forward in Belgium was the organisation of a new referendum on the Lisbon Treaty with a text that would take into account the so-called "four Irish problems", i.e. abortion, neutrality, fiscal autonomy and the national representation within the European Commission.⁶⁰ Moreover, it was highly expected that this referendum, this time, would be positive⁶¹ and would take place before the two major deadlines of 2009: the European Parliament elections and the formation of a new Commission in autumn.⁶²

Reform of the Commission

At the same time, the compromise that emerged after the European Council concerning the composition of the Commission is a very sensitive issue for the Benelux countries. With the original Lisbon Treaty, the Commission's reform was planned to increase its supranational character by diminishing the

number of Commissioners. The current compromise is seen as a step back as it still guarantees the representation of each member state within the Commission (one Commissioner per member state). The Belgian Prime Minister Leterme, thus wishes that this compromise will be temporary. Although the priority of the Belgian government is the treaty ratification, the Prime Minister stated that it should not happen at the expense of the treaty's essential elements or the efficiency of the European Commission.⁶³ Media coverage also insisted on the necessity for Ireland to organise a second referendum.⁶⁴

European elections

Other issues related to the EU's future were not much discussed during the semester.⁶⁵ European elections gained attention when the political parties published their electoral lists for these elections in January 2009.⁶⁶ This lack of attention can be explained by the fact that the European Parliament and regional elections are held the same day and the latter are perceived as much more important in terms of stakes by the population. Indeed, although participation rates are generally high in Belgium,⁶⁷ it is mainly because vote is compulsory and not because Belgians are interested in EU affairs or the European Parliament elections. This was confirmed by the "Eurobarometer Citizens and the 2009 European elections, results for Belgium" that showed that 53 percent of the Belgian respondents are not interested in these elections.⁶⁸

⁶⁰ See Le Soir, 11 December 2008, available at: www.lesoir.be (last access: 12 February 2009); De Standaard, 11 December 2008, available at: www.standaard.be (last access: 12 February 2009); De Morgen, 09 December 2008, available at: www.demorgen.be (last access: 12 February 2009).

⁶¹ See Knack, 9 July 2008, 6 November 2008, 17 November 2008, available at: www.knack.be (last access: 12 February 2009); Le Vif l'Express, 26 November 2008, available at: www.levif.be (last access: 12 February 2009); Several polls presented by the media showed that Irish people were in favour of the Lisbon Treaty.

⁶² See Le Soir, 11 December 2008, available at: www.lesoir.be (last access: 12 February 2009); Le Conseil européen de Bruxelles. 15 et 16 October 2008, Report realised for the Federal Advice Committee in charge of European affairs, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

⁶³ See Le Soir, 11 December 2008, available at: www.lesoir.be (last access: 12 February 2009); Knack, 10 December 2008, available at: www.knack.be (last access: 12 February 2009); De Standaard, 11 December 2008, available at: www.standaard.be (last access: 12 February 2009).

⁶⁴ See Knack, 9 July 2008, 6 November 2008, 21 November 2008, available at: www.knack.be (last access: 12 February 2009).

⁶⁵ The only fact that was noticed was that Belgium will lose two seats in the European Parliament after the 2009 election and there was a debate about which Belgian community should lose a seat. It was finally decided that both French-speaking and Dutch-speaking communities would lose a seat, see Knack, 27 November 2008, available at: www.knack.be (last access: 12 February 2009).

⁶⁶ See Knack, 22 January 2009, available at: www.knack.be (last access: 12 February 2009).

⁶⁷ Only 6 percent of the people declared they would not vote for the European Parliament elections, Special Eurobarometer 299: Citizens and the 2009 European elections. Results for Belgium, available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_299_b_e_en.pdf (last access: 12 February 2009).

⁶⁸ Ibid.

In conclusion, Belgians were not preoccupied with EU affairs during the second semester of 2008. In this regard, the major concern was the potential threat to the supranational character of the European Commission although the priority of Belgian politicians was still to find a solution after the Irish 'No'.

The future of the EU after the Irish 'No'

Bulgaria*

Reformulation of the relationship between citizens and political elites needed

The famous reference to the Chinese hieroglyphs depicting the term "crisis" by the notion of "opportunity", can describe very well the current situation in the EU after the Irish 'No'. The institutional crisis after the Irish referendum should be interpreted not only as a danger, but also as an opportunity. What the three consecutive referenda (France, Netherlands, Ireland) showed us, is that there is a noticeable lack of adequate communication between political elites and citizens about the actual and future priorities in the development of the Union. The current situation provides an opportunity both for the political elites and the citizens of the member states to reformulate their relations and to start thinking about the "EU project" not only as an elite-driven project but also as something that could be the product of a common effort. In this respect, the decisions of the European Council in December 2008 can be viewed as an attempt aimed at improving communication and at listening to the voices of citizens. The common agreement reached at this meeting concerning issues such as taxation, security and defence, the right to life, education and family, can be taken as an example of the willingness of EU leaders to listen to the demands of the (Irish) citizens. Without doubt, it is regretful that the Discussion about the Constitutional Treaty and the Lisbon Treaty did not receive broad public support in 2003 and 2004 before the referenda took place. The current situation looks more satisfactory. It was a mistake that the discussion before the start of the ratification procedures was focused mainly on "high level politics" and more attention was paid to such issues as the composition of the European Commission and the European Parliament, the redistribution of votes within the Council of the European Union and the appointment of a High Representative

for the Common Foreign and Security Policy rather than on problems of everyday life such as security, health care and education. During the ratification discussions, these questions overshadowed the institutional characteristics of the proposed treaties, a fact that indicates their significant importance for the European citizens.

In Bulgaria, the situation with the ratification of the Lisbon Treaty was quite different. There was no public discussion and it did not receive significant media coverage. Even the political attention to this treaty was minimal with some sporadic reactions of Bulgarian MEPs. Thus, the treaty was presented as something with little impact on Bulgarian politics and limited influence on the everyday life of Bulgarian citizens. Bulgaria was one of the first EU member states that ratified the treaty by parliamentary vote without long debates. In this conjuncture, it was natural to expect that the decision of the European Council on the Lisbon Treaty would not receive any media coverage and would not be discussed publicly. The only issue that was given attention by the media were the expressed positions of the leaders of France and Luxemburg, Nicolas Sarkozy and Jean-Claude Juncker, about the impossibility for the EU to continue its enlargement policy without the ratification of the Lisbon Treaty. Thus, the Bulgarian Minister of European Affairs, Gergana Grancharova, stated in her open speech at the ceremony for the presentation of the priorities of the French Presidency in Sofia that the ratification of the Lisbon Treaty has to continue because "it is highly important for us, as an external border of the EU and as a Balkan country, that European enlargement continues"⁶⁹.

The upcoming European Parliament elections in June 2009 unexpectedly turned out to be an important part of the Bulgarian political discourse. The reason is not the European Parliament election itself, but the fact that regular parliamentary elections will be held at the same time or one to two months later. As a result, Bulgarian politicians are intensively involved in discussions about the exact date of the national elections. One of the governing parties NDSV (National Movement for Stability and Progress, member of European Liberal Democrat and Reform Party, ELDR) proposed a formula named "2-in-1" implying that both the

⁶⁹ Speech of Bulgarian Minister of European Affairs Gergana Grancharova at the Conference presenting French Presidency priorities, Sofia, 23 June 2008, available at: www.mfa.bg (last access: 20 January 2009).

* Bulgarian European Community Studies Association.

European Parliament and the national parliamentary elections are to be held simultaneously. This position was supported by the Bulgarian President and by some small right-wing parties, members of the European People's Party (EPP), which are afraid that they lack the necessary organizational capabilities for two electoral campaigns one after the other. Bulgarian political parties standing in favour of the "2-in-1" option, worry that their expected low results at the European Parliament elections will have a strong negative impact on voters' behavior and support and that this will turn into a catastrophe during the general elections later. In this case, if the "2-in-1" proposal is accepted, the European Parliament elections will be completely overshadowed by the national ones since the public and media interest will concentrate overwhelmingly on the latter. The parties which firmly support the European and national elections to be held separately within the time frame of one to two months are the governing parties the Bulgarian Socialist Party, BSP (member of the Party of European Socialists, PES) and the Turkish Movement for Rights and Freedoms, DPS (member of the European Liberal Democrat and Reform Party, ELDR), which can rely on their strong and well organised electoral cores. These parties, famous for the solid and unquestioned support of their voters, are confident in their abilities to mobilize them for two consecutive campaigns, thus achieving better electoral results. If this happens, there is a chance the Bulgarian European Parliament elections in 2009 will focus not only on the current domestic political situation, but also on the more and more disputable relations between Bulgaria and the EU.

Regarding the present-day political situation in Bulgaria, it is not surprising that the discussion about the European Parliament elections is viewed in the perspective of their consequences for the results of the national parliamentary elections. Citizens' trust in the governing coalition is very low and there are indications for a growing popular discontent. As a result, one more time after the extraordinary 2007 European Parliament elections held in Bulgaria and Romania, the European Parliament elections in 2009 are perceived as second-order, "test-elections", without particular significance and meaning.

However, the Bulgarian media demonstrates some specific interest in the European elections, most of all, personality-wise. There

are speculations about future Bulgarian MEPs, indicating that most of the current MEPs will be candidates for the next European Parliament. According to some media sources, it is possible that the current Bulgarian Commissioner, Meglena Kuneva, heads the electoral list of the National Movement for Stability and Progress (NDSV), having the support of the current Bulgarian Minister of European Affairs Gergana Grancharova. Another issue related to the European Parliament elections, which received media attention, is the salary of Bulgarian MEPs – something that is understandable given the current economic situation in Bulgaria. The most recent news in Bulgaria connected with the upcoming European Parliament elections touch upon an ongoing scandal around the foundation of the pan-European Eurosceptic party "Libertas" where, surprisingly, the independent Bulgarian member of the parliament, Mincho Hristov, is involved as a founding member. In conclusion, the expectations for the 2009 European Parliament elections in Bulgaria are that these will be overshadowed again by explicitly domestic issues and problems without paying much attention to the EU problematic. The turnout results that can be expected are more or less similar to the ones of the 2007 European Parliament elections – around 29 percent.

The European Commission is perceived by most Bulgarian citizens as an institution of high importance, especially regarding EU funding for Bulgarian agriculture and infrastructural development. However, the formation of the new European Commission in 2009 is not a theme of the current Bulgarian public discourse. The only – not yet officialised – candidate for a future Bulgarian Commissioner is the incumbent European Commissioner for Consumer Protection, Meglena Kuneva. She is one of the few Bulgarian politicians who receive a high level of citizens' support in the country. In addition to her domestic popularity, she was elected by the on-line journal "European agenda" as Commissioner of the year in 2008. That is why her candidature will not be a surprise for anyone in Bulgaria. Regarding the nomination of a future President of the European Commission, the Bulgarian official position is not yet expressed.

As far as the position of the High Representative for the Common Foreign and Security Policy is concerned, both its institutional and personal aspects are not part of the Bulgarian public discourse. Now and

again, leading Bulgarian politicians declare support for the development of a strong common EU foreign policy, but this position has not been substantiated by any concrete engagements and steps. The words of Ivailo Kalfin, Bulgarian Minister of Foreign Affairs, in a recent interview for the Bulgarian National Television, could be interpreted along those lines: "Kosovo and Georgia are examples that the European foreign policy, although sometimes achieved with difficulty, is effective. Bulgaria has an interest in a strong Europe."⁷⁰

The future of the EU after the Irish 'No' **Croatia***

Croatian concerns about the enlargement prospects after the Irish 'No'

After the negative outcome of the Irish referendum on the Lisbon Treaty, Croatian media mostly focused on its impact on the further enlargement. In this context the media quoted optimistic statements from EU officials like the one made by Luc Van den Brande, President of the EU Committee of the Regions – during his visit to Croatia – that the country had made excellent progress toward the EU membership and should not be discouraged with the results of the Irish 'No'.⁷¹ This was also a central message of the international conference "Croatia Summit 2008" held in Dubrovnik on the 5 July 2008, as journalist Luka Brailo summarised. Croatian Prime Minister Ivo Sanader stated at the Summit that the Irish 'No' should not stop the enlargement and leave this part of the continent in undefined, disordered and uncompleted shape.⁷² Journalist Bruno Lopadić wrote that Irish rejection of the Lisbon Treaty came at the most unfortunate moment when the Union was expected to show all of its capabilities for cooperation and mutual work in facing the

needed changes and the upcoming financial crisis.⁷³

The conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty welcomed with a relief in Croatia

The political agreement between Ireland and the French Presidency in the eve on the December 2008 European Council dealing with the second referendum and possible ratification of the Lisbon Treaty by the end of 2009 was welcomed with relief by the Croatian public and government. Croatian Prime Minister Ivo Sanader was an optimist on the issue already during his visit to the Republic of Ireland in October 2008, after meeting with the Irish Prime Minister Brian Cowen, who stated that the Irish referendum should not be a problem for Croatian accession.⁷⁴ During his official visit to Croatia on 12 November 2008, the European Commissioner for the enlargement Olli Rehn, stated that even the slowest scenario of the ratification of the Lisbon Treaty was expected to be faster than the fastest scenario of Croatian accession.⁷⁵

Media analyses emphasised that the process of ratification of the Lisbon Treaty and Croatian negotiations with the EU are the two parallel ongoing processes. In this context, there is a chance for the simultaneous completion of the process of Croatian accession to the EU and ratification of the Lisbon Treaty as journalist Jurica Köbler wrote in November 2008.⁷⁶ Another journalist, Augustin Palokaj, stated that Croatia could even help in the salvation of the Lisbon Treaty.⁷⁷ Namely, there was an idea that Irish demands on ratification of all agreed guarantees regarding the Lisbon Treaty might be connected with the ratification of the future Croatian accession treaty and thus simplify the procedure. The so called 'Irish protocol', containing guarantees given to Ireland could become a part of the treaty.

⁷⁰ Interview of Bulgarian Minister of Foreign Affairs Ivailo Kalfin for the Bulgarian National Television (BNT); BNT1; "Denjat zapochva" program ("The Day Starts"), 10 October 2008, available at: www.mfa.bg (last access: 20 January 2009).

* Institute for International Relations.

⁷¹ Marijan Lipovac: "Croatia will enter in the EU since this is what Union wants", statement of the president of the EU's Committee of the Regions, Luc Van den Brande, quoted in Vjesnik, 9 July 2008, p. 3.

⁷² Luka Brailo: "Croatia and countries in the region encouraged in they way toward EU", Novi list, 6 July 2008, p. 6.

⁷³ Bruno Lopadić: "Concessions to Ireland for the Lisbon Treaty", Vjesnik, 8 December 2008, p. 11.

⁷⁴ Statement of the Croatian Prime Minister Ivo Sanader on 9 October 2008 during his visit to Ireland, available at: http://www.javno.com/hr-hrvatska/irski-referndum-ne-bi-trebao-biti-problem-za-rh_190765 (last access: 10 March 2009).

⁷⁵ Statement of Olli Rehn during his official visit to Croatia in November 2008, website of the Delegation of the European Commission to Croatia, available at: <http://www.delhrv.ec.europa.eu/hr/content/news/id/1403> (last access: 15 January 2009).

⁷⁶ Jurica Köbler: "We are entering in to the Union in the year 2010 or 2011", Vjesnik, 8/9 November 2008, p. 25.

⁷⁷ Augustin Palokaj: "Croatia can help in the salvation of the Lisbon Treaty", Jutarnji list, 11 December, p. 8.

The comments in political daily "Vjesnik"⁷⁸ particularly welcomed the European Council's endorsement of the Commission's new Enlargement Strategy.⁷⁹ Expectations that Croatia might become EU member in 2010 or 2011 are widely spread in the Croatian public by the media. Views expressed by the EU officials during December 2008 European Council meeting that an indicative and conditional timetable for conclusion of negotiations with Croatia by the end of 2009 is a useful tool and was commented in Croatian media. Vladimir Drobniak, head of the Croatian accession negotiation team expressed his satisfaction with the Council's conclusions related to the Enlargement Strategy.⁸⁰

Concessions given to Ireland in the European Council's conclusions considering the posting of an EU Commissioner for Ireland, guarantees of neutrality as well as family and labour law issues, were elaborated on by the Croatian press.⁸¹ Some media reports speculated on the date of the second referendum in Ireland, with most of them expecting that it might happen at the end of 2009 (Croatian journalist, Ines Sablić)⁸² or in October or November 2009 (Vesna Roller).⁸³ In the second half of December 2008, the Croatian media's focus considering EU issues shifted from the European Council's conclusions on the Lisbon Treaty to the Slovenian blockade of the Croatian accession negotiations. Professor of Political Science at Zagreb University, Damir Grubiša, commented that concessions given to Ireland should enable the Irish Government to successfully pave the way for the Lisbon Treaty ratification.⁸⁴ However, his opinion is that the Slovenian blockade of the Croatian accession negotiations, leading to a slowing down of the Croatian accession process at the same time endangers the faith of the Lisbon Treaty, because it means that the ratification of the Irish guarantees would also be postponed.

⁷⁸ "Negotiations entering in the decisive stage", Vjesnik, 9 December 2008, p. 3.

⁷⁹ European Commission: "Enlargement Strategy and Main Challenges 2008-2009", 5 November 2008. COM(2008) 674 final.

⁸⁰ Bruno Lopadić: "Drobniak satisfied with Conclusions of the European Council", Vjesnik, 11 December, p. 27.

⁸¹ Bruno Lopadić: "Concessions to Ireland", Vjesnik, 11 December 2008, p. 10.

⁸² Ines Sablić: "Lisbon Treaty-preparations for the EU Summit", Slobodna Dalmacija, 11 December 2008.

⁸³ Vesna Roller: "EU agrees to Irish demands", Novi list, 12 December 2008, p. 6.

⁸⁴ Damir Grubiša: "European horoscope for 2009", Europa, 6 January 2009, p. 1.

The upcoming European Parliament elections in June 2009 has so far attracted little attention in Croatia

As Croatia is not an EU member, the upcoming EU Parliament elections are presently not focused on or given attention by political parties and the general public.

In hope that the accession process might be completed by mid 2009, the Croatian government has adopted a proposal for an act on elections of Croatian members of the European Parliament in the summer of 2009. However, it has become clear that Croatian citizens will not be able to participate in the 2009 European Parliament elections and the government has revoked the urgent procedure for this legislative proposal on 10 July 2008. Siniša Rodin, university professor of EU Law at Zagreb Law Faculty, warned on his blog page on the possibility that an act on elections of Croatian members of the European Parliament proposed by the government might be in direct violation of the EU Law anti-discriminatory clause from Directive 93/109/EC. The reason for it is the fact that voting in Croatian diplomatic offices abroad is still reserved exclusively only for Croatian citizens which means that (other) EU citizens would not be able to use this privilege.⁸⁵

Croatian media are also dealing very little with the upcoming European Parliament elections in June 2009. Croatian journalist Vesna Roller in her comment in December 2008, concluded that it has become quite clear that reaching the goal of the Lisbon Treaty ratification before the 2009 elections for the European Parliament is impossible and the new goal is the end of the 2009 or the beginning of the 2010.⁸⁶

The formation of the new Commission in autumn 2009

During the reporting period, Croatian media were not dealing at all with the formation of the new European Commission in the autumn of 2009. The political parties were also not discussing it so far.

The appointment of the High Representative not in focus in Croatia

⁸⁵ Siniša Rodin: Izbori za Europski parlament u Hrvatskoj, available at: <http://pravo-eu.blogspot.com/2008/06/izbori-za-europski-parlament-u.html> (last access: 15 January 2009).

⁸⁶ Vesna Roller: "European Council meeting begins", Novi list, 11 December 2009, p. 28.

Croatian media so far has paid little specific attention to the appointment of the future High Representative for the Common Foreign and Security Policy. However, some of them speculated on possible candidates for the position of the future President of the European Council under the provisions of the Lisbon Treaty. For instance, in an article by journalist Martina Hrupić Danish Prime Minister Fogh Rasmussen was mentioned as a potential favourite, but Bertie Ahern, Jean-Claude Juncker, Tony Blair and Angela Merkel, were also among others mentioned.⁸⁷

Long-term implications of Irish rejection concerns analysts in Croatia

Croatian political scientist Anđelko Milardović commented in his newspaper column that Irish referendum on the Lisbon Treaty, as well as previously the destiny of the Constitutional Treaty, had clearly shown that the concept of a Europe as a superpower seems to be in nobody's best interest. He elaborates on possible scenarios for the development of the European integration process among which one might be a total weakening of integration (first scenario), closed core Europe and lose of the consensus between member states (second scenario) and possibility of further enlargement and successful institutional reforms (optimistic scenario)⁸⁸. Luka Brkić, professor at the Zagreb Faculty of Political Science stated in his interview that current global developments reflect the relationship between the obsolete political and economic powers. He said that the EU must impose itself as a strong global player, become a leader and impose its model in coping with a current crisis. The fate of the EU is in integration, but the Union has reached the level where it faces the following problems: one side of the problem is the fact that the EU is not (neither will it become) a nation state, there is a multi-level governance of EU bodies and national governments; while on the other side there is a need of achieving deeper political integration. The question is how to solve effectively these problems without bringing into question future integration progress.⁸⁹

⁸⁷ Martina Hrupić, Jutarnji list, EU & Hrvatska supplement, 19 August 2008, p. 35.

⁸⁸ Anđelko Milardović: "The EU Conceptual Issues and possible scenarios", Vjesnik, July 4, 2008. Available at: <http://www.vjesnik.hr/Html/2008/07/04/Clanak.asp?r=sta&c=1> (last access: 16 March, 2009).

⁸⁹ Neven Šantić: Interview with Luka Brkić, "EU should impose its leadership", Europa, supplement of Novi list, 2 December 2008, p. 5.

The future of the EU after the Irish 'No'

Cyprus*

European Council's decision will help to overcome the institutional crisis

The Irish rejection of the Lisbon Treaty was perceived by the vast majority of Cypriots as a serious setback in the efforts for a stronger and more democratic European Union. The conclusions of the European Council of December 2008 regarding the fate of the Lisbon Treaty, even though it was not widely covered by the Cypriot mass media, was perceived by many of our interlocutors as a step forward towards a more coherent and efficient European Union.⁹⁰

Commenting on the conclusions of the European Council, Cypriot President, Demetris Christofias, expressed his overall satisfaction, adding that the decisions taken by the EU leaders during the European Council of December 2008 will help the EU to overcome the institutional crisis caused by the Irish rejection of the Lisbon Treaty.⁹¹

Moreover, diplomats conveyed to us their intuition that the agreement reached during the December 2008 EU Summit, regarding the European Commission's constitution of one Commissioner from each member state, will be beneficial to small members such as Cyprus.⁹² On the other hand, the diplomats pointed out that, as the Treaty of Lisbon needs to be ratified by all member states in order to obtain legal force, and since this did not happen as scheduled by the end of 2008, the treaty will come into force on the first day of the month following the last ratification. Our interlocutors, however, did not preclude the possibility that perhaps new obstacles might be raised by other member states that have not yet ratified the treaty.

It must be noted that the Cypriot House of Representatives had ratified the Treaty of Lisbon on 3 July 2008. At a day-long session, 31 votes were cast in favour, 17 against, while

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⁹⁰ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, January 2009.

⁹¹ Demetris Christofias, President: Statements, Brussels, 12 December 2008 (as reported by all Cypriot media).

⁹² Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, January 2009.

one MP abstained.⁹³ Cyprus was the twentieth EU member state to ratify the treaty. Main opposition party, Democratic Rally (DISY), coalition parties Democratic Party (DIKO) and Socialist EDEK, and opposition European Party EVROKO, voted in favour of the treaty. The only party opposed was the ruling Communist party AKEL, whose leader, President Christofias, later stated that, as elected President of the Republic, he had to honour the signature of his predecessor and support the treaty.⁹⁴ The Cyprus Green Party abstained, not, as it said, because it was against further European integration, but because of the non-democratic way the treaty was being promoted.

The parties which voted in favour of the Lisbon Treaty, in speeches delivered by their MPs and party leaders, stressed that the treaty, despite its weaknesses, is the way for the EU to move forward and unify Europe, strengthen the role of Cyprus within the EU, strengthen the powers of the European Parliament and national parliaments, and help the EU gain a strong voice on the international scene.⁹⁵ They criticised the stance held by ruling Communist party AKEL and said that the treaty will strengthen institutions which contribute to the security of Cyprus and will provide Cyprus with added instruments in its efforts for a political settlement.

Opposition DISY leader Nicos Anastasiades also said that the ratification of the treaty sends a positive message to the rest of Europe. AKEL MPs, in justifying their opposition, said that the treaty represents a neo-liberal approach, that European citizens have not been properly informed on the provisions of the treaty, that it weakens smaller EU member states like Cyprus, that markets will be completely deregulated therefore hurting consumers, and that the NATO alliance remains the main European defence structure. The leader of AKEL's party group in the parliament, in responding to criticism by the other parties on its position on the Lisbon Treaty, noted that, since President Christofias was elected to office, support for the EU amongst the Cypriots of the free part of the

Republic had risen by 20 percent. The leader of the Green Party in his speech clarified that his party is certainly not opposed to the EU "moving forward"; however, he called both for a better treaty and for the treaty to be submitted to a referendum in all EU member states. Most MPs maintained that Cypriots were unaware of the provisions of the Lisbon Treaty and that more awareness-raising was necessary.

The political parties' debate on the Treaty of Lisbon and each party's arguments were perceived by political analysts as a reliable indication of the orientations each party will develop during the forthcoming European Parliament elections of June 2009. Thus, it had been assumed that, during the forthcoming campaign, the ruling AKEL party would follow a more Cypro-centric agenda, while the main opposition party DISY, but also government coalition parties DIKO and EDEK, would follow a more Euro-centric approach but coupled with strong elements related to the Cypriot Republic's "existential" political problem.

Most of these assumptions were largely verified during the first public debate on the 2009 European Parliament elections, held in the studios of the "Cyprus Broadcasting Corporation" on 9 February 2009. Representatives of most Cypriot political parties voiced optimism about greater voter participation this time.⁹⁶ Simultaneously, they committed themselves to communicate more effectively to the public the importance of their vote for the day-to-day issues that concern all Cypriots. This, then, was a telling departure from the 2004 election when the Cyprus problem was nearly the sole issue that preoccupied the voters and nearly all political parties. In the debate on 9 February 2009, there was widespread agreement that, together with the Republic's national, existential problem, the most crucial and urgent issues faced by the Cypriot public are those of the global economic crisis, illegal immigration, crime, and energy. An even more activist performance in the future by the Cypriot MEPs on a broad European Parliament agenda was also considered most appropriate, since it could also serve to increase the EU's involvement in and further concern about the Republic of Cyprus' problem of partial occupation by a candidate state.

⁹³ Discussion in the House of Representatives on the Lisbon Treaty, 3 July 2008 (as reported by all Cypriot media and the Cyprus News Agency).

⁹⁴ Demetris Christofias, President: Statements, Brussels, 3/4 July 2008 (as reported by all Cypriot Media).

⁹⁵ Discussion in the House of Representatives on the Lisbon Treaty, 3 July 2008 (as reported by all Cypriot Media and the Cyprus News Agency).

⁹⁶ For an account of the 2004 European Parliament election in Cyprus, see Costas Melakopides: 'Cyprus', in: Juliet Lodge (ed.): *The 2004 Elections to the European Parliament*, Houndmills, UK 2005, pp. 73-80.

Concerning the appointment of the High Representative for the Common Foreign and Security Policy, our interlocutors in the Ministry of Foreign Affairs believe that this is certainly a move towards better coordination among the EU-27 and further integration especially in the sector of the Common Foreign and Security Policy.⁹⁷ On the other hand, some Cypriot political analysts argue that the position of the High Representative, currently held by former NATO Secretary General Javier Solana, raises some concerns whether this is a step towards further 'European integration' or a step which enforces the Euro-Atlantic core of the EU. Nevertheless, it is also hoped that Barack Obama's election to the US Presidency may well align the two diverse tendencies in the future.

The future of the EU after the Irish 'No' Czech Republic*

The parliament will finally decide on the Lisbon Treaty

If we look at the political discourse in the country, the long term consequences of the problems of ratifying the Lisbon Treaty are discussed only to a limited degree. Since the Czech Republic has not yet ratified the treaty, the debate is still primarily about whether to ratify it or not. It is foremost the critics of the treaty that actively stress that the treaty would radically change the EU. The advocates, on the other hand, tend to emphasise that the treaty will improve the functioning of the EU without providing any radical changes.⁹⁸ In the academic debate, some of the think tanks have engaged in more long term reflections on what could be the consequences of a failure to ratify the Lisbon Treaty, if, for instance, it could open the door to an EU based on flexible integration.⁹⁹

In the Czech Republic the fate of the Irish ratification of the Lisbon Treaty has been awaited with great interest since this has

become important also for the Czech ratification of the treaty. President Václav Klaus has argued that he will not ratify the treaty before the Irish have decided on the issue.¹⁰⁰ The conclusions of the December 2008 European Council might even, if only to a limited degree, be helpful also for the Czech Ratification. During the negotiations on both the Constitutional Treaty and the Lisbon Treaty, it has been widely demanded that the Czech Republic should be allowed to keep its commissioner. Therefore, it seems that the change that would allow each member state to have its own commissioner beyond 2014 at least would not have a negative impact on the likelihood of the Czech Ratification.¹⁰¹ Furthermore, the Czech government has welcomed the Irish demands for legal guarantees regarding tax neutrality in relation to the Lisbon Treaty, and Prime Minister Topolánek has argued that such guarantees should be binding for all countries.¹⁰²

The most well known Czech critic of the Lisbon Treaty, however, President Václav Klaus, has condemned the non-systematic way of changing what was decided in the treaty, even if he, in principle, is not against the "one country, one commissioner" principle.¹⁰³ Therefore, the outcome of the December 2008 European Council has not changed his opinion on the treaty, and it is debatable what impact the Irish deal can have on the members of the upper chamber, who still have not voted on the treaty. In the Chamber of Deputies the treaty was finally accepted after several delays in February 2009.

The Czech Republic, as the presiding country of the EU, is in a peculiar position since the

⁹⁷ Interviews conducted by Christos Xenophonos at the Cypriot Ministry of Foreign Affairs, Nicosia, January 2009.
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⁹⁸ For a good example see Monika MacDonagh Pajeroová: ale akceschopná EU se bez smlouvy neobejde (an efficient EU cannot do without the treaty) available at: <http://www.anoproevropu.cz/cs/articles/archive023.html> (last access: 21 January 2009).

⁹⁹ See, e.g., David Král: Multi – speed Europe and the Lisbon Treaty – threat or opportunity?, available at: <http://www.europeum.org/doc/pdf/895.pdf> (last access: 21 January 2009).

¹⁰⁰ Lisabonská smlouva nejde proti české ústavě, rozhodl soud (The Lisbon Treaty is not in contradiction to the Czech Constitution, said the court), 26 November 2008, available at: http://zpravy.idnes.cz/lisabonska-smlouva-nejde-proti-ceske-ustave-rozhodl-soud-pm5-/domaci.asp?c=A081126_085053_domaci_adb (last access: 21 January 2009).

¹⁰¹ Každý stát EU bude mít dál eurokomisaře (All EU states will continue to have a Euro-commissioner), 12 December 2008, available at: http://www.ceskenoviny.cz/tema/index_view.php?id=349507&id_seznam=21 (last access: 21 January 2009).

¹⁰² Blahoslav Hruška: Podle Topolánka začne Lisabon platit na konci roku 2009 (According to Topolánek the Lisbon Treaty will come into force at the end of 2009), 12 December 2008, available at: <http://aktualne.centrum.cz/euro/rubrika/clanek.phtml?id=624657> (last access: 21 January 2009).

¹⁰³ Klaus nesouhlasí s tím, jak Brusel přistupuje k lisabonské smlouvě (Klaus does not agree with the way Brussels approaches the Lisbon Treaty), Czech News Agency, 12 December 2008.

country will have to lead the negotiations with Ireland regarding the details of the deal that should be the base for a second referendum in the country, but simultaneously the ratification of the treaty is not yet secured in the Czech Republic. Since the Constitutional Court in November stated that the Lisbon Treaty, at least in the points the Court analysed, is not in contradiction with the Czech Constitution, it seems that it will be solely a political question whether to ratify the treaty. However, the court dealt only with a specific number of questions that had been specified by the Senate, and even if it seems unlikely, it cannot be ruled out that either a group of MPs, senators or the president will put a new request to the Court with substantially different questions regarding the compatibility of the Lisbon Treaty and the Czech Constitution.¹⁰⁴

The Chamber of Deputies should have voted on the treaty in December at the initiative of the Social Democrats, but the vote was postponed until February since the treaty proponents were uncertain as to whether they would manage to get the necessary 3/5 majority in favour of the treaty.¹⁰⁵ In the end the treaty received the support of 127 of the 200 members of the lower chamber. The MPs who supported the ratification were the ones from the biggest opposition party, the Social Democratic Party, the two minor coalition parties in the current governing coalition, the Christian Democrats and the Greens, and parts of the major governing party, the Civic Democratic Party (ODS). However, a fraction of the ODS (34 of 76 the party's MPs) voted against the treaty.¹⁰⁶ The party convention of the ODS called for a deal that would be based on a trade-off with the Social Democrats. The part of the ODS sceptical of the Lisbon Treaty, which might be more crucial in the Senate than in the Chamber of Deputies, would support it in exchange for a Social Democratic support of the US radar base (a part of the US antimissile

system) planned to be built in the Czech Republic.¹⁰⁷ The Senate has postponed the voting on the Lisbon Treaty and in March 2009 it was still uncertain when this would take place.¹⁰⁸

In the aftermath of the debates on the Lisbon Treaty, one new political party has been formed in the Czech Republic. The Civic Democratic Party (ODS) struggled with internal disputes partly as a consequence of the party's recently more EU friendly approach. At the party's convention the party's former strong man and founder, the current president Václav Klaus, left the party. Petr Mach, who is the chair of the think tank at the Center for Politics and Economy, which was founded by Václav Klaus in 1998, thereafter founded a eurosceptic political party; the Party of Free Citizens. Among the founders of the party, there are several persons who are close to Klaus: three current members of the Chamber of Deputies from the ODS have declared that they support this new party, and among the founders of the party are also one of Klaus' advisors as well as both his sons.¹⁰⁹ Libertas will also be a candidate in the election to the European Parliament in the Czech Republic. It is so far little known who will actually be the candidate for Libertas, but the controversial former director of the private TV channel, Nova, and current MEP, Vladimír Železný, is one of the persons behind the registration of Libertas in the Czech Republic.¹¹⁰

The ratification problems of the Lisbon Treaty have also forced the Czech Presidency to start considering how the new Commission should be formed in autumn. The government has stated that the presidency is working with two possible scenarios. The first scenario is that the Lisbon Treaty would come into force at the end of 2009 and the old Commission would

¹⁰⁴ Lisabonská smlouva nejde proti české ústavě, rozhodl soud (The Lisbon Treaty is not in contradiction to the Czech Constitution, said the court), 26 November 2008, available at: http://zpravy.idnes.cz/lisabonska-smlouva-nejde-proti-ceske-ustave-rozhodl-soud-pm5-domaci.asp?c=A081126_085053_domaci_adb (last access: 21 January 2009).

¹⁰⁵ Sněmovna přerušila jednání o lisabonské smlouvě do počátku února (The Chamber of Deputies interrupted the debate on the Lisbon Treaty until the beginning of February), Czech News Agency, 9 December 2008.

¹⁰⁶ Sněmovna schválila lisabonskou smlouvu (The Chamber of Deputies endorsed the Lisbon Treaty), available at: <http://www.ceskenoviny.cz/zpravy/snemovna-schvalila-lisabonskou-smlouvu/361043> (last access: 16 March 2009).

¹⁰⁷ The actual resolution of the party convention is formulated rather vaguely, but it states that MPs from the party can vote according to their own preferences regarding the Lisbon Treaty and that the radar base is a priority. See Usnesení 19. Kongresu ODS (Resolutions of the 19 Congress of the ODS), available at: <http://www.ods.cz/kongres/?id=vystupy&sub=607>, (last access: 21 January 2009).

¹⁰⁸ Senát schvalování lisabonské smlouvy o měsíc odložil (The senate postponed the ratification of the Lisbon Treaty by one month), Czech News Agency, 10 December 2008.

¹⁰⁹ Strana svobodných občanů (The Party of Free Citizens), available at: <http://www.svobodni.cz/> (last access: 21 January 2009).

¹¹⁰ Czech MEP Zelezny establishes Libertas.cz movement, 20 January 2009, available at: <http://www.ceskenoviny.cz/domov/zpravy/vladimir-zelezny-zalozil-hnuti-libertas-cz/355977?id=355992> (last access: 21 January).

then get an extended mandate until this happens. That would solve the problem of the number of Commissioners in the new Commission, since the Lisbon Treaty postpones this reduction of Commissioners at least until 2014. The second scenario is that if the Lisbon Treaty will not come into force during the autumn, the number of Commissioners will have to be lowered. Therefore, the Czech government aims at reaching a deal concerning a reduced number of Commissioners during the Czech Presidency in case the Lisbon Treaty cannot come into force. One version that is discussed is one in which there would be 26 Commissioners and the country without a Commissioner would, as compensation, receive the High Representative for the Common Foreign and Security Policy.¹¹¹

The Czech government has not yet expressed any official view either regarding who will be nominated as the new Czech Commissioner or regarding which portfolio this person ideally should have. Deputy Prime Minister for European Affairs Alexandr Vondra, however, has argued that the Czech Republic should aspire toward any of the following resorts in the new Commission: energy, communication, environment or external relations (although the preferred resort is energy). All these policy fields are considered to be of crucial importance to the Czech Republic.¹¹² The Social Democrats wanted to see the current Commissioner, Vladimír Špidla, as the election leader to the European Parliament, but he declined the offer.¹¹³ The former Prime Minister might receive the backing of the Social Democrats if he would attempt to defend his position in the Commission. It is, however, unlikely that the current governing coalition would support his name, even if it cannot be excluded that such a deal could be made. In Czech newspapers, there have also been

¹¹¹ Česko chce hledat záruky pro ratifikaci Lisabonu v Irsku (The Czech Republic wants to find guarantees for the ratification of the Lisbon Treaty in Ireland), 8 January 2009, available at: http://zpravy.idnes.cz/cesko-chce-hledat-zaruky-pro-ratifikaci-lisabonu-v-irsku-pk5-domaci.asp?c=A090108_181558_domaci_pje (last access: 21 January).

¹¹² Vondra: ČR bude chtít eurokomisaře pro energetiku (Vondra: CZ would like a Euro-commissioner for energy), 11 November 2008, available at: http://www.lidovky.cz/vondra-cr-bude-chtit-eurokomisare-pro-energetiku-fbu-/ln_eu.asp?c=A081111_162206_ln_eu_ter (last access: 21 January).

¹¹³ Širší vedení ČSSD a KSČM budou připravovat eurovolby (The broader leadership of ČSSD and KSČM will prepare for the Euro election), Czech News Agency, 12 December 2008.

speculations about the current Prime Minister as a potential new Commissioner given the instability of the current governing coalition.¹¹⁴

The future of the EU after the Irish 'No'

Denmark*

Lisbon Treaty and Danish opt-outs

In general, the solution to the ratification crisis was met with great satisfaction in Denmark and was conceived as a sign that the EU, despite crisis, is still able to find a common way forward. The renewed will to reach consensus and produce results was interpreted as a result of the effective leadership of the French Presidency, and as a result of the current financial crisis and the economic recession which have created a need for the member states to move closer together.¹¹⁵

Prior to the European Council meeting, the Danish Prime Minister, Anders Fogh Rasmussen, voiced satisfaction with Ireland holding a second referendum with concessions from the EU on the right to keep one Commissioner per country. The concession was easy to grant for the Danish government as the Danish debate on the Lisbon Treaty had also showed concerns about reducing the size of the Commission.¹¹⁶

The Danish government is concerned about a possible 'No' in the second Irish referenda. This will not only drag the Union into another crisis but would also have serious consequences for the possibility of abolishing the four Danish opt-outs. The Danish government has promised to hold a referendum on the opt-outs before the next national elections in 2011. Rasmussen has on a number of occasions declared that it is meaningless to hold a referendum on the Danish opt-outs before the ratification crisis is solved and the Lisbon Treaty has come into force.¹¹⁷

¹¹⁴ Lucie Tvarůžková: Po uši v Bruselu, Hospodářské noviny, 29 December 2008.

* Danish Institute for International Studies.

¹¹⁵ Berlingske Tidende: Krisen bringer det bedste frem i EU, available at: <http://www.berlingske.dk/article/20081212/kommentarer/712120119> (last access: 23 January 2009).

¹¹⁶ Berlingske Tidende: Ny irsk afstemning skal løse EU-krise.

¹¹⁷ Jyllands Posten: Irland på vej mod ny afstemning.

A second Irish 'No', together with an anti-European UK government is likely to lead to a multi-speed Europe. This might include the use of 'enhanced cooperation' involving closer cooperation amongst smaller groups of member states (such as EMU and the Social Chapter inside the EU; and the Schengen and Prüm Treaties outside the EU). The three most likely arenas for such closer cooperation are defence and security policy, the Eurogroup, and police and judicial cooperation, all areas from which Denmark has opted out.¹¹⁸

A possible Euro-referendum

Meanwhile, the financial crisis has changed the opt-out agenda of the government as the factual consequences of being outside the Eurozone have been revealed. A political debate on joining the common currency has been revived after the Danish National Bank was forced to increase interest rates twice to defend the Krone's peg to the Euro. This caused a record interest rate spread between the Danish National Bank and the European Central Bank of 175 basis points compared to 25 basis points in May. This scenario is threatening to push property prices further down, hurt industry and further depress the economy. In an interview with "The Financial Times", Nils Bernstein, Director of the Danish National Bank, declared that Denmark is paying the price of not adopting the Euro even though last month's rise in interest rates has been successful in stopping pressure on the Krone. He noted: "The pressure on the currency seems to be over but you can't be sure."¹¹⁹

According to estimates from the Danish Industry Confederation (DI), Danes risk paying 4.5 billion Danish Kroner for being outside the common currency due to the high interest rate spread. This is especially critical for flexible mortgage holders.¹²⁰ The Danish Metalworkers' Union (Dansk Metal) argues that the interest spread has caused a significant decrease in salary advances among metalworkers and is therefore recommending a

referendum on the Euro as soon as possible.¹²¹

The Danish Prime Minister, Anders Fogh Rasmussen, has initiated talks with opposition parties on the possibility of holding a referendum. On 22 January 2009, a hearing on the Euro was held in the Danish Parliament. The main obstacle for the Danish government is to get the leftwing Socialist People's Party (SF) on board which ranks a strong third in opinion polls. The SF is still split on the issue. Rasmussen had indicated the beginning of 2010 as a good time for holding a referendum, after the Irish vote and before the next Danish Parliament elections in 2011. The SF has put forward three demands on changing the Euro construction before recommending a 'Yes'. One is a demand for a stronger emphasis on high employment instead of low inflation.¹²²

A new survey carried out by "Capacent Opinion" shows that 50 percent of Danes support the Euro while 39 percent are against it. Only 26 percent of the respondents said they want a referendum as soon as possible.¹²³

The upcoming European Parliament elections

It is likely that one or more Danish parties will lose their seats in the European Parliament when the Danish number of parliamentarians will go down from 14 to 13.¹²⁴

Denmark also expects to see a generational shift in the Danish Members of the European Parliament (MEPs) since a number of current MEPs are not running for re-election (Poul Nyrup Rasmussen, Karin Riis Jørgensen, Mogens Camre and Jens-Peter Bonde). The average age of the youngest candidates of the four largest parties is only 23 years.¹²⁵ The generational shift might put an end to the

¹¹⁸ Mette Buskjær Christensen and Ian Manners, DIIS Brief: The Irish opt-outs from the Lisbon Treaty?: lessons of the Danish experience, available at: <http://www.diis.dk/sw69770.asp> (last access: 23 January 2009).

¹¹⁹ Financial Times: Denmark is bearing the cost of being outside euro, available at: http://www.ft.com/cms/s/0/e8f45eb0-b05b-11dd-a795-0000779fd18c_i_email=y.html (last access: 26 January 2009).

¹²⁰ DI Business: Euro-forbehold giver milliardregning, 3 November 2008.

¹²¹ 3f.dk: Euro-forbeholdet koster metalarbejderne dyrt, available at: <http://forsiden.3f.dk/article/20090122/NEWSPAQ/901220382/> (last access: 26 January 2009).

¹²² Kristeligt Dagblad: Søvnald og Fogh i kamp om euro – grundlov, available at: <http://www.berlingske.dk/article/20090121/politik/901210422/> (last access: 26 January 2009).

¹²³ Ritzaus Bureau: Danskerne: Vent med euroafstemning, 21 January 2009.

¹²⁴ Jyllands-Posten: Europæiske vælgere sætter dagsordenen, 31 December 2008.

¹²⁵ Ritzaus Bureau: Unge stiller op til Europaparlamentet, 31 December 2008.

notion of the European Parliament as the last stop before ending the political career.¹²⁶

The European election campaign has not yet begun and there has hardly been any debate in the media. The Danish Prime Minister, Anders Fogh Rasmussen, from the Danish Liberal Party has declared the possibility of a pact between the Liberals and the "European People's Party – European Democrats" (EPP-ED) after the 2009 elections which would give the "Party of European Socialists" (PES) a minor say: "I favoured strongly the past alliance between the EPP and the Liberals in the Parliament [...] in my opinion, this is the natural cooperation in the parliament. I will work in that direction."¹²⁷

The formation of the new Commission and the appointment of the High Representative

Neither topic has been subject to intense debates in Denmark. The Danish government has declared its support for the re-election of José Manuel Barroso as President of the Commission.¹²⁸ The Danish media still portrays the Danish Prime Minister, Anders Fogh Rasmussen, as a possible candidate for the position as President of the European Council if the Lisbon Treaty comes into force. Speculations about Rasmussen as a possible candidate for the position as the new Secretary General of NATO have also been highlighted.¹²⁹ Rasmussen has not formally announced his candidature to any of the mentioned international posts.

The future of the EU after the Irish 'No'

Estonia*

A threat to Estonia's long-term priority of enlargement?

Attitudes towards the EU in Estonia must be interpreted in the context of the economic crisis that hit Estonia full force in the end of 2008 (GDP is forecasted to decline by 5.5 percent in 2009). In this context, membership in the EU is

seen as a source of stability. In a recent speech to the Parliament on the government's EU policy, Prime Minister Ansip called on the public to reflect on the situation that Estonia would be in today were it not a member of the European Union. According to Ansip, it would be clear that in that case: "Estonia's security would be more fragile, the economic decline would be deeper and it would be inappropriate to use the word welfare to describe the ability of the citizens to cope economically. All European countries that do not belong to the EU, be they more prosperous than Estonia, such as Iceland, or poorer, such as Moldova, are having a harder time today than the countries that are members of the Union".¹³⁰

This sentiment appears to be shared by the general public: according to the recent Eurobarometer survey, Estonians are more confident than any other nation in the EU that their country has benefited from being a member of the Union (78 percent responded affirmatively to this question).¹³¹

The Estonian Parliament ratified the Lisbon Treaty on 11 June 2008 (one day before the Irish referendum) and the domestic ratification process was completed a week later with the President signing the relevant legislation. The Irish referendum result was perceived as a disappointment but Estonia's leaders have insisted that the decisions of the Irish people "must be respected" and no one has the right to call on Ireland to halt its membership in the European Union.¹³² According to President Ilves, "there are no simple solutions, but the solutions exist and the EU has to find them jointly".¹³³ Estonia's leaders have joined others in the EU in calling for continued ratification of the treaty in the other member states. The main value of the Lisbon Treaty for Estonia appears to lie in strengthening of the common foreign policy: "We cannot leave the EU without a common and strong foreign policy and without a strong decision-making mechanism", said Ilves.¹³⁴ Another key

¹²⁶ Politiken: Unge danskere er vilde med EU, 21 January 2009.

¹²⁷ Euractiv.com: Interview: Danish PM warns against 'abuse' of crisis, available at: <http://www.euractiv.com/en/eu-elections/danish-pm-warns-abuse-crisis/article-176888> (last access: 26 January 2009).

¹²⁸ Ritzaus Bureau: Fogh støtter genvalg til Barroso, 15 October 2008.

¹²⁹ Politiken: Statsminister med træls udlængsel, 17 December 2008.

* University of Tartu.

¹³⁰ Speech by Prime Minister Andrus Ansip on the Government's European Union policy in the Riigikogu, 9 December 2008, available at: <http://www.valitsus.ee/?id=8809>.

¹³¹ Evelyn Kaldoja, "Eestlased peavad ELi oma riigile kõige kasulikumaks," Postimees, 28 January 2008, available at: <http://www.postimees.ee/?id=74824>.

¹³² Government Press Release, "Peaminister tutvustas Riigikogus Eesti seisukohti Euroopa Ülemkogul," 16 June 2008, available at: <http://www.valitsus.ee/?id=8314>.

¹³³ "Estonian president ratifies Lisbon Treaty," 19 June 2008, available at: <http://www.eubusiness.com/news-eu/1213886834.3/>.

¹³⁴ Ibid.

concern is that the delay in the implementation of the Lisbon Treaty could have negative consequences for enlargement; a long-term priority for the Estonian government.¹³⁵ Public debate on the treaty has been sluggish, but according to Foreign Minister Paet, this is no fault of the government, as all documents related to domestic decision-making on the issue have been publicly accessible. In a democratic society, the media plays a central role in keeping up a debate: the Lisbon Treaty simply has not been a topic that would interest the Estonian media.¹³⁶

Discussing EU candidates but not its future

The upcoming European Parliament elections are frequently in the news now, as parties are announcing their candidate lists. However, coverage of European Parliament elections so far appears to be disconnected from any discussion of the EU's future. The timing and circumstances of the 2009 European Parliament elections in Estonia suggest that these elections will have strong 'second-order' characteristics. Taking place two years after the last *Riigikogu* elections, with the government completing two years in office, these elections are genuine mid-term elections. The elections coincide with a major economic crisis that is already taking a toll on the support rates of the government parties. Furthermore, the European Parliament elections in June are widely regarded as a warm-up for local government elections held in October 2009. Under these circumstances, party candidate selection is influenced by the understanding that the elections entail a vote of confidence in the government.

The government calls on citizens to actively participate in the elections (turnout in 2004 was a mere 27 percent). According to Prime Minister Ansip, five years of membership in the EU have clearly proven that negative scenarios and pre-accession fears have not materialized. Politicians who tried to demonize Estonia's partnership with the EU (drawing parallels to occupying regimes of the past) have clearly

been proven wrong.¹³⁷ A recent Eurobarometer survey showed that Estonians are better informed about upcoming European Parliament elections than citizens in most other member states (46 percent were aware of the fact that European Parliaments elections will be held in 2009, compared to 26 percent in the EU as a whole), but they are not particularly interested in these elections (63 percent claimed not to be interested, compared to the EU average of 54 percent).¹³⁸

There has been very little discussion about the formation of the new Commission, aside from some speculation about who will be nominated by the Estonian government as a candidate for the post of the Commissioner. Prime Minister Ansip said consultations have not started yet but that he personally believes that Siim Kallas has done very well as Vice-President of the Commission and should be given the chance to continue.¹³⁹

The future of the EU after the Irish 'No'

Finland*

Quiet... And not very interested?

Conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty

In general, the main attention after the European Council was on the decisions about economy and climate, with the conclusions on the Lisbon Treaty getting only scant attention. Officially, optimism towards the treaty entering into force was maintained: Olli Rehn, the EU Commissioner for enlargement, said that he is confident that the Lisbon Treaty will take effect.¹⁴⁰

As to what kind of end result the decision to hold another referendum in Ireland will have,

¹³⁵ Ministry of Foreign Affairs Press Release, „Delays in Implementation of Lisbon Treaty Should Not Interfere with Expansion of European Union“, 13 July 2008, available at: http://www.vm.ee/eng/kat_138/9902.html?arhiiv_kuup=kuup_2008.

¹³⁶ „Urmas Paet: Riikide vahel on alati parem rääkida kui mitte rääkida,” Pärnu Postimees, 9 May 2008, available at: http://www.vm.ee/est/kat_45/9688.html?arhiiv_kuup=kuup_2008.

¹³⁷ Speech by Prime Minister Andrus Ansip on the Government's European Union policy in the Riigikogu, 9 December 2008, available at: <http://www.valitsus.ee/?id=8809>.

¹³⁸ Evelyn Kaldoja, „Eestlased peavad ELi oma riigile kõige kasulikumaks,” Postimees, 28 January 2009, available at: <http://www.postimees.ee/?id=74824>.

¹³⁹ Transcript of the IV session of the XI Riigikogu, „VV tegevus EL poliitika teostamisel,” 9 December 2008, available at: <http://www.riigikogu.ee/?op=steno&stcommand=stenogra&mm&date=1228814686&toimetatud=0&toimetamata=1&paevakord=3238#pk3233>.

* Finnish Institute of International Affairs.

¹⁴⁰ „Unioni ei ole kriisissä”, Eväitä eurooppalaiseen vaikuttamiseen, Maaseudun Sivistysliitto, 2008.

many pointed out that the financial crisis has shown Ireland how much it has to gain from its membership; without being a member of the monetary union, it would have suffered the same fate as Iceland. It is hoped that the financial crisis gives the key to unlock the situation and get the Lisbon Treaty ratified.¹⁴¹

The True Finns (Perussuomalaiset¹⁴²), a party critical towards the EU, commented on the decision to hold another referendum in Ireland by saying that "when a small nation is being humiliated like that, it is humiliating even for the onlookers"¹⁴³. Timo Soini, chairman of the party, used this argument to motivate the party to take an active role in the campaign for its anti-EU candidates to be elected to the European Parliament.¹⁴⁴

European Parliament elections

Based on surveys on the support for national parties, it seemed in January that the true Finns would indeed get at least one seat in the European Parliament. Thus, Soini's opinions (see above) may have some resonance in the electorate also with regard to the specific question of how Ireland was treated.¹⁴⁵ This received a lot of media attention and alarmed other parties.¹⁴⁶ Apart from this, the public discussion about the elections was still scheduled to start. Many journalists brought up the fact that according to the latest Eurobarometer, Finns were the Europeans least likely to know when the next European Parliaments elections are to take place. According to them, this reflected the Finnish disinterest in the elections.¹⁴⁷

¹⁴¹ Tiia Lehtonen, researcher: "Talouskriisi voi jouduttaa EU:n perustuslain ratifiointia", Helsingin Sanomat, 23 October 2008.

¹⁴² The True Finns have gained popularity fast, with currently 8.3 percent of Finns supporting them. Source: "Keskustan kannatus laskenut alle 20 prosentin", YLE - Finnish Broadcasting Company, Web news, 19 January 2009, available at: http://www.yle.fi/uutiset/kotimaa/2009/01/keskustan_kannatus_laskenut_alle_20_prosentin_488100.html (last access: 30 January 2009).

¹⁴³ Timo Soini, chairman of the True Finns: "Isoja asioita pienille ihmisille", in: Perussuomalainen 15/2008, p. 3.

¹⁴⁴ Ibid.

¹⁴⁵ Based on the survey, it is impossible to say to what extent the popularity should be attributed to the party's EU opinions and to what extent to its nationalism and calls for stricter migration laws.

¹⁴⁶ See e.g. "Blogi starttaa eurovaalien odotuksen", Website of the official magazine of the Green party Vihreä lanka, 16 January 2009, available at: <http://www.vihrealanka.fi/node/3240> (last access: 26 January 2009).

¹⁴⁷ "Vaalikuume vähäistä", Lapin kansa, 13 January 2009.

Formation of the new Commission

All in all, the new Commission did not emerge as a discussion topic. There were a few expressions of satisfaction due to the decision to not rotate the seats in Commission as a concession to the Irish.¹⁴⁸ Prime Minister Matti Vanhanen outlined that it is too early to start speculating about the candidates before it is known which treaty will be implemented.¹⁴⁹ As to how the Commission would be formed, Minister of Migration and European Affairs, Astrid Thors, predicted that the president of the new Commission would be chosen after the European Parliament elections, and the rest of the Commission once it is known which treaty rules will be followed.¹⁵⁰

Appointment of the High Representative

Member of the European Parliament, Ville Itälä, suggested that if the Lisbon Treaty is implemented, Finland should campaign for Olli Rehn, the European Commissioner for Enlargement, to be appointed to the position of the High Representative.¹⁵¹ Thus, public discussion about the appointment of the High Representative concentrated on gathering widespread national support for Olli Rehn.¹⁵² It was also suggested that Finland should campaign for both one male and one female candidate to show that it promotes gender equality.¹⁵³ Very little was said about how the Lisbon Treaty would change the role of the High Representative, instead, the issue was approached from the point of view of who would be appointed. A central concern was

¹⁴⁸ E.g. Anneli Jäätteenmäki, MEP: "EU tuli komissaariasiassa järkiinsä", Communication, 12 December 2008.

¹⁴⁹ "Rehnin ehdokkuus EU:n ulkoministeriksi ei saa varauksentonta tukea", YLE - Finnish Broadcasting Company, Web news, 17 December 2008, available at: http://yle.fi/uutiset/talous_ja_politiikka/2008/12/jaattenmak_i_esittaa_kahta_komissaariehdokasta_435772.html (last access: 29 January 2009).

¹⁵⁰ Astrid Thors, Minister of Migration and European Affairs: Speech at the Finnish Institute of International Affairs (FIIA) seminar "Aftermath of the Summit", 15 December 2008.

¹⁵¹ "Tulossa nimityskamppailun ja heikkenevän talouden EU-vuosi", Aamulehti, 19 December 2008.

¹⁵² "Rehnilä nostetta EU:n ulkoministeriksi", YLE - Finnish Broadcasting Company, Web news, 16 December 2008, available at: http://yle.fi/uutiset/talous_ja_politiikka/2008/12/rehnila_nostetta_eun_ulkoministeriksi_433443.html (last access: 29 January 2009).

¹⁵³ "Rehnin ehdokkuus EU:n ulkoministeriksi ei saa varauksentonta tukea", YLE - Finnish Broadcasting Company, Web news, 17 December 2008, available at: http://yle.fi/uutiset/talous_ja_politiikka/2008/12/jaattenmak_i_esittaa_kahta_komissaariehdokasta_435772.html (last access: 29 January 2009).

whether it would turn out impossible for a candidate from a small member state to be selected. Tony Blair was among the most often mentioned non-Finnish names to the new top posts.¹⁵⁴

In the context of the more general discussion about the appointments, it was at times remarked that the treaty does not make clear distinctions between the competences of the Council President, Commission President and High Representative, which may complicate matters.¹⁵⁵

Concerns about the long term

There was little discussion about the long-term implications. When discussed, a fairly typical approach was that of the main opposition party, the Social Democrats. While they strongly supported the ratification of the Lisbon Treaty, their leader pointed out that the Irish referendum is a warning which the Union should take seriously. The Union needs to take measures to increase trust amongst the citizens.¹⁵⁶

Speaking to the Finnish Heads of Missions, Prime Minister Matti Vanhanen told how he had noticed a profound change in the nature of the Union five years ago. The Union had ceased to have a solid, undivided core. The Union of the post-enlargement era is more heterogeneous and coalitions change according to topic. This assessment had been a correct one, he concluded.¹⁵⁷

According to Prime Minister Vanhanen, the treaty renewal process is a sign of how difficult it can be to reach an agreement in a Union of 27 member states. There are items in the Union's agenda all the time, which keep challenging the unity of the EU. This will bring up the issue of differentiated integration, of which Vanhanen said that the unity of the 27 has always been a significant thing to him. He also stressed that it is in Finland's own interest

¹⁵⁴ "Rehnin nimi esillä EU:n ulkoministeriksi", Helsingin Sanomat, 18 December 2008.

¹⁵⁵ Ibid.

¹⁵⁶ Jutta Urpilainen, leader of the Social Democrats: Speech at a meeting of the Social Democrat MP's, 2/3 September 2008, available at: http://www.sdp.fi/fi/ajankohtaista/puheet/?a=viewItem&item_id=1116 (last access: 25 January 2009).

¹⁵⁷ Matti Vanhanen, Prime Minister: Speech at the Annual Meeting of Heads of Missions, 28 August 2008, Helsinki, available at: <http://www.vnk.fi/ajankohtaista/puheet/puhe/en.jsp?oid=236735> (last access: 27 January 2009).

to be involved whenever the Union is making decisions.¹⁵⁸

Last but not least, the NGOs which had campaigned against the Lisbon Treaty kept reminding their position that the treaty would lead to a more centralized, unequal and undemocratic Union. The EU would become a more distant organisation away from the citizens and the decision making would focus more and more in the control of the large member states.¹⁵⁹

The future of the EU after the Irish 'No'

France*

The future of the EU after the Irish 'No': many uncertainties

Conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty

Overcoming the crisis created by the Irish 'No' in June 2008 was one of the French Presidency's main priorities. However, now that this presidency has come to an end, the institutional future of the European Union still remains quite unclear. The European Council that was held on 11 and 12 December in Brussels – the third and last European Council organized by the French Presidency – was supposed to be a privileged occasion for the member states to tackle different important questions, namely: Economical and Financial issues, Energy and Climate Change, Agricultural Policy, the CFSP, but above all, the fate of the Lisbon Treaty. This issue was especially important for the French Presidency, considering that getting Europe out of the crisis generated by the Irish 'No' had been defined as one of its major priorities. The government had announced clearly its intention to have all member states agreeing on the roadmap it was about to propose during this Council, underlining the fact that all Irish requests would be taken into account. In France, media attention was mainly focused on this issue, "the most burning issue of the French Presidency".¹⁶⁰ Most observers seem to consider the outcome of this summit as a large success, given that an agreement on the

¹⁵⁸ Ibid.

¹⁵⁹ "Vaihtoheito EU:lle kansalaisliike vetoaa kansanedustajiin - Hylätään EU:n perustuslaki", Vaihtoheito EU:lle 2/2008.

* Centre européen de Sciences Po.

¹⁶⁰ *Le Monde*, 12 December 2008.

Lisbon Treaty has finally been achieved. Various members of the French government even qualified this agreement as 'historical'. According to *Le Monde*, the outcome of this Council was a main political victory for the French Presidency.¹⁶¹ However, the non-adoption of the treaty, and the uncertainty concerning when it will finally enter into force, has complicated a number of institutional issues.

Upcoming European Parliament elections: "one should not expect a miracle"

The European Parliament elections in June 2009 are surrounded by uncertainties, given that it has not been decided whether the Nice Treaty or the Lisbon Treaty would apply. Different media emphasised the efforts made by President Nicolas Sarkozy in order to solve this problem as soon as possible, but also underlined the 'deep confusion' surrounding the future of the EU, and the fact that the impact of the Irish 'No' is all the more important in the context of the upcoming European Parliaments elections.¹⁶² As underlined by French MEP Alain Lamassoure, group of the European People's Party (EPP), "the MEPs need to know which Treaty will be in force for the elections, or they will remain in an untenable situation, in which both candidates and voters ignore the exact powers given to the persons elected".¹⁶³ The also former Secretary of State for European Affairs underlined the fact that the Irish 'No' was nothing but a 'misunderstanding', advocating for enforcement of the Lisbon Treaty before these elections.¹⁶⁴ According to "Notre Europe's" Steering Committee, these elections of the new Parliament in June 2009 will be an opportunity to strengthen the legitimacy of the new Commission's leadership.¹⁶⁵ However, Bruno Cautrès (Sciences Po), considers that one should not expect a miracle for the next elections.¹⁶⁶ The last Eurobarometer shows

that only 16 percent of the citizens know about them, and only 10 percent are intending to vote.¹⁶⁷ Others are challenging the European feature of these elections, arguing that they are nothing more than 27 national elections, with 27 different electoral laws.¹⁶⁸ According to Harald Greib (*Newropeans*), a true European democracy would only be possible if all European voters could elect their representatives in the framework of a unique European election.¹⁶⁹

The formation of a new Commission: discussion on the President and the French Commissioner

Debates about the future of the EU also concern the European Commission. The agreement reached with the Irish representative has been quite well welcomed in France, which is very attached to its Commissioner: "How could we possibly imagine a Commission which would not include a French or a German Commissioner?" declared the President of the French Senate Foreign Affairs Committee, Josselin de Rohan.¹⁷⁰ More generally, "*Le Monde*" reports that the Commission is facing insider criticism. Many consider it to be too cautious and absent, others see it as being too rigid and inflexible.¹⁷¹ French daily newspaper notes, however, that the destinies of institutions are often linked to those of the people who are leading them, and stands rather critical towards the 'opaque Barroso'.¹⁷² For this reason, debates regarding the future President of the future Commission are crucial. Paris seems to consider that José Manuel Barroso would be the best candidate for its own succession. According to "*Libération*", the Socialists will not "engage a hopeless battle" and would not put forward a candidate. This position is criticised by the Greens, as well as by the centre party "Mouvement Démocrate" (MODEM). According to green MEP Daniel Cohn-Bendit, "it is unbelievable to be doomed from the start like that". Marielle de Sarnez (MODEM) points her critics at Barroso, who "failed and was unable to propose anything."

¹⁶¹ Ibid.

¹⁶² *La Tribune*, 30 September 2008.

¹⁶³ Euractiv, 30 September 2008, available at: <http://www.euractiv.fr/priorites-de-lue-elections/article/traite-de-lisbonne-elections-europeennes-compte-rebours-enclenche-001103> (last access: 26 February 2009)

¹⁶⁴ Ibid.

¹⁶⁵ *Notre Europe*, "In the face of crisis, there is a need for Europe", *Declaration of Notre Europe's Steering Committee*, 7 November 2008.

¹⁶⁶ Interview, TOUTELEUROPÉ.FR, 17 December 2008, available at: <http://www.touteleurope.fr/fr/organisation/institutions/parlement-europeen-et-deputes/analyses-et-opinions/analyses-vue-detaillee/afficher/fiche/3735/t/44326/from/2849/breve/brun>

[o-cautres-pour-les-elections-europeennes-de-juin-2009-je-ne-mattend-pas-a-un-miracle-1.html](http://www.lemonde.fr/europe/article/01/02/2009/02/01/o-cautres-pour-les-elections-europeennes-de-juin-2009-je-ne-mattend-pas-a-un-miracle-1.html) (last access: 26 February 2009).

¹⁶⁷ Euractiv, 17 December 2008.

¹⁶⁸ *Newropeans*, 11 January 2009.

¹⁶⁹ Ibid.

¹⁷⁰ Compte-rendu des débats au Sénat, 09 December 2008, available at: <http://www.senat.fr/seances/s200812/s20081209/s20081209029.html> (last access: 26 February 2009).

¹⁷¹ *Le Monde*, 21 November 2008.

¹⁷² Ibid.

There is a need for a President that does not behave like a Secretary for member states".¹⁷³ As for the future French Commissioner, Jacques Barrot declared that he would be interested in enrolling for a second term. However, the name of Michel Barnier, former Commissioner, is now on many lips.¹⁷⁴

Critics regarding the appointment of the High Representative

In comparison with all these crisis and challenges for the French Presidency, debates on the High Representative have been a lot more discreet. Alain Lamassoure, French Member of the European Parliament and former State Secretary for European Affairs, criticized the mode of designation of this High representative, "left to secret negotiations between Heads of State and Government".¹⁷⁵ He advocated for a more transparent mode of designation, standing in favour of a designation after the Parliamentary elections, in June 2009. Different members of the government – such as Bruno Le Maire, the new State Secretary for European Affairs – are highlighting the need of a powerful high representative: "There is need for a powerful Commission, a powerful Parliament, and a powerful High Representative. It is when all the institutions are powerful that the EU is influential itself".¹⁷⁶ As underlined by different media, the main problem lies in the fact that its nomination process and exact competences remain unclear.

The future of the EU after the Irish 'No'

Germany*

Continuation of ratification process welcomed

After the European Council meeting in December 2008 which has been dominated by economic and energy issues, the future of the EU seems to be regarded quite optimistically in Germany. Especially the prospect of Ireland holding a second referendum on the Lisbon

Treaty before the end of the European Commission's term of office has been warmly welcomed. The German Foreign Minister, Frank-Walter Steinmeier, "was in confident mood: 'Together with our Irish friends, we have agreed on a process which will allow a new referendum in Ireland and enable the Treaty to enter into force at the end of 2009'".¹⁷⁷ This agreement, reached at the European Council meeting,¹⁷⁸ is mostly seen as a continuation of the ratification process, and there is not much discussion about the consequences of a second 'No' vote.¹⁷⁹ The only party in the German parliament sceptical of a second referendum is the Left Party ("Die Linke"), arguing that such a procedure is everything but democratic.¹⁸⁰ The Left is also the only party in the German parliament arguing for a stop of the current ratification process,¹⁸¹ having also voted against the law approving of the Lisbon Treaty.¹⁸²

¹⁷⁷ German Federal Foreign Office: The EU Reform Treaty, available at: <http://www.auswaertiges-amt.de/diplo/en/Europa/LissabonVertrag/Reformvertrag.html> (last access 3 February 2009).

¹⁷⁸ For more details see Council of the European Union: Brussels European Council, 11 and 12 December 2008. Presidency Conclusions, 12 December 2008, 17271/08, available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/104692.pdf (last access 3 February 2009).

¹⁷⁹ Cf. the parliamentary debate on Steinmeier's government declaration of 18 December 2008, see Bundestagsplenarprotokoll 16/196, pp. 21128(A)-21151(C), available at: http://www.bundestag.de/bic/plenarprotokolle/pp_pdf/16196.pdf (last access 3 February 2009).

¹⁸⁰ See, for example, the statement by Oskar Lafontaine (DIE LINKE) in the parliamentary debate on Steinmeier's government declaration of 18 December 2008, see Bundestagsplenarprotokoll 16/196, 18 December 2008, p. 21137(B)-(C), available at: http://www.bundestag.de/bic/plenarprotokolle/pp_pdf/16196.pdf (last access 3 February 2009).

¹⁸¹ See, for example, Bundestagsplenarprotokoll 16/196, 18 December 2008, p. 21151(B)-(C), available at: http://www.bundestag.de/bic/plenarprotokolle/pp_pdf/16196.pdf (last access 3 February 2009). The corresponding documents are: Beschlussempfehlung und Bericht des Ausschusses für die Angelegenheiten der Europäischen Union (21. Ausschuss) zu dem Antrag der Abgeordneten Dr. Diether Dehm, Monika Knoche, Hüseyin-Kenan Aydin, weiterer Abgeordneter und der Fraktion DIE LINKE – Drucksache 16/8879 – Das Ratifizierungsverfahren zum Vertrag von Lissabon aussetzen – Ein Sozialprotokoll vereinbaren, Drucksache 16/10832, 11 November 2008, available at: <http://dip21.bundestag.de/dip21/btd/16/108/1610832.pdf> (last access 3 February 2009) and Entschließungsantrag der Fraktion DIE LINKE. Zu der Abgabe einer Regierungserklärung durch den Bundesminister des Auswärtigen zu den Ergebnissen des Europäischen Rats am 11./12. Dezember 2008, Drucksache 16/11404, 16 December 2008, available at: <http://dip21.bundestag.de/dip21/btd/16/114/1611404.pdf> (last access 3 February 2009).

¹⁸² See Bundestagsplenarprotokoll 16/157, 24 April 2008, pp. 16482(D)-16485(C), available at:

¹⁷³ *Libération*, 21 November 2008.

¹⁷⁴ *Libération*, 11 December 2008.

¹⁷⁵ Interview, Le Cercle des Européens, 6 June 2008, available at: <http://www.ceuropeens.org/Alain-Lamassoure.html> (last access: 26 February 2009)

¹⁷⁶ Le Maire B., *Enseignements de la présidence Française*, available at: <http://www.rpfance.eu/spip.php?article917> (last access: 26 February 2009).

* Institute for European Politics.

The parliamentary ratification of the Lisbon Treaty in Germany had been completed in May 2008.¹⁸³ Meanwhile, the Federal President, Horst Köhler, has approved of the respective laws, which are now published in the Federal Law Gazette.¹⁸⁴ Köhler still waits, though, to sign the ratification bill until the federal constitutional court ('Bundesverfassungsgericht') has returned a verdict on the appeals against the Lisbon Treaty. The hearings were held on the 10 and 11 February 2009.¹⁸⁵

<http://dip21.bundestag.de/dip21/btp/16/16157.pdf> (last access 3 February 2009).

¹⁸³ Institut für Europäische Politik (Ed.): EU-27 Watch, No. 7, September 2008, Berlin, p. 16, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_7.pdf (last access 3 February 2009). See also Pressing on with ratification: The German reaction to the Irish 'No', in: Institut für Europäische Politik (Ed.): EU-27 Watch, No. 7, September 2008, Berlin, pp. 36-38, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_7.pdf (last access 3 February 2009).

¹⁸⁴ S. Höll/R. Bodensteiner: Köhler billigt EU-Vertrag, in: sueddeutsche.de, 8 October 2008, available at: <http://www.sueddeutsche.de/politik/401/313308/text/> (last access 3 February 2009); Reference and Research Services of the Deutscher Bundestag: Laws relating to the Treaty of Lisbon: certification, promulgation, entry into force, Topical Term of 30 October 2008, Research Paper 66/08, available at: http://www.bundestag.de/wissen/analysen/2008/gesetze_zum_vertrag_von_lissabon.pdf (last access 3 February 2009). For the laws published in the Federal Law Gazette see: Gesetz zum Vertrag von Lissabon vom 13. Dezember 2007, vom 8. Oktober 2008, in: Bundesgesetzblatt, Jahrgang 2008, Teil II Nr. 27, 14 October 2008, p. 1038, available at: <http://frei.bundesgesetzblatt.de/pdf/bgbl2/bgbl208s1038.pdf> (last access 3 February 2009) and Gesetz zur Änderung des Grundgesetzes (Artikel 23, 45 und 93), vom 8. Oktober 2008, in: Bundesgesetzblatt, Jahrgang 2008, Teil 1 Nr. 45, 16 October 2008, p. 1926, available at: <http://www.bgblportal.de/BGBl/bgbl1f/bgbl108s1926.pdf> (last access 3 February 2009).

¹⁸⁵ Among others, a conservative MP from the CSU, Peter Gauweiler, and the parliamentary faction of the Left Party have appealed to the constitutional court. For the appeals and a first coverage of the hearing see, for example, Reinhard Müller: Bewährungsprobe für Europas Integration. Das Verfassungsgericht verhandelt über den Lissabon-Vertrag, in: Frankfurter Allgemeine Zeitung, 10 February 2009; Heribert Prantl: Deutsch-europäischer Showdown, in: Süddeutsche Zeitung, 10 February 2009; Helmut Kerscher: Macht, die andere ohnmächtig macht, in: Süddeutsche Zeitung, 10 February 2009; Heribert Prantl: Verfassungsgericht zweifelt an der EU-Reform, in: Süddeutsche Zeitung, 11 February 2009; Helmut Kerscher: Europas Reformvertrag wird in Karlsruhe zerlegt, in: Süddeutsche Zeitung, 11 February 2009. For a first assessment of the appeals see, for example: Elmar Brok/Martin Selmayr: Der 'Vertrag der Parlamente' als Gefahr für die Demokratie? Zu den offensichtlich unbegründeten Verfassungsklagen gegen den Vertrag von Lissabon, in: *integration* 3/08, pp. 217-234, available at: <http://www.iep-berlin.de/index.php?id=655> (last access 3 February 2009).

As also agreed on at the European Council meeting in December 2008, the European elections will take place according to the rules of the Nice Treaty.¹⁸⁶ Should the Lisbon Treaty enter into force, the number of MEPs for member states having more MEPs according to the rules of the Lisbon Treaty will be increased accordingly. Yet, Germany (the only member state having fewer MEPs according to the rules of the Lisbon Treaty) will keep its three additional MEPs, as it has been agreed that the number of MEPs will rise from 736 to 754 during the 2009-2014 legislative period of the European Parliament if the Lisbon Treaty enters into force.¹⁸⁷ Maybe this is the reason why there is not much discussion about this, neither in the parties nor in the press.

All German parties are in the process of setting up their lists, choosing their candidates, and drafting their programmes for the coming European elections in June 2009. All this seems to be business as usual.¹⁸⁸ Only in Bavaria, where the CSU, the sister party of the CDU, has its own list, there is some 'commotion' as the party has to ensure to reach the German-wide threshold of 5 percent. This might be difficult as the party lost a lot of votes in the last state parliament elections in September 2008 and because in other German states ('Länder'), local elections will be held on the same day as the European elections.¹⁸⁹

With regard to the European Commission, the decision taken at the European Council

¹⁸⁶ Council of the European Union: Brussels European Council. 11 and 12 December 2008. Presidency Conclusions, 12 December 2008, 17271/08, available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/104692.pdf (last access 3 February 2009).

¹⁸⁷ Reference and Research Services of the Deutscher Bundestag: Veränderungen in der Europäischen Union im Jahr 2009, Europa-Thema of 12 January 2009, Research Paper 02/09, available at: http://www.bundestag.de/wissen/analysen/2009/veraenderungen_in_der_eu_2009.pdf (last access 3 February 2009).

¹⁸⁸ For an overview over the parties' preparations for the European elections in Germany and further links see, for example, the following websites: <http://www.wahlen-europa.de/>, <http://www.cap-lmu.de/themen/europawahl/index.php>, or <http://www.cep.eu/europawahl2009.html> (last access 3 February 2009).

¹⁸⁹ Gerd Langguth: Warum Seehofer plötzlich Gefallen an Volksabstimmungen findet, in: *spiegel online*, 18 January 2009, available at: http://www.spiegel.de/politik/deutschland/0,1518,600617,0_0.html (last access 3 February 2009); Albert Schäffer: Banger Blick auf die Europawahl, in: FAZ.net, 12 January 2009, available at: <http://www.faz.net/s/Rub594835B672714A1DB1A121534F010EE1/Doc~E209176357EEE4E22BC1709FC7BFCACC0~ATpl-Ecommon~Scontent.html> (last access 3 February 2009).

meeting in December 2008 to keep the principle of 'one commissioner per member state' is pitted, although widely regarded as necessary to ensure that Ireland is able to hold a second referendum.¹⁹⁰ This view is also expressed, for example, by the "Confederation of German Employers' Associations" (BDA) and the "Federation of German Industries" (BDI).¹⁹¹ Otherwise, the appointment of a new European Commission is, so far, not very much discussed.

The fact that issues about the future of the EU do not receive much attention so far might be due to the upcoming general elections in Germany which will take place in September 2009. As a new German government constellation might entail new official German positions on such issues, it remains to be seen how the various parties score in the European elections, in the various state and local elections, and especially in the general elections.¹⁹²

¹⁹⁰ Cf. the parliamentary debate on Steinmeier's government declaration of 18 December 2008, see Bundestagsplenarprotokoll 16/196, pp. 21128(A)-21151(C), here p. 21131(C), available at: http://www.bundestag.de/bic/plenarprotokolle/pp_pdf/16196.pdf (last access 3 February 2009). See also spiegel online: EU-Gipfel senkt Ziele für Konjunkturpaket, 12 December 2008, available at: <http://www.spiegel.de/politik/ausland/0,1518,595977,00.html> (last access 3 February 2009); Nikolas Busse: EU strebt zweites Referendum in Irland an, in FAZ.net, 11 December 2008, available at: <http://www.faz.net/s/Rub99C3EECA60D84C08AD6B3E60C4EA807F/Doc-E78978D5E2C64410DA14E9774BC6E178F~ATpl~Ecommon~Scontent.html> (last access 3 February 2009).

¹⁹¹ BDA – Bundesvereinigung der Deutschen Arbeitgeberverbände: euro-info No. 7, 16 December 2008, available at: [http://www.arbeitgeber.de/www/arbeitgeber.nsf/res/Euro-Info7_08.pdf/\\$file/Euro-Info7_08.pdf](http://www.arbeitgeber.de/www/arbeitgeber.nsf/res/Euro-Info7_08.pdf/$file/Euro-Info7_08.pdf) (last access 3 February 2009); BDI/BDA The German Business Representation: BDI/BDA Brüssel Aktuell, No. 11, 19 December 2008, available at: http://www.bdi-online.de/BDIONLINE_INEAASP/iFILE.dll/XC918DA0597D549CDAD350C17D5EF90D3/2F252102116711D5A9C0009027D62C80/PDF/Br%FCssel_Aktuell_11_2008.PDF (last access 3 February 2009).

¹⁹² See also the German chapter "The jubilee and memorial year 2009 and the shadows of elections" in chapter IV "Current issues and discourses" in this issue of EU-27 Watch.

The future of the EU after the Irish 'No'

Greece*

Keep the light burning

The institutional aspects of the future of the EU are mainly seen as ways in which Greece, a member state that considers itself to be increasingly marginalised or 'under siege' in the current EU setting, can afford and feel some degree of centrality within the European public discourse. Thus, both the post-Irish 'No' fate of the Lisbon Treaty and the road towards the elections to the European Parliament in June 2009, are viewed in this context. In academic discussions, as well as in the wider media, ways are sought that would allow for ratification of the Lisbon Treaty. Even the methods provided for in the U.S. Constitution are enlisted so as to keep the light of the Lisbon Treaty burning.¹⁹³

Political figures tend to project in the discussion over the post-Irish 'No' their own/their parties' options for the future of Greece within the evolving EU. Compare e.g. Dora Bakogianni, Greek FM, when speaking to the 20th anniversary celebrations of the Hellenic Centre of European Studies: "Greece is decided to keep its unwavering progress on the road of integration, that ambitious but realistic plan of peace, of development and of social cohesion for the Member States of the EU [...] I am sure our Irish partners will present soon enough specific proposals that – I hope and I believe – will allow for the impasse to be lifted before the June 2009 EP elections [...]. As we are confronting a tough international situation, as well as difficulties in pursuing the dream of European integration, I feel strongly that we need more and not less Europe. [...] The EU, a political and economic union whose cohesion rests on common values, principles and beliefs [...], as it is characterised by the 'soft power' it exercises, can and should be an alternative model for global political and economic power" with Michalis Papayannakis, ex-MEP for left-wing party "SYNASPISMOS", mourning that "following the Irish 'No' the Reform Treaty of Lisbon is now 'dead' and cannot be applied as it exists, even with some superficial 'ameliorations' in all of the EU countries. This situation may make surface several paradoxical situations, but such is the procedure that has been agreed upon [...]" and

* Greek Centre of European Studies and Research.

¹⁹³ See Moussis: "Teachings and a Way Out from the Irish Impasse" (in Greek), in *International and European Politics*, vol. 12 (Oct-Dec. 08) p. 66 ff, esp. p. 77.

it is a procedure that was fit to the level achieved by European integration and to the perceived problems and challenges faced by the EU today".¹⁹⁴

The future of the EU after the Irish 'No' Hungary*

A strong pro-Lisbon and future-oriented stance

According to the official standpoint of the Hungarian Ministry of Foreign Affairs, although Hungary regretted the outcome of the Irish referendum in June 2008, it supported the view to respect the decision of the Irish people.¹⁹⁵ It is important to emphasize that this was not the first time when the Union had to face a negative vote on a treaty. After the Irish 'No', it is of utmost importance to find a solution that is legally and politically acceptable for Ireland, the other 26 member states and the EU as a whole. Political and economic issues in the second semester of 2008 proved that there is a real need for a coherent Union that can react to challenges quickly and that is close to its citizens.

Hungary remains committed to political integration and sincerely supports a more democratic, effective and transparent Union. Budapest is confident that the Lisbon Treaty would be a significant step to achieve these goals. Therefore, Hungary does not currently find it necessary to search for alternative scenarios. The Hungarian government is satisfied with the agreement reached at the European Council of December 2008 as it makes the Irish ratification of the Treaty of Lisbon possible, by addressing the key concerns of the Irish people. It is hoped that given these guarantees, the Irish people will approve the treaty on the next referendum. In this case, the Union must also ensure that the document enters smoothly into force: necessary institutional decisions and appointments (President of the European Council, High Representative) must be taken in due course. The election of the new European

Commission has to be carried out according to the usual procedure.

The entry into force of the Treaty of Lisbon and the developments it brings about would make possible for the EU to finally close the issues of institutional reforms and concentrate fully on other urgent challenges that have a direct effect on citizens' everyday life. The Hungarian government believes that there is a real need to raise the awareness of the people on EU affairs and the citizens need to be involved in the political process. The June 2009 elections of the members of the European Parliament provide an appropriate opportunity for this.

The greatest Hungarian oppositional force, the coalition of Fidesz – Hungarian Civil Alliance and the Christian Democrats are of a similar view. According to József Szájer, MEP (European Peoples Party – European Democrats, EPP-ED) the EU must stop the 'navel gazing' behaviour regarding institutional and 'constitutional' issues, and it must do all efforts to close these debates and to adequately face the present and upcoming internal and external challenges.¹⁹⁶ According to Mr. Szájer, the EU is for the time being too weak to act efficiently in many respects while it is still far from its citizens. The Lisbon Treaty will be a good remedy for these concerns, and it is to be welcomed that the EU launched strategic thinking up to the horizon of 2020-30. In Mr. Szájer's view, the reflection on the future of the EU must embrace such aspects as the preservation of the European social model, the development of the knowledge-based society, or the strengthening of European identity (in fact he also leads a group in Hungary elaborating key issues for the EU up to 2025).¹⁹⁷

¹⁹⁴ As stated in Michalis Papayannakis: "Somewhere in the Road the Direction was Lost" (in Greek), in *International and European Politics*, vol. 12 (Oct-Dec 08), p. 37.

* Institute for World Economics of the Hungarian Academy of Sciences.

¹⁹⁵ Based on information provided by high officials of the Hungarian Ministry of Foreign Affairs.

¹⁹⁶ Magyarország többre képes, speech delivered at a conference organized by Hungarian EPP-ED members in Budapest on the 16th January 2009, available at: <http://www.fideszfrakcio.hu/index.php?Cikk=127160> (last access: 27 February 2009).

¹⁹⁷ Európa 2025, available at: http://szajer.fidesz-eu.hu/galeria/File/SZEK_Europa_2025.pdf (last access: 27 February 2009).

The future of the EU after the Irish 'No' Ireland*

The future of the EU after the Irish 'No'

Conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty

On 11/12 December 2008, the European Council unanimously agreed to continue to seek ratification of the Lisbon Treaty with a view to enabling its entry into force by the end of 2009. In order to respond to the Irish 'No' vote in the referendum of 12 June 2008, the members of the European Council agreed that, subject to ratification, the College of Commissioners would continue to include one national from each Member State as of the 2009-2014 Commission, as allowed in Article 17(5) of the EU Treaty.¹⁹⁸ The retention of the power of a national government to nominate a member of the College was a key concern among voters in the Irish referendum on the Lisbon Treaty, a concern that was highlighted in government-sponsored research on the attitudes of voters in the referendum.¹⁹⁹ Furthermore, the European Council agreed to negotiate future legal guarantees respecting Ireland's distinct position on three issues: (1) direct taxation; (2) national security and defence policy; and (3) so-called 'social/ethical issues' (including family law, the right to life and national education policy). It finally confirmed the 'high importance' attached to workers' rights,²⁰⁰ which will be addressed from the perspective of all national governments and not from a purely Irish position. Although the content of such guarantees has been agreed in principle,²⁰¹ the precise text and legal form will most likely be agreed at the European Council meeting on 18/19 June 2009.²⁰² The Danish precedent, whereby the then twelve Member States of the European Economic Community negotiated

the 'Edinburgh Agreement', has been mentioned as a possible precedent for the legalisation of Ireland's 'guarantees'.²⁰³

The Taoiseach (Prime Minister), Brian Cowen, welcomed these commitments as "extremely encouraging" in a speech to Dáil Éireann (House of Representatives, the lower chamber of the Irish Parliament) on 17 December 2008²⁰⁴ and confirmed in the national press that Ireland would hold a second referendum on the Lisbon Treaty in light of the proposed guarantees.²⁰⁵ However, the details of such guarantees are currently being negotiated among the national governments of the Member States, and the precise details are not yet in the public domain.

Similarly the Minister for Foreign Affairs, Micheál Martin, emphasised in a speech to the Institute for International and European Affairs on 15 January 2009 that "nothing more could have been asked of our fellow EU members or wanted from them".²⁰⁶ He placed a central importance on the retention of the ability of national governments to nominate one commissioner each as the key example of the European Council's efforts to meet Ireland's concerns.²⁰⁷

The national debate currently focuses on the content of such 'legal clarifications' and their precise form. Responding to the question of the nature of such guarantees, the leader of the Green Party and current Minister for the Environment, John Gormley, stated that the 'guarantee' relating to security and defence policy may consist of Ireland negotiating an 'opt-out' from the European Defence

* Institute of International and European Affairs.

¹⁹⁸ Consolidated numbering of the EU Treaty as amended by the Lisbon Treaty.

¹⁹⁹ IMS Millward Brown study, available to read: http://www.imsl.ie/news/Millward_Brown_IMS_Lisbon_Research_Report.pdf (last access: 23 March 2009).

²⁰⁰ Presidency Conclusions, European Council meeting, December 2008: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/104692.pdf (last access: 23 March 2009).

²⁰¹ Reported in The Irish Times: <http://www.irishtimes.com/newspaper/breaking/2008/12/11/breaking78.htm> (last access: 23 March 2009).

²⁰² Reported in The Irish Times: <http://www.irishtimes.com/newspaper/world/2009/03/13/1224242799540.html> (last access: 23 March 2009).

²⁰³ Reported by the Danish Institute of International Studies:

http://www.diis.dk/graphics/Publications/Briefs2008/B08_The_Irish_Opt_Outs_from_the_Lisbon_Treaty.pdf (last access: 23 March 2009).

²⁰⁴ See <http://193.178.1.117/index.asp?locID=582&docID=4139> (last access: 23 March 2009).

²⁰⁵ Reported in The Irish Times <http://www.irishtimes.com/newspaper/breaking/2008/12/12/breaking5.html?via=rel> and in The Irish Independent <http://www.independent.ie/breaking-news/national-news/politics/cowen-confident-of-winning-second-lisbon-referendum-1573537.html> (last access: 23 March 2009).

²⁰⁶ Available from the IIEA website, available at: http://www.iiea.com/newsxtest.php?news_id=173 (last access: 23 March 2009).

²⁰⁷ See <http://www.dfa.ie/home/index.aspx?id=80850> and <http://www.irishtimes.com/newspaper/opinion/2008/12/15/1229035718898.html> (last access: 23 March 2009).

Agency.²⁰⁸ Such comments drew a mixed reaction from other members of the Fianna Fáil-Green Party coalition government. The Minister for Defence, Willie O'Dea, is believed to oppose such a move, along with a number of experts on Irish defence policy.²⁰⁹

No firm date has been set for the second referendum on the Lisbon Treaty, although some speculation centres on October 2009. A number of politicians, including Irish MEP, Colm Burke (Fine Gael, EPP), have called on the government to call a referendum before summer 2009,²¹⁰ on the basis that opinion polls²¹¹ show a margin of voters in favour of ratifying the Lisbon Treaty. This is an unlikely scenario, given that the European Council have not yet agreed the final form of the legal guarantees, as well as considering the necessary time that would be required to pass the legislation organising a referendum and to allow for campaigning. The Taoiseach appears to have implied that setting such a date is contingent on the details of the Council commitments being addressed to the government's "satisfaction".²¹²

Regarding the reaction of the main opposition parties following the December Council's conclusions, the only notable speech thus far appears to be that of Éamon Gilmore, leader of the Labour Party, on 27 December 2008. Mr. Gilmore voiced concern over the concessions to social conservatives made by the Irish government and the European Council in the conclusions, especially over the guarantees relating to family, education and the right to life.²¹³

Beyond political parties, reaction in the media and civil society to the Council's conclusions varies.²¹⁴

Prominent anti-Lisbon campaign group Libertas appear to have reacted by refocusing their efforts on becoming an official political party and campaigning in the June 2009 European Parliament elections, stating that they wish to use the June European Parliament elections as a proxy referendum on the Lisbon Treaty.²¹⁵

Upcoming European Parliament elections June 2009

The date for the upcoming European Parliament elections in Ireland has been set for 5 June 2009. As the European Parliament elections are still several months away, the event has to date received little coverage in the national media and public discourse, and the main issues surrounding the forthcoming elections have yet to fully emerge. However, it is likely that the fate of the Lisbon Treaty will play a large role in the Irish election campaign.

The number of European Parliament seats in Ireland will be reduced from thirteen to twelve, with the Dublin constituency losing one of its four seats.²¹⁶ The reduction is likely to create strong competition between the four incumbent Dublin MEPs, as each is a member of a different national party and a different European Parliament grouping. The other three constituencies remained unaltered at three seats each. The entry into force of the Lisbon Treaty would have confirmed Ireland's apportionment of twelve seats, so its delayed entry into force has not prejudiced Irish representation in the European Parliament.

Most incumbent MEPs have declared their intention to seek re-election. However, Avril Doyle (Fine Gael, EPP, MEP for Ireland East) has announced that for personal reasons she

²⁰⁸ See <http://www.irishtimes.com/newspaper/ireland/2009/0303/1224242150476.html> (last access: 23 March 2009).

²⁰⁹ See <http://www.irishtimes.com/newspaper/letters/2009/0304/1224242233405.html> (last access: 23 March 2009).

²¹⁰ Press release from Colm Burke's website is available: http://www.colmburke.eu/index.php?option=com_content&task=view&id=242&Itemid=71 (last access: 23 March 2009).

²¹¹ No single source is available to link to the relevant opinion polls; these polls were conducted respectively by The Irish Times/MRBI and Red C and were available in the print versions of The Irish Times and The Sunday Business Post.

²¹² See <http://www.irishtimes.com/newspaper/breaking/2009/0127/breaking56.html> (last access: 23 March 2009).

²¹³ See <http://www.irishtimes.com/newspaper/frontpage/2008/1227/1229728560946.html> (last access: 23 March 2009).

²¹⁴ See, for instance, a strongly pro-Lisbon article available here:

<http://www.irishtimes.com/newspaper/opinion/2009/0207/1233867925173.html> and an anti-Lisbon stance, available here: <http://www.irishtimes.com/newspaper/opinion/2009/0207/1233867925173.html> (last access: 23 March 2009).

²¹⁵ See <http://www.libertas.eu/ireland> and <http://www.irishtimes.com/newspaper/world/2009/0203/1232923383590.html> (last access: 23 March 2009).

²¹⁶ See <http://www.irishtimes.com/newspaper/ireland/2009/0206/1233867922209.html> (last access: 23 March 2009).

will not be seeking re-election in June.²¹⁷ Ms Doyle notably served as *rapporteur* for the European Parliament's environment committee on the emissions trading directive during the 2004-2009 legislature.

At their party conference on 20 February 2009, Prime Minister Brian Cowen announced Fianna Fáil move from the AEN political party to the ELDR.²¹⁸ However, some within Fianna Fáil, including the co-president of the AEN's political grouping in the European Parliament (UEN), Brian Crowley, have questioned whether Fianna Fáil's ethos fits the liberal democratic policies of the ELDR party.²¹⁹

The anti-Lisbon Treaty group 'Libertas', which campaigned in Ireland during the June 2008 referendum for a 'No' vote, has registered as a political party in several Member States with a view to contesting the European Parliament elections in June 2009. Despite some early difficulties in applying for European Parliament funding,²²⁰ Libertas has launched as a national political party in Malta, Germany, the United Kingdom²²¹ and in France,²²² where candidates from the sovereigntist 'Movement for France' and the rural-based 'Hunting, Fishing, Nature and Traditions' party will run under the Libertas banner.

Libertas is perhaps best known in Ireland, where its founder, Declan Ganley, has announced his intentions to run in the European Parliament elections²²³ and where the party realistically will have the most chance of contesting one or more seats due to their

prominence in the Irish referendum campaign.²²⁴

Formation of new Commission in autumn 2009

The present Commission's five-year term is due to expire on 31 October 2009, although President of the Commission, José Barroso, has indicated that the Commission's term may have to be extended until the end of the year because of the planned Irish referendum on the Lisbon Treaty.²²⁵

Charlie McCreevy, Commissioner for the Internal Market, has confirmed that he will not be seeking re-appointment to the College of Commissioners. Current speculation in the media as to whom the Irish government will appoint to be a member of the 2009-2014 College identifies incumbent Minister for Transport, Noel Dempsey, and sitting Minister for Health, Mary Harney, as two possible candidates for nomination within the Irish cabinet.

Recent opinion polls showing a fall in support for the government may favour the appointment of a non-member of government to the 2009-2014 Commission in order to avoid a by-election. This has led to suggestions that Máire Geoghegan-Quinn (Fianna Fáil), currently a member of the European Court of Auditors, may be a candidate.²²⁶ She is a former minister for European Affairs, Justice and Transport.

Beyond his own party, the government might also consider Ambassador John Bruton (Fine Gael, EPP), former Taoiseach and currently the head of the Commission's Delegation to the United States.²²⁷ There is precedent for nominating a member of an opposition party member to the European Commission. Former Taoiseach, Charles Haughey (Fianna Fáil), appointed Fine Gael member of the House of Representatives, Richard Burke, to the Commission in 1982.

²¹⁷ See <http://www.independent.ie/breaking-news/national-news/politics/doyle-to-stand-down-as-mep-at-june-election-1594418.html> (last access: 23 March 2009).

²¹⁸ See <http://www.europeanvoice.com/article/2009/03/fianna-f%C3%A1il-meps-set-to-switch-from-uen-to-eldr/64151.aspx> (last access: 23 March 2009).

²¹⁹ Doubts have been raised over the possible benefits of such a move: <http://www.euractiv.com/en/eu-elections/uen-leader-voices-doubts-fianna-fail-move-liberals/article-180022> and as to whether such a move will actually take place: <http://www.irishtimes.com/newspaper/world/2009/0310/1224242572448.html> (last access: 23 March 2009).

²²⁰ See <http://euobserver.com/883/27530> (last access: 23 March 2009).

²²¹ See http://news.bbc.co.uk/2/hi/uk_news/politics/7934378.stm (last access: 23 March 2009).

²²² See <http://www.pourlafrance.fr/actualites/www.pourlafrance.fr/actualites/evenements/lancement-de-libertas.html> (last access: 23 March 2009).

²²³ See <http://www.libertas.eu/ireland/193-libertas-leader-announces-own-candidacy-in-ireland-north-west> (last access: 23 March 2009).

²²⁴ See <http://www.independent.ie/national-news/libertas-back-on-track-for-8364200000-eu-funds-1628259.html> (last access: 23 March 2009).

²²⁵ See <http://www.irishtimes.com/newspaper/world/2009/0131/1232923379514.html> (last access: 23 March 2009).

²²⁶ See <http://www.irishtimes.com/newspaper/world/2008/1028/1225061110806.html> (last access: 23 March 2009).

²²⁷ *Supra*, note 28.

Regarding the timetable for appointment, Fine Gael leader Enda Kenny has called on the government to announce an early nomination 'to secure a priority commissionership'. However, an alternative strategy would be to delay the nomination until closer to the Lisbon referendum in an effort to secure a better commissionership as part of EU efforts to shore-up the support for the Treaty. MEP for Dublin, Proinsias de Rossa, has called on the government to include the national Parliament as a forum for scrutinising and nominating the member of the College from Ireland.

No mention of the issue of the appointment of the next High Representative for the Common Foreign and Security Policy has currently been made public in Ireland.

Long term implications and scenarios for the integration process

As is perhaps evident in previous answers, the current debate on whether Ireland should ratify the Lisbon Treaty has dominated much of the public discourse on the long-term implications and scenarios for the integration process. The current debate focuses on the nature of the second referendum on the Lisbon Treaty and whether the 'question behind the scenes' is Ireland's future as a Member State of the European Union.

The future of the EU after the Irish 'No'

Italy*

Linkage between European citizens and EU institutions has to be restored

The Conclusions of December 2008 European Council on the fate of the Lisbon Treaty

In Italy, the reactions to the European Council of December 2008 have been quite positive at the political level. The Italian Prime Minister, Silvio Berlusconi, affirmed that it was a success for the European Council to reject the Irish request for a new ratification process from all EU member states. In his opinion, the Brussels Summit proved very useful for finding a compromise on this difficult issue since it "worked hard to give Ireland the possibility to hold a new referendum on the treaty"²²⁸. For

this purpose, he said the EU had to "accept some conditions" such as maintaining a 27-member Commission, allowing the non participation of Ireland in the EU military missions and giving it some assurances on ethical matters and family law.²²⁹

However, the reaction of the Italian press to the European Council's decision was less enthusiastic, because it showed the 'weakness' of the EU on such an important matter. As an Italian analyst wrote, quoting a popular phrase by opera singer Maria Callas, "once you start making too many concessions, you'll never be able to stop, since people will expect you to do so automatically"²³⁰. Some commentators felt that the December European Council's conclusions are somehow contradictory. In fact, by keeping the number of Commissioners at 27, the Council indirectly put a limit on the Treaty of Lisbon, which called for a smaller Commission in order for it to work properly.²³¹ Moreover, some Italian journalists were not convinced that the Irish people will vote 'Yes' next time round, as happened with the second referendum on the Treaty of Nice in 2002.²³² At present, the situation in Ireland is totally different from six years ago. First of all, the economic situation in the country is now much worse with Ireland experiencing a recession, while its economy was growing rapidly in 2002. Secondly, the EU's popularity among the Irish population is much lower than before. Finally, the 'No' front in Ireland is very well organized and deeply-rooted.²³³

In conclusion, there seems to be a sort of discrepancy between the government and the public opinion in the way they perceived the December 2008 European Council's conclusions. This gap will probably narrow in the next months when the Irish vote again.

<http://it.notizie.yahoo.com/19/20081212/tpl-ue-vertice-berlusconi-buon-risultato-1204c2b.html> (last access: 25 January 2009).

²²⁹ Ibid.

²³⁰ C. Zagari: Il caso irlandese e il rischio del "Trattato zero", Il Tempo, 16 December 2008, available at: http://iltempo.ilsole24ore.com/2008/12/16/965268-caso_irlandese_rischio_trattato_zero.shtml (last access: 25 January 2009).

²³¹ Ibid.

²³² Il Sole 24 Ore: L'Irlanda tornerà a votare in ottobre sul Trattato UE, 12 December 2008, available at: http://www.ilsole24ore.com/art/SoleOnline4/Economia_e_Lavoro/2008/12/irlanda-trattato-ue.shtml?uuid=ddb94c-c824-11dd-baf9-fbc7a4fc4e23&DocRulesView=Libero (last access: 25 January 2009).

²³³ Ibid.

* Istituito Affari Internazionali.

²²⁸ See: UE/Vertice: Berlusconi, buon risultato non tornare su Lisbona, ASCA, 12 December 2008, available at:

The upcoming European Parliament elections in June 2009

There has been a lot of debate in Italy about the upcoming European Parliament elections both at the political and academic level. Last summer, some proposals were made on how to change the current electoral system to guarantee fair representation of European citizens.

The Minister for Normative Simplification, Roberto Calderoli, suggested a new electoral system with a 4 percent threshold, only one preference instead of the previous three and ten constituencies (at present they are five).²³⁴ In September 2008, the government party, Popolo della Libertà (PdL), proposed introducing a 5 percent threshold and an electoral system with closed party lists,²³⁵ as well as abolishing preferential votes. The reasons for this choice were several. The proposal to introduce a higher threshold was meant to avoid party fragmentation inside the parliament. Moreover, as Italian Prime Minister Berlusconi declared, "the fixed party list would make it possible to have professionals who can best represent the country inside the European Parliament committees"²³⁶. However, this position was not shared by other parties and by many representatives of the Italian press. The opposition party, Partito Democratico (PD), was in favour of a 3 percent threshold and maintaining the possibility for voters to express their preferences for individual candidates. The centrist party, Unione dei Democratici Cristiani e Democratici di Centro (UDC), was in favour of preferences and the lower threshold as well. In fact, had the PdL proposal been approved in parliament, it would have been difficult for the UDC to send any representative to the European Parliament.

When these proposals were launched, many Italian journalists and representatives of the research community were against the abolition of preferences. Michele Comelli and Jean-Pierre Darnis, from the "International Affairs Institute", wrote that the abolition of the preference system would "make it impossible for the voters to choose their representatives in

the European Parliament directly"²³⁷. Moreover, some journalists argued that, while in other EU member states, such as Germany, democratic procedures have been established inside the parties to choose their candidates; in Italy however, "the fixed party list mechanism of the national electoral law has boosted [...] the use of co-optation from above, without the introduction of any democratic procedure either inside or outside the parties"²³⁸.

On the other hand, some commentators were in favour of abolishing preferences. For example, Antonio Missiroli, director of studies of the "European Policy Centre", affirmed that "the preference vote has an influence on both the electoral campaign – driving the parties to put more popular candidates on the lists [...] in order to attract a higher number of votes – and the consequent behaviour of the elected candidates, who have to keep visibility in their country in order to gain a second mandate"²³⁹.

Some journalists also argued that the preference system has the negative effect of forcing the potential candidates to fight against one another in order to gain votes through the use of advertisements, and political dinners and cocktails. Thus, the consequence is that only the wealthiest candidates are elected.²⁴⁰

The text proposed by the PdL was discussed in the Italian parliament on the 27 October 2008. On that occasion, the President of Italian Republic, Giorgio Napolitano, asked for "a large consensus in parliament", which in his opinion, is a fundamental condition when "it comes to modifying some of the most important rules of the democratic competition"²⁴¹. Since there was not enough consensus among the different parties, Silvio

²³⁴ L. Fuccaro: Soglia al 4% e una preferenza – Europee, il testo del governo, Corriere della Sera, 31 July 2008.

²³⁵ With a system of closed party lists, which does not allow the voters to express their preferences for single candidates, the candidates at the top of the winning electoral list get elected.

²³⁶ See: Antifascismo e preferenze, Il Riformista, 18 September 2008.

²³⁷ M. Comelli/J. Darnis: Europa e legittimità democratica: due proposte, Affari Internazionali, 8 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=915> (last access: 25 January 2009).

²³⁸ R. Gualtieri: La preferenza per evitare le oligarchie, Il Mattino, 18 September 2008.

²³⁹ A. Missiroli: Anche in Europa si può ridare lo scettro al principe, Affari Internazionali, 20 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=922> (last access: 25 January 2009).

²⁴⁰ L. Caputo: Ma solo così si riducono spese e clientele, Il Giornale, 15 September 2008, available at: <http://www.ilgiornale.it/a.pic1?ID=290549&START=1&2col=&page=2> (last access: 25 January 2009).

²⁴¹ See: Verso le Europee, appello di Napolitano: ampio consenso sulla legge, Panorama, 28 October 2008, available at: <http://blog.panorama.it/italia/2008/10/28/verso-le-europee-appello-di-napolitano-ampio-consenso-sulla-legge/> (last access: 25 January 2009).

Berlusconi declared that for the time being it was better to maintain the current electoral law.²⁴² At present, Elio Vito, Minister for Relations with Parliament, and Dario Franceschini, deputy-secretary of PD, are working on a compromise on the reform.²⁴³

Above and beyond the national electoral law, some observers raised proposals about the European electoral system. Michele Comelli and Jean-Pierre Darnis, of the "International Affairs Institute", wrote about the necessity to establish common electoral procedures all over Europe, in order to "make the European Parliament elections more 'European', whilst they have become just another national event, in which Europe tends to be only an accessory element"²⁴⁴.

In concerns to Italian citizens, the results of the last Eurobarometer survey showed that at present, they are more aware of the importance of the European Parliament elections than the average European (41 percent of Italians are 'somewhat interested' in the elections as compared to the 38 percent average for other European citizens).²⁴⁵ The issues that seem to influence Italian voters the most are economic ones such as: economic growth (47 percent), unemployment (42 percent), inflation and purchasing power (40 percent).²⁴⁶

The formation of the new Commission in autumn 2009

In Italy, the debate on the formation of the new European Commission has been focused particularly on the appointment of its president. For Italian observers, it is not only a matter of who will be the next person to hold this position, but also of how this choice will be made.

As for possible nominees, Italian Prime Minister Berlusconi announced that he is in favour of a second mandate for the current President of the European Commission, José Manuel Barroso. He affirmed that "it would be absurd to throw away his intelligence and experience"²⁴⁷.

More generally, forming a new European Commission is considered an opportunity to restore the linkage between European citizens and the EU institutions. For this reason, some Italian analysts and politicians are in favour of a sort of direct election of the President of the European Commission. This idea, which was already proposed in 1999 by Tommaso Padoa-Schioppa of "Notre Europe",²⁴⁸ has been central in the debate concerning the next European Commission. According to Gianni Bonvicini, vice-president of the "International Affairs Institute", there is widespread consent on the necessity to make the European elections more 'politicised'.²⁴⁹ He suggests that, before the elections, each European party should choose a candidate to run for the position of the President of the European Commission. The party that gains the majority in the European Parliament could then indicate the person they supported to the European Council.²⁵⁰ This approach has already been used by the European People's Party, which proposed Barroso again as its candidate for this role. In Bonvicini's opinion, this mechanism would make it possible for European parties to have their electoral programmes carried out by a person with strong legitimacy deriving from the European citizens. This idea is shared by Antonio Missiroli, director of studies of the "European Policy Centre", who wrote an article in which he analyzes the advantages and disadvantages of such a proposal.²⁵¹ Among the shortcomings of the direct election of the next President of the European Commission, is

²⁴² P. De Martino: PD e PDL ci riprovano, legge modello svedese-belga, 9 January 2008, available at: [http://www.asca.it/news-EUROPEE_PD_E_PDL_CI_RIPROVANO_LEGGE_MO_DELLO_SVEDESE-BELGA_\(IL_PUNTO\)-801021-ORA-.html](http://www.asca.it/news-EUROPEE_PD_E_PDL_CI_RIPROVANO_LEGGE_MO_DELLO_SVEDESE-BELGA_(IL_PUNTO)-801021-ORA-.html) (last access: 25 January 2009).

²⁴³ Ibid.

²⁴⁴ M. Comelli/J. Darnis: Europa e legittimità democratica: due proposte, Affari Internazionali, 8 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=915> (last access: 25 January 2009).

²⁴⁵ Special Eurobarometer 299: The 2009 European Elections. Results for Italy, September 2008, available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_299_it_en.pdf (last access: 25 January 2009).

²⁴⁶ Ibid.

²⁴⁷ See: Il Cavaliere "ricandida" il portoghese, Corriere della Sera, 16 July 2008, available at: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search¤tArticle=IPMPB (last access: 25 January 2009).

²⁴⁸ T. Padoa Schioppa: From the single currency to the single ballot-box, Paris 1999, available at: <http://www.notre-europe.eu/en/> (last access: 25 January 2009).

²⁴⁹ G. Bonvicini: Elezione "diretta" del Presidente della Commissione europea?, Affari Internazionali, 8 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=914> (last access: 25 January 2009).

²⁵⁰ Ibid.

²⁵¹ A. Missiroli: Anche in Europa si può ridare lo scettro al principe, Affari Internazionali, 20 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=922> (last access: 25 January 2009).

the fact that this solution would probably politicise the Commission too much, which would be strongly influenced by the winning party. This could have negative consequences on the 'regulatory' role of the Commission, which is often in charge of 'technical' decisions that should be not affected by party politics.²⁵² Notwithstanding this possible drawback, Missiroli believes that the direct election of the European Commission's President would have more positive than negative effects. By voting for the candidate to this office, European citizens would be given the opportunity to express themselves in a 'pan-European electoral campaign', conducted at the European rather than at the national level.²⁵³

Other observers also think that it would be very important for the European electorate to choose directly the European Commission's President, whom is considered "the key figure of the EU"²⁵⁴. This solution is in fact considered to be both "useful" and "feasible".²⁵⁵ useful, because it would help to reduce the gap between the citizens and the European institutions and at the same time would stimulate an open debate on the possible candidates, improving the transparency within the EU; feasible, because it would not require a change of the treaties since it would be possible under the present rules.²⁵⁶

The idea of the direct election of the President of the European Commission is strongly sustained by the "European Federalist Movement". In fact, they conducted an online campaign called "Who is your candidate?", which aimed at collecting signatures and asking the members of the political parties to choose their candidate before the elections, since they believe that this would improve the accountability and transparency of European institutions.²⁵⁷ They collected 1,285 signatures of people from all EU member states, including a few Italians.

From this overview, it may be noted that if there has been a debate in Italy concerning the new European Commission, it has been focused mostly on the possibility of direct

election of its President. According to some authors, this mechanism would stimulate people's participation in the 2009 elections, which is very low at present. In fact, as the last Eurobarometer shows, Italian public opinion's trust in the European Commission is quite high (48 percent)²⁵⁸ and a change like the one proposed by some Italian analysts would probably increase it.

The appointment of the High Representative

In Italy, after the Irish 'No' to the Lisbon Treaty, the debate on a possible new High Representative was quite scarce. This is due to the fact that in such a difficult moment for Europe, it is common thought that it would be very useful to keep the expertise of the person who already held this position.

Therefore, for many reasons, there is a widespread perception that Javier Solana should be appointed as "Mr. CFSP"²⁵⁹ again. First, he is now an "expert" and "able to mediate", and secondly, he is a socialist; this last element would make him the perfect candidate to counterbalance the likely reappointment of Barroso as President of the European Commission.²⁶⁰

The future of the EU after the Irish 'No'

Latvia*

National crisis management more important than future of the EU

For the past two years, but especially since autumn 2008, Latvia has been increasingly preoccupied with its own problems. The Latvians are particularly concerned with:

- the quality of political leadership, especially at the national level, and the dramatic decline in confidence in the elected and appointed officials;

²⁵² Ibid.

²⁵³ Ibid.

²⁵⁴ M. Ruta: Come scegliere il Prossimo Presidente della Commissione UE?, 7 September 2008, available at: http://www.imille.org/2008/09/come_scegliere_il_prossimo_pre.html (last access: 25 January 2009).

²⁵⁵ Ibid.

²⁵⁶ Ibid.

²⁵⁷ See: <http://who-is-your-candidate.eu/index.php?lang=it> (last access: 25 January 2009).

²⁵⁸ Standard Eurobarometer 69, Spring 2008, available at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_it_exe.pdf (last access: 25 January 2009).

²⁵⁹ See: Unione europea: il valzer delle poltrone scatena le diplomazie europee, Panorama, 8 May 2008, available at: <http://blog.panorama.it/mondo/2008/05/08/ue-chi-dopo-barroso-il-valzer-di-poltrone-scatena-le-diplomazie-europee/> (last access: 25 January 2009).

²⁶⁰ C. Tosi: Cambiare tutto per non cambiare niente, Limes, 4 January 2008, available at: <http://limes.espresso.repubblica.it/2008/01/04/cambiare-tutto-per-noncambiare-niente/?p=425> (last access: 25 January 2009).

* Latvian Institute of International Affairs.

- economic recession.

Given that credible steps to resolve the problems are not yet in sight, early in 2009 the Latvian public is focusing more than ever on their own problems. Other issues, including the Lisbon Treaty and the future of the EU after the Irish 'No', are regarded as having less immediacy.

In early November 2008 the Ministry of Foreign Affairs promoted a four-day visit to Portugal for the purpose of better acquainting Latvian journalists with the Lisbon Treaty. They, in turn, were expected to stimulate the interest of the Latvian public in the treaty and its implementation.²⁶¹ The results, however, did not meet the expectations owing primarily to the unexpected collapse of the "Parex" bank, the second largest bank in Latvia which had heretofore enjoyed a very good reputation both at home and abroad. Acting on news received only a few days earlier, the Prime Minister, Ivars Godmanis, decided on 8 November 2008 to bail out the bank.²⁶² The implementation of the decision revealed basic weaknesses in the country's economy and extremely short-sighted planning, especially during the years when Aigars Kalvītis was Prime Minister and Latvia was experiencing fast growth and steadily increasing inflation.

Consequently, there has been minimal public discussion of the Lisbon Treaty and its impact on Latvia, and even less discussion of the Irish 'No', the proposed ways of resolving it or what might happen to the European Union should the dilemma become protracted. The broader international issues have become more and more the domain of the country's leaders because the populace has been focussing on domestic developments. Currently, issues, such as the formation of a new European Commission in autumn 2009, appointment of the High Representative for the Common Foreign and Security Policy and the EU integration process, are not on the public's list of priority topics and they have not been discussed in the mass media. While many political parties have already chosen their candidates for Latvia's delegation to the European Parliament, no pre-election

excitement is yet to be felt among the electorate.

The address of President, Valdis Zatlers, to the European Parliament on 13 January 2009 in Strasbourg, illustrates well the EU topics perceived as most relevant to Latvians.²⁶³ Recalling that the year 2009 marks the fifth anniversary of Latvia's membership in the Union, the president underlined the importance of the EU enlargement of 2004 for Latvia. The president also expressed his appreciation to the European Parliament for declaring 23 August as a day of remembrance of the victims of Stalinism and Nazism.

Turning to current issues, Zatlers welcomed the EU's initiatives to deal with the international economic problems; Zatlers thanked warmly the European institutions and individual countries for the assistance offered to Latvia to overcome its economic difficulties. He focused on the Union's energy security and its Eastern Partnership, and welcomed the Baltic Sea regional initiatives and projects.

In conclusion, President Zatlers outlined his vision of the European Union in 2015, noting also Latvia's role and the honour and responsibility of assuming the EU presidency that year. Reiterating his support for the Lisbon Treaty and the conclusions of the European Council of December 2008 to activate it, he called for a more united Europe and cautioned against measures that could lead to fragmentation or "a Europe of several speeds".

The President's endorsement of the Lisbon Treaty does not reflect fully the variety of sentiments in Latvia. While most Latvians see their parliament's approval of the treaty on 8 May 2008 as a condition of belonging to the European Union, 13 political activists questioned the procedure, claiming that a referendum was mandatory. On 25 July 2008, they asked the constitutional court to consider the issue. In autumn, the court agreed to look into the matter and early in 2009 both sides were preparing their cases for the first hearing, scheduled for 3 March 2009. How and when the court will decide cannot be predicted.²⁶⁴

²⁶¹ Ministry of Foreign Affairs: Latvijas žurnālisti Portugālē uzzina par Lisabonas līguma nozīmi Eiropas Savienības tālākajā attīstībā, press release, 7 November 2008, available at: <http://www.mfa.gov.lv/lv/Jaunumi/vestniecibu/2008/2008-11-07-4/> (last access: 25 January 2009).

²⁶² See BNS and LETA, news agencies: dispatches of 8 November 2008.

²⁶³ President Zatlers delivered his speech in Latvian. For the full text see: <http://www.mfa.gov.lv/lv/Jaunumi/Runas/2009/janvaris/13-1/?print=on> (last access: 25 January 2009). The subsequent references to the speech will not be separately footnoted.

²⁶⁴ See LETA, news agency: dispatches of 16 March 2009, available at: http://leta.lv/archive_item.php?id=C83892EF-C833-4FCC-AF1D-

As for President Zatlers, in his speech he did not acknowledge the possibility that the Lisbon Treaty might end up in a state of limbo either in Latvia, or in the European Union as a whole. His view of the EU in 2015 was distinctly upbeat. Quoting the Latvian poet Rainis, who said that he who changes will survive, Zatlers envisions the EU as one of the pillars of economic power after the worldwide economic crisis has been overcome. Furthermore, the will and ability to be united in diversity will be the key to increasing the EU's role in the world. It will also permit the admission of other European countries, which uphold European values, into the Union. The EU will have become larger while retaining its ability of act effectively. The Union will not look at its members through the prism of geography, geopolitics, or length of EU membership, but rather their achievements.

The future of the EU after the Irish 'No'

Lithuania*

Attention concentrated on energy and the European Economy Recovery Plan

The Lisbon Treaty is a very important treaty to Lithuania. As the former Lithuanian Prime Minister Gediminas Kirkilas said – “by ratifying the Lisbon Treaty Lithuania has spoken for a strong, solid and united EU”.²⁶⁵ Nevertheless, in Lithuania during the December European Council meeting, the attention has been concentrated on the European Council decisions concerning energy and the European Economy Recovery Plan. The Committee on European Affairs of the Lithuanian parliament called these two issues the most important to Lithuania.²⁶⁶ Therefore the European Council

[84E561806473&phase=Lisabonas+I%C4%ABgums&sd=1&sm=1&sy=2008&ed=23&em=2&ey=2009&t=t0&t1=t1&t2=t3&t3=t5&t4=t4&more=true&moreid=0](http://www.bernardinai.lt/index.php?url=articles%2F88444&sm=1&sy=2008&ed=23&em=2&ey=2009&t=t0&t1=t1&t2=t3&t3=t5&t4=t4&more=true&moreid=0) (last access: 25 January 2009).

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²⁶⁵ Lithuanian government: G. Kirkilas: Lietuva nori stiprios, solidarios ir vieningos Europos Sąjungos (G. Kirkilas: “Lithuania wants a strong, solidary and united Europe”), press release, 22 May 2008, available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6237 (last access: 25 January 2009).

²⁶⁶ Committee on European Affairs of the Lithuanian parliament: Europos reikalų komitetas pritarė Lietuvos Respublikos pozicijoms vykstant į Europos Vadovų Tarybos posėdį (Committee on European Affairs has approved the Lithuanian position for the European Council meeting), press release, 8 December 2008, available at: http://www3.lrs.lt/pls/inter/w5_show?p_r=4463&p_k=1&p_d=81730 (last access: 25 January 2009).

decisions concerning the fate of the Lisbon Treaty did not attract much attention.

Little preparation for the European Parliament elections

Lithuanian parliament changed the order of the presidential elections, therefore the European Parliament elections in Lithuania will be held together with the second round of the presidential elections. According to the former chairman of the Lithuanian parliament, Česlovas Juršėnas, this measure has been taken in order to stimulate the participation of Lithuanians in the European Parliament elections and to save money.²⁶⁷

As the member of the European Parliament from Lithuania Aloyzas Sakalas claims, in Lithuania there is still little preparation for the forthcoming European Parliament elections as everybody is still occupied with the problems and affairs of the newly elected national parliament.²⁶⁸ There are still little public talks upon who would be nominated by the national parties as candidates for the European Parliament elections. Only the Lithuanian conservatives, the Homeland Union – Lithuanian Christian Democrats,²⁶⁹ which won the biggest number of seats in the autumn elections to the national parliament made public remarks on this subject. As the leader of the party and the Lithuanian Prime Minister Andrius Kubilius declared, the most serious candidates of their party would be the current members of the European Parliament – Vytautas Landsbergis and Laima Andrikienė.²⁷⁰

²⁶⁷ Bernardinai (news portal): Europos Parlamento rinkimai vyks birželio 7d. (European Parliament elections will be held on the 7th of May), 2 December 2008, available at: <http://www.bernardinai.lt/index.php?url=articles%2F88444> (last access: 25 January 2009).

²⁶⁸ Lietuvos socialdemokratų partija (Lithuanian Socialdemocratic party): Aloyzas Sakalas. Lietuvoje partijos dar nesirengia Europos Parlamento rinkimams (Aloyzas Sakalas. Lithuanian parties still do not prepare for the European Parliament elections), 24 November 2008, available at: <http://www.lsdpl.lt/lt/index.php/straipsniai-ir-komentariai/interviu/90-interviu/1790-aloyzas-sakalas-lietuvoje-partijos-dar-nesirengia-europos-parlamento-rinkimams> (last access: 25 January 2009).

²⁶⁹ Tėvynės Sąjunga – Lietuvos krikščionys demokratai.

²⁷⁰ See: Kubiliaus favoritai rinkimuose – D. Grybauskaitė ir dabartiniai europarlamentarai (Favourites of Kubilius for the elections – D. Grybauskaitė and the current European Parliament members), 24 January 2009, available at: <http://www.ve.lt/?data=2009-01-24&rub=1065924810&id=1232824411> (last access: 25 January 2009).

High participation in the European Parliament elections is not expected

A recently conducted national survey demonstrates that the participation in the elections to the European Parliament in Lithuania will not be high – 52 percent of inhabitants express their intention to go to vote during the European Parliament elections. The resolution of Lithuanians to vote during these elections is decreasing – this figure is lower by 20 percent compared to last year's results.²⁷¹ According to another survey, while choosing which candidate to vote for, Lithuanians consider personality first, the candidate's position on the Lithuanian issues second, and lastly, his experience in European matters.²⁷² While the European Parliament elections get at least some attention, the same cannot be told about the formation of the new European Commission – this issue does not practically attract attention in Lithuanian media. Nevertheless, the current European Commission member from Lithuania, Dalia Grybauskaitė, is a favoured personality by the Lithuanian media and she often gets media coverage. The issues of the appointment of the High Representative for the Common Foreign and Security Policy or possible scenarios of the further EU integration also do not receive attention.

The future of the EU after the Irish 'No' Luxembourg*

Optimism about reinforcement of democracy, transparency and efficiency

The Luxembourg government is satisfied with the fact that the Lisbon Treaty is a quasi 'copy and paste' of the essentials of the former Constitutional Treaty it strongly supported, and which the Luxembourg people voted for in the referendum of 10 July 2005. Hence the Lisbon

Treaty will contribute, according to the government, to reinforcing democracy, transparency and efficiency in the functioning of EU institutions. The government regrets that certain European symbols (like the European flag) have disappeared from the new text and that certain exceptions, like the one allowing the United Kingdom to maintain certain opt-out possibilities, the non-application of the Charter of Fundamental Rights of the European Union and the non-cooperation in the domain of politics, justice and internal affairs have made their entry in the Lisbon Treaty.²⁷³

The Luxembourg government strongly supports the application of the traditional 'community method' and the maintaining of the institutional equilibrium. The Luxembourg parliament may have ratified the Lisbon Treaty on 29 May 2008, but the Luxembourg government has to acknowledge the negative result of the Irish referendum on the treaty of 12 June. Anyway, the Luxembourg government is convinced that the Lisbon Treaty remains the basis for the future development of the EU in the sense that the process of ratification has to be implemented in all the member states which still have to fulfil their ratification obligations. The government is prepared to give Ireland enough time to find a solution to the problem. In a declaration in the Luxembourg parliament, Jean Asselborn, Luxembourg's Minister of Foreign Affairs, recognised on 18 November 2008, that there were some fears among the Irish voters which may have contributed to the negative vote and "which are totally unjustified or simply false"²⁷⁴. These fears are: the fear of losing military neutrality, the sovereignty in fiscal questions, the fear of being obliged to abandon the interdiction of abortion, the fear of being incorporated in a 'European army', but also the concern to lose an Irish Commissioner. Asselborn pointed out that, on the other hand, recent studies and surveys have proved the consistent pro-European mood of the Irish people.

The position of the government in these matters was not criticized by the opposition parties in the Luxembourg parliament.

²⁷¹ See: Europos Parlamento rinkimuose ketina balsuoti pusė Lietuvos gyventojų (Half of Lithuanian inhabitants intend to vote during European Parliament elections), 7 October 2008, available at: <http://www.zebra.lt/lt/aktualijos/lietuvoje/Europos-Parlamento-rinkimuose-ketina-balsuoti-puse-Lietuvos-gyventoju-2008-10-07.html> (last access: 25 January 2009).

²⁷² See: Europos Parlamento rinkimai ateina į Lietuvą antrą kartą (European Parliament elections come to Lithuania for the second time), 19 December 2008, available at: <http://www.paleckis.lt/Default.aspx?Lang=LT&Element=VieArticle&TopicID=6&ArticleID=3013> (last access: 25 January 2009).

* Centre d'Etudes et de Recherches Européennes Robert Schuman.

²⁷³ Ministère des Affaires étrangères: Rapport sur la politique européenne du gouvernement du Luxembourg, Luxembourg, 10 October 2008.

²⁷⁴ Déclaration de politique européenne et étrangère présentée par M. Jean Asselborn, Vice-Prime Ministre, Ministre des Affaires étrangères et de l'Immigration, in: Chambre des Députés: Compte-rendu des séances publiques, 18 November 2008.

The upcoming European Parliament elections in June 2009

As the number of the Luxembourg deputies in the European Parliament (six MEP since 1989) does not differ neither from the Lisbon nor from the Nice Treaty, there is no discussion whatsoever on this point.

Ever since 1989 when the first direct elections of European Parliament were held, national elections have been scheduled on the same day in Luxembourg in order to save money. Traditionally, all political parties put their front runners and most popular political figures on their European list. Of course, the more popular politicians were candidates on their party's local constituency's lists for the national elections on the same day. The Luxembourg election system allows the voters to express their preference votes on one list or split their votes among the members of the lists of different political parties. The European elections in Luxembourg looked like a fake beauty contest, since the front runners like Jean-Claude Juncker, never thought for even one second about going to sit in the European Parliament. The elected political leaders left their newly won seats to the backbenchers or retired national politicians who took their place after the national political stars had withdrawn to become ministers. This 'comedy' has left many voters frustrated. Only the defeated party in the national elections would send a political star to the European Parliament when he or she lost the seat in the government since his or her party would be excluded from the ruling coalition.

As promised in the 2005 referendum campaign on the Treaty establishing a Constitution for Europe, the main political parties have decided to exclude double candidacies for the 2009 upcoming elections. In this way, the outcome of the European elections should be somewhat more unpredictable than in the previous elections.

The formation of the new Commission in autumn 2009

Most Luxembourg political leaders see the formation of the new Commission in autumn 2009 with mixed feelings. A strong Commission is essential in their eyes. The Luxembourg position on the European Council of December 2008 was coordinated together with its Benelux partners beforehand. Awaiting a French Presidency proposition, the three

founding members of the European Community agreed upon a most sounding appeal "to maintain the equilibrium between the EU institutions", said Asselborn.²⁷⁵ Asselborn underlined, in accordance with his Benelux colleagues, that the Lisbon Treaty must not be altered: in the treaty, the "Commission was given important responsibilities"²⁷⁶. In the tradition of its founding father, Jean Monnet, Asselborn stresses that all members of the Commission have to be "independent and must defend the interests of all member states regardless of their size and importance"²⁷⁷.

In order to "relaunch the Lisbon Process", the French President Sarkozy offered the Irish government a Commissioner in return for a positive referendum. If the Irish referendum turns negative again, the Nice Treaty will remain in place. The Taoiseach, Brian Cowen, considers this to be a strong signal for his fellow citizens. Jean-Claude Juncker believes that the Irish fears should be taken into account by this agreement.²⁷⁸

The Benelux countries had doubts over this issue. Jean Asselborn repeated his and his colleague's well-known position after the break-through brokered by the French President: The principle of having one Commissioner per member state would have consequences in the future because it would then be very complex to ensure the smooth functioning of the Commission. But anyway, even for Asselborn, "it is most important that Ireland should approve the Lisbon Treaty".²⁷⁹ Luxembourg's Communist newspaper editorialist is ironical about the offer made: "The Irish are obliged to consider a second vote [...] . An Irish Commissioner in Brussels is no great asset for the Irish people"²⁸⁰. But Asselborn insists that the Commission is composed of distinguished members whose mandate is not to represent their own countries, but the "community as a whole" and to be the "guardians of the treaties". The principle must be given up to satisfy Ireland's demands, but this will end up harming the

²⁷⁵ Le Jeudi: Trois casse-tête pour les Vingt-sept, 11 December 2008.

²⁷⁶ Tageblatt: Benelux –Länder besorgt über die Zukunft des Lissabon-Vertrages, 9 December 2008.

²⁷⁷ Ibid.

²⁷⁸ Tageblatt: Garantien für Irland, 13 December 2008.

²⁷⁹ Europolitics: European Council: Irish guarantees via Croatia's accession treaty, 15 December 2008.

²⁸⁰ Zeitung vum Lëtzeburger Vollek: EU-Kurs gegen Volkswillen, 16 December 2008.

medium-sized and smaller member states.²⁸¹ The bigger nations will find ways to push through their genuine national interests. Luxembourg's European commissioner Viviane Reding has a different point of view from the official one put forward by the Luxembourg government: "I don't agree with Jean-Claude (Juncker) for once. Every country, especially a small country like Luxembourg, should have a commissioner of its own. Larger countries do have enough means to push through their interests even without a commissioner of their own whereas small countries risk to be cut off from the background information and the decision-making process on the European level if they are excluded – even temporary – from the European commission's college [...] A large commission must not be ineffective one. There is enough work to be done: different commissioners may for example work together in clusters and can do a better job than they do now. [...] The Commission will not be downgraded if it has one commissioner per member state."²⁸² Viviane Reding, who is a candidate on the Christian democrat list for the European parliament elections in June 2009, knows that she is well in phase with a large part of the Luxembourg public opinion. ADR²⁸³ MP Jacques-Yves Henckes expresses the same opinion in a parliamentary debate on European and international policy.²⁸⁴

Prime Minister Juncker can not live with a Commission reduced to a mere secretariat of the rotating presidency. In Juncker's eyes, "downgrading the role the Commission means weakening the EU as a whole"²⁸⁵.

The appointment of the High Representative

The appointment of the High Representative for the Common Foreign and Security Policy does not play any role in the Luxembourg political discussion since no Luxembourg politician is involved. Before the negative outcome of the Irish referendum, Luxembourg's Prime Minister Jean-Claude Juncker often appeared among the happy few to be eligible for the post as President of the

European Council and to be nominated after the implementation of the Lisbon Treaty. Germany and other member states looked favourably on candidates such as Jean-Claude Juncker, but more policy makers now feel that the EU-presidency demands an occupant from a much bigger member state.²⁸⁶ Juncker declared on TV that he will be Luxembourg's next Prime Minister after June 2009, if the Luxembourg voters will not send his Christian Democratic Party²⁸⁷ in the opposition.²⁸⁸

The future of the EU after the Irish 'No'

Malta*

Hope for the adoption of the Lisbon Treaty in 2009

The conclusions of the European Council in December 2008 were widely welcomed in Malta as having already voted in favour of the Lisbon Treaty, there is hope that a second vote in 2009 in Ireland will result in adoption of the Treaty.

Malta also welcomes the agreement that every EU member state will retain a Commissioner in the European Commission. It also supports the decision taken vis-à-vis caps on CO₂ emissions. Malta also committed itself to the decision taken for every EU member state to implement the European Economic Recovery Plan to help boost recovery in each country. In fact, Malta already announced an 80 million Euro package to beautify its capital Valletta, including the building in four years of a new parliament building.

Enthusiasm for the upcoming European Parliament elections

The forthcoming European Parliament elections, the second that Malta will be contesting, are being anticipated with a great deal of enthusiasm. The two main political parties, the Nationalist Party currently in government and in possession of two seats in the European Parliament, and the Labour Party, currently in possession of three seats, have already announced that they will be

²⁸¹ Süddeutsche Zeitung: Die irische Erpressung, 23 December 2008.

²⁸² Commissioner Viviane Reding in a statement made at a workshop meeting with the author and other scholars in Brussels, 3 March 2009.

²⁸³ ADR Alternativ demokratch Reformpartei

²⁸⁴ Chambre des Députés: Compte-rendu des séances publiques, 19 November 2008.

²⁸⁵ Financial Times Deutschland: Juncker warnt vor Sarkozys Plänen, 15 December 2008.

²⁸⁶ Financial Times: Blair appears as choice to be EU president, 12 January 2009.

²⁸⁷ Chrëschtlech Sozial Vollekspartei.

²⁸⁸ RTL TV Luxembourg language service: Spezial, 31 December 2008.

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fielding a broad array of candidates for the five seats available, (will become six after 2009 if the Lisbon Treaty is ratified). A smaller third party, the Alternative Democrats, will also be contesting the June elections.

Possible delay of a new Commission

With regards to the formation of a new European Commission in autumn 2009, Malta is looking forward to continuing to be represented in the next college of Commissioners. Academic debate at the University of Malta about the possibility of a delay in ratification of the Lisbon Treaty led some to ponder that there could be a delay in the formation of a new Commission to the start of 2010.

Not much discussion over a High Representative

Little reference has been made to the appointment of a High Representative for the Common Foreign and Security Policy although occasional reference to the lack of Javier Solana's current active engagement in the Middle East has taken place.

Malta would like to see the EU enlargement process continue with Croatia allowed to join in the near future. One year after the adoption of the Euro, there is widespread belief that the country made the correct choice given the instability that subsequently emerged in the economic and financial markets. Solidarity between EU member states to address the international economic crisis has been very much welcomed by Malta which is seeking to weather the economic storm by coordinating its policy closely with Brussels.

The future of the EU after the Irish 'No'

Netherlands*

Future of the EU after the Irish 'No'

Most attention with regard to the European Council meeting of December 2008 was given to the 'historical agreement' reached on the climate and energy package, and to the efforts agreed upon to revive the European economy. With regard to the fate of the Lisbon Treaty, the concession granted to Ireland to keep the

right for each member state to nominate one Commissioner, received most attention.²⁸⁹ According to the Dutch government, a considerable concession is made to the Irish. In its official report of the European Council, it mentions the initial preference of the Netherlands for a smaller number of Commissioners.²⁹⁰ The chances for survival of the Lisbon Treaty are generally estimated to have increased, but it is not taken for granted by the press that the Irish population will approve the treaty in the second referendum.²⁹¹ In newspapers, considerable attention is given to the opponents of the Lisbon Treaty, most notably Declan Ganley. His efforts to build from an office in a prime location in Brussels a cross-European political party, Libertas, are followed closely.²⁹² Newspaper articles speculate on how the activities of Ganley are financed and who could become his allies in various EU member states. Although no Dutch political parties are known to have an interest in aligning themselves with Libertas, a trend towards more Euroscepticism can be witnessed among the Dutch political parties, most notably in the populist-conservative parties ("Freedom Party" of Geert Wilders and "Proud of the Netherlands" of Rita Verdonk). The Freedom Party has announced it will participate in the elections. Currently it is doing very well in the polls. The same is the case for an outspoken pro-European party, the social-liberal "D66", which is doing remarkably after a period of decline.

With regard to the elections to the European Parliament, there has been some attention to the elections of the leading candidates of the political parties. At the time of writing the nominees of the liberals (VVD), the social-liberals (D66), the social-democrats (PvdA), and the green party (GroenLinks) have been decided upon by a vote among the party members. The leading candidate of the Christian-Democrats (CDA), the Socialist Party (SP) and the protestant religious parties (CU/

²⁸⁹ Bert Lanting and Marc Pepperkorn: EU-lidstaten behouden eigen commissaris, *De Volkskrant*, 12 December 2008.

²⁹⁰ Kamerbrief inzake het verslag van de bijeenkomst van de Europese Raad, d.d. 11-12 december 2008 te Brussel, Ministerie van Buitenlandse Zaken, 17 December 2008.

²⁹¹ Frans Dijkstra: Concessies aan Ieren maken weinig indruk op nee-campagne, *Trouw*, 12 December 2008; NRC Handelsblad: Ier stemt opnieuw over EU-verdrag, 12 December 2008.

²⁹² Bert Lanting: De Ierse vijand is in Brussel neergestreken, *De Volkskrant*, 13 December 2008; Martin Visser: Ierse miljonair schudt Europa op, *Het Financieel Dagblad*, 12 December 2008.

* Netherlands Institute of International Relations 'Clingendael'.

SGP), have been decided upon as well, either by the party or by silent approval of the members. It is not yet known who will lead the Freedom Party in the elections.

Some newspaper articles refer to the people that are named to be candidates for the most important political positions in the EU after the elections, such as the position of the High Representative and European Council President (in the circumstance that the Lisbon Treaty enters into force). Names mentioned include Tony Blair, Anders Rasmussen and Carl Bildt. Perhaps most importantly, the Dutch Prime Minister Balkenende, has been mentioned as a potential candidate for the position of Commission President.²⁹³ Although newspapers indicate that the chances for a second term for current President Barroso are still relatively high, they refer to the relative seniority and solid reputation of Balkenende within the European Council. Balkenende himself has declared support for a second term by Barroso and denies to be interested in the position.²⁹⁴ Other Commission nominees that have been mentioned include the former Minister for Agriculture Veerman, the Minister of Social Affairs (and formerly Justice) Donner, and Minister for Europe, Timmermans.²⁹⁵ Soon to retire NATO Secretary-General Jaap de Hoop Scheffer has been mentioned as possible nominee for the position of High Representative for the CFSP. It is considered unlikely that the current Dutch Commissioner Neelie Kroes will continue, since the political party she is a member of, is currently not participating in the coalition government.

The future of the EU after the Irish 'No'

Poland*

Positive attitude remains in Poland despite the Irish 'No'

At the outset one has to recall the basic facts – The Polish parliament ratified the Lisbon Treaty on 1 April 2008 (396 for and only 56 votes against). In the following week, it was swiftly ratified by the senate. After the Irish 'No'

the Prime Minister, Donald Tusk, agreed with the official EU line to continue the ratification process. "The result of the Irish referendum does not have to rule out the chances of its implementation. The EU will find the way out of this conundrum".²⁹⁶ The President, Lech Kaczyński, as yet, has not signed the treaty. On the eve of the French Presidency, on 1 July 2008, the President, Lech Kaczyński, in an interview for "Dziennik" daily, said that the ratification of the treaty by Poland was, in current circumstances, pointless. After the critique from many European capitals and an internal row with the government, Lech Kaczynski toned down his rhetoric against the Lisbon Treaty. "If the Irish change their mind, not under pressure, but of their own free will [...] I will also sign the treaty".²⁹⁷

Six months after that statement the President upholds his position – he will not sign the Treaty of Lisbon before the Irish pronounce themselves on its fate again. However, on numerous occasions Kaczyński reiterated that – "Poland will not be an obstacle to the ratification of the treaty. Even though the treaty is not optimal, after a long and protracted battle, we have succeeded in improving it".²⁹⁸ In other words, the Polish President promised to sign the treaty as quickly as possible, after the result of the second Irish referendum. The president's stance comes despite the Polish parliament's foreign affairs committee passing on 19 January 2009 a resolution for him to yield – "The parliament requests the president to respect the will of both houses of the parliament and to finish the process of ratification as quickly as possible".²⁹⁹ When it comes to the public opinion – even after the rejection of the Lisbon Treaty in Ireland, 60 percent of Poles support the deepening of integration, and only 13 percent are against it (52 percent of respondents are of the opinion that the presidents should ratify the Lisbon Treaty no matter what (75 percent of PO electorate), 14 percent are against).

The Polish government endorsed the conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty. At the beginning of the year, all of the political parties are preparing the lists of their candidates for the elections of the European Parliament, which will be held under the Nice

²⁹³ Telegraaf: Naam Balkenende zingt nog rond in Brussel, January 2009.

²⁹⁴ Telegraaf: Vervolg Barroso belangrijk voor EU, January 2009.

²⁹⁵ Trouw: Balkenende genoemd voor topfunctie EU, 21 January 2009.

* Foundation for European Studies - European Institute.

²⁹⁶ Eurativ 13 June 2008, available at: www.eurativ.pl (last access: 25 January 2009).

²⁹⁷ Euobserver, 02 July 2008.

²⁹⁸ "Gazeta Wyborcza", 10-11 January 2009.

²⁹⁹ Euobserver, 21 January 2009.

Treaty scenario (with Poland electing 50 deputies).³⁰⁰ The government also started thinking about its candidates for the Polish Commissioner. In an interview with "Gazeta Wyborcza", the President confirmed that he discussed the government's candidate for the European Commission with the Prime Minister and that he supports it.

The mood in Poland is much more pro-European and fringe, extremist anti-European parties were eliminated from political life. More and more people want to participate in European elections; the European Parliament is treated as a serious, democratic institution. Poles are quite well informed about it. It also largely evokes positive connotations. In the Union, on average, 39 percent of the respondents have a positive connotation regarding the European Parliament, whereas 15 percent think of it in negative terms. In that respect, the European Parliament is quite popular in Poland – where 44 percent of respondents have positive connotations with the European Parliament and only 5 percent have negative connotations. Poles are also more and more convinced that Polish MEP's should be representing European, as well as Polish interests. Today, according to the 2008 Eurobarometer, as many as 51 percent of respondents declare that they would go and vote in the elections to the European Parliament. It remains to be seen whether such predictions are not too optimistic.

Judging from the present polls, the European People's Party (EPP) contingent (PO-PSL – Civic Platform, largest Polish party) could win between 27 and 32 deputies in the new European Parliament (Europe of Nations (PIS) 10-14, and Socialists 5-7). That would mean that only 25 percent (compared to the current 45 percent) of the deputies would find themselves in the marginal political groups, which is a European average. Numbers paired with experience may allow Poland to play a much more important role in the future European Parliament. There is a chance that after the elections, a contingent from PO-PSL will become a second or third biggest delegation within the EPP-ED.

³⁰⁰ In accordance with conclusions of the European Council of December 2008, an additional MEP should be elected and take office after the Lisbon Treaty enters into force.

There are well documented rumours³⁰¹ that the biggest family of the European Parliament, the EPP, is willing to consider the candidature of former Polish Prime Minister, Jerzy Buzek, for the post of President of the European Parliament (for the first two and a half years of the legislature, followed by Martin Schultz, President of PES family in the European Parliament). If the Polish government were to endorse such a solution, it would mean that Poland (and all other new member states) would be effectively excluded from the contest for other most influential EU posts (the President of the European Commission, and in the event the Lisbon Treaty were to be ratified – High Representative for the Common Foreign and Security Policy and President of the European Council). It might also be difficult to secure for Poland an influential portfolio in the next Commission. When it comes to Buzek's candidature, there is a difference between the President and the government, as Kaczyński does not think that promoting a Pole for the position of the President of the European Parliament is a good idea, as it will provide Poland with prestige instead of influence (which is embodied by other EU top jobs).

The future of the EU after the Irish 'No'

Portugal*

Lisbon Treaty 'is not dead'

The year 2009 is certainly a year of great uncertainties regarding the future of the EU after the Irish 'No', particularly when this will be coupled with the unknown impact of the current financial and economic crisis, that seems to many more structural than simply a cyclical recession. But it may also be a year of opportunities. It will certainly be a year of great expectations of change in transatlantic relations and even in global politics with the arrival of President Obama at the White House.³⁰² The combination of these factors seems to point to 2009 as a year of both great opportunities and great challenges in terms of the future of the EU and of global governance.

³⁰¹ See for example: Gazeta Wyborcza, 22 April 2008; Euobserver, 3 December 2008.

* **Institute for Strategic and International Studies.**

³⁰² See e.g. SpiegelOnline International: The World President. Great Expectations for Project Obama, available at: <http://www.spiegel.de/international/world/0,1518,589816,00.html> (last access: 21 November 2008).

There were no major changes in terms of the Portuguese debate on this issue from the previous report. The Socialist government who was responsible for presiding over the final negotiations and the signing the Lisbon Treaty continues to be, as Prime Minister José Sócrates made clear immediately after the Irish 'No', "deeply disappointed" with the problems in its ratification process, but also firmly convinced that the treaty "is not dead".³⁰³ Portuguese official position therefore continues to be very much to pursue a policy of having the Lisbon Treaty ratified and having a new referendum in Ireland after some effort to accommodate some Irish grievances, whether real, as in the case of the national Commissioners, or fictitious, as in the case of abortion. Those who continued to oppose the Lisbon Treaty in Portugal – especially the 'far left' – represented at the national and the European Parliament by the Communist Party and the Left Bloc, still believe, and as the latter's MEP Miguel Portas put it, that "the treaty is dead" and any effort to try to revive it will bring discredit to the EU. In fact, the 'far left' had already presented a vote of non-confidence – purely symbolic given the absolute majority held by the Socialists in parliament – on the government, alleging it had not kept its electoral promise to hold a referendum on the Constitutional Treaty and hence they argued, necessarily also on the Lisbon Treaty.³⁰⁴

The fact that the conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty seemed to point in that direction were therefore seen by Portuguese officials as a very positive sign. Things were moving in the direction they wished for. The reactions of the critics of the EU denounced a perversion of democracy, by having as many votes as necessary to have the people say 'Yes' on EU institutional reform.³⁰⁵

The upcoming European Parliament elections in June 2009 have been discussed so far in Portugal mostly in the context of a relatively tense political climate aggravated by the economic crisis, and of a very crowded

Portuguese electoral year. In 2009 there will be municipal, European, and last but not least, national parliamentary elections. There has been a great deal of speculation in political circles regarding the dates of these elections. The law makes it difficult or even impossible to have these elections on the same day, yet a great deal of speculation has emerged regarding the possibility of changing this. Yet, this would require agreement at least between the governing Socialists and the main opposition party, PSD,³⁰⁶ as well as the President of the Portuguese Republic.³⁰⁷

Aníbal Cavaco Silva, as Head of State, is the one with the power to actually set a date for the parliamentary and European elections – with the latter, of course, having to be held in June across the EU. The Prime Minister is the one who sets the date for the municipal elections, in principle between September and October. Prime Minister Sócrates has made clear he would not be willing to change the law to allow all three elections to take place on the same day, but he would be willing to have national parliamentary and European elections on the same date, citing a precedent for this in the past. However, this would require the President to dissolve parliament 'in time' for the European elections. In the absence of an ample consensus between the different political parties, which seems highly unlikely, the President is not likely to make any dramatic move on such a delicate matter. Still, an argument that has become significantly salient, reflecting the seriousness of the economic crisis, is that holding all these elections on the same day would save money.³⁰⁸

Ultimately, what will be determinant in this discussion are the political calculations in terms of cost-benefit by the major parties. The Socialist Party is widely expected to do worse in the municipal elections as well as in the European elections than in the national parliamentary elections. In municipal elections, because in the more rural areas the 'right' traditionally controls a larger number of municipalities – but also, particularly in the future elections, because the 'far left' refuses to accept any coalitions with the rulings Socialists – the key point has traditionally been whether or not this is then reflected in a

³⁰³ Lusa (news agency): José Sócrates "Desapontado" com vitória do *não* em referendo irlandês, news release, 13 June 2008).

³⁰⁴ Left Bloc: Miguel Portas: Fingir que o 'Não' irlandês nunca existiu é liquidar credibilidade da Europa, press release, 13 June 2008.

³⁰⁵ Jornal de Notícias: Irlanda volta a votar o Tratado de Lisboa, 23 December 2008; Alexandre Carreira: Irlandeses votam outra vez Tratado de Lisboa em 2009, Diário de Notícias, 12 December 2008.

³⁰⁶ Right-wing Partido Social Democrata (PSD).

³⁰⁷ The Socialists – Partido Socialista (PS) – rule an absolute majority but changes in this kind of legislation require a two thirds majority in parliament.

³⁰⁸ Jorge Pinto: Eleições em 2009 custam cem milhões, Jornal de Notícias, 11 January 2009.

majority of the aggregate popular vote. The same is broadly expected in the European elections, traditionally a way to show disapproval of national politics, and perhaps also because the right-wing PSD can now play the card that voting for them will mean voting for José Manuel Barroso's continuation as President of the European Commission, which will become difficult if not impossible in case the European Left has a majority in the European Parliament. The Socialists are hoping that holding parliamentary and European elections as soon as possible and together will contain losses. Having the municipal elections after these two would provide some space for last minute local coalitions between the different left-wing parties.

What this shows, however, so far, is how dependent upon national politics European elections still are in a country like Portugal. Certainly, the political discussions have so far been dominated entirely by national concerns, even if there is at the same time, and perhaps somewhat paradoxically, a notion that a lot in the current crisis depends upon effective and coordinated European measures.

In terms of the formation of the new Commission in autumn 2009, the most serious Portuguese concern is whether or not its current Portuguese President of the European Commission, Barroso, will be willing and able to continue. One of the most influential Portuguese newspapers is but one example of the question everyone is asking: "The Year of the Re-Election of Barroso?" As this article notes, he seems to be running unopposed, but this might prove illusory given three reasons: first, how quickly events have been changing on the global landscape for the worst; second, how likely it is that as a result of this a turn towards more eurosceptic, 'left-wing' protest vote in the European elections has become; and, third, we would add, how appetizing the job is.³⁰⁹

There was some speculation in the past that he would be willing (or not) to consider instead becoming the first President of the European Council, if the Lisbon Treaty was ratified. A number of senior Portuguese politicians, including the President of the Republic and the Prime Minister, publicly expressed their wish that he should continue as President of the

European Commission.³¹⁰ Now that the ratification of the Lisbon Treaty in time for the new Commission seems a thing of the past, however, that has become a more academic question, at least for the time being.

There has been some concerned speculation also as to why the European People's Party did not formally endorse Barroso as its candidate in the December 2008 meeting. The public explanation offered, that the meeting had started late and ended early, did not fully convince one of Portugal's most well-informed EU-watchers, Isabel Arriaga e Cunha, who noted in her blog that this might signal that Barroso was perhaps becoming a "falling star" most likely because of how displeased Merkel was with the perceived alignment of Barroso with Sarkozy and a more state-centred and expenditure happy approach towards the current crisis.³¹¹ If this is the case, ironically, then it would show that the frequent criticism that Barroso is unwilling to take a strong position, and always strives for the middle road, is untrue; he is ready to take political risks and show leadership in a moment of crisis favouring the direction he believes is right in the attempt to overcome the current economic difficulties.

If, however, Barroso, for any number of reasons, does not succeed 'himself' as President of the European Commission, then a high profile Socialist would mostly likely be considered for a role of Commissioner; given the new disposition after the Irish 'No' that will preserve a slot in the Commission for each member state; and also given the fact that even if probably without an absolute majority the governing Socialist – according to all the polls – still seemed poised to win this year's parliamentary elections and will therefore continue in government.³¹² In that event one strong contender, who would seem to guarantee an appointment for a high profile portfolio would be Maria João Rodrigues, who presided as Minister over the initial stages of

³⁰⁹ Eva Gaspar: O ano da reeleição de Barroso?, *Jornal de Notícias*, 29 December 2008.

³¹⁰ See Bruno C. Reis/Mónica S. Silva: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 7, September 2008, Berlin, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_7.pdf (last access: 25 January 2009).

³¹¹ Isabel Arriaga e Cunha: Durão Barroso, estrela cadente?, available at: <http://eurotalkiac.blogspot.com> (last access: 12 December 2008).

³¹² The latest one gave 39.6 percent of the votes to the Socialists (PS) and 24.9 percent to the right-wing PSD, see for this and other polls commented by the foremost Portuguese pollster Pedro Magalhães his blog, available at: <http://margensdeerro.blogspot.com> (last access: 31 January 2009).

the Lisbon Agenda during the 2000 Portuguese EU-Presidency, and under the current government and during the 2008 Portuguese EU-Presidency played a key role as a special advisor to the Prime Minister on European affairs. Still, undoubtedly if that opportunity comes other contenders will emerge for such a potentially important job.

For the time being, however, the Portuguese public sphere seems to be dominated by short-term concerns with the economic crisis and quality of governance and not with longer-term implications and scenarios for the integration process itself. Still there are those, who try to engage in longer term thinking, usually in relative gloomy terms regarding the diagnosis, but not so gloomy regarding the need and ability to find some way out. This is the case for instance of the director of the main Catholic radio, Saarsfield Cabral, in an article titled the "Age of Suspicion", where he points the absence of control and regulation over de facto transnational powers, as one of the major causes of that loss of faith in the democratic system and the need to counter it.³¹³ Likewise the former EU Commissioner and semi-retired elder statesman, António Vitorino, also tried to go against the current and look further ahead. Alongside a gloomy forecast of prolonged economic difficulties with no end in sight or sure way to get out of them, he puts high hopes in the new policies of US President Obama and their potential global impact.³¹⁴

The future of the EU after the Irish 'No' Romania*

After the Irish 'No': proceed with optimism

The first and most obvious characteristic of the Romanian official position regarding the future of the European Union after the Irish 'No' is that of a moderate optimism. We are dealing with a type of 'wishful thinking' rather than a planned and calculated official view on what the future of Europe will look like after the Irish referendum deadlock.

It is obvious, when we look at the declarations of the Romanian officials in the months after the Irish 'No', that the key theme was the

downplaying of this result: it is not a defeat but a mere setback; we are confronted with some sort of a road incident, an unpleasant one indeed, but it can be solved and there is no need to change the destination. Thus, the European Union has a future and this future cannot be conceived by the Romanian officials outside the Treaty of Lisbon.

Thus, on the 22 July 2008, during a meeting with his Austrian counterpart, the then Romanian Foreign Minister (and former Romanian permanent representative to the EU), Lazăr Comănescu, emphasised the desire to proceed with further ratifications of the Treaty of Lisbon as everything will be solved as the time passes by: "In this context, we have discussed regarding the evolutions concerning the Treaty of Lisbon and both sides agreed that we should proceed with all the efforts, so that the continuity of the ratification process of this treaty be assured, to come into force as soon as possible. Obviously, taking into consideration the realities, as we very well know what the result of the Ireland referendum was, and that our Irish friends themselves need to identify and advance the most adequate ways to solve this problem. I believe there are reasons for optimism, even if we look only at the past evolutions of the European Union. This is not the first time the European Union was confronted with situations of this type, but, every time, the European Union had proved its ability to keep walking."³¹⁵

The same idea, namely that of a European Union modelled on the basis of the Treaty of Lisbon, was stated by the former Romanian Prime Minister, Călin Popescu-Tăriceanu. For him, the only way forward was through the French Presidency's efforts to support the ratification of the Treaty of Lisbon: "We support the efforts of the French Presidency of the European Union in order to find a solution to get out of the current deadlock. Europe should prove to its citizens that the Union is a source of certitudes and not one of dilemmas."³¹⁶

He seemed to see the European Union simply as an instrument whose role is to help Romania's development: "For us, the status of member states is not a purpose in itself, but an instrument to serve the fundamental interests

³¹³ Francisco Saarsfield Cabral: Idade da Desconfiança, Diário de Notícias, 6 January 2009.

³¹⁴ António Vitorino: Previsões, Diário de Notícias, 2 January 2008.

* [European Institute of Romania](#).

³¹⁵ See: http://www.gov.ro/intrevedere-comanescu-steinmeier-la-berlin_11a100797.html (last access: 9 January 2009).

³¹⁶ See: http://www.gov.ro/discursul-rostit-de-primul-ministru-calin-popescu-tariceanu-la-reuniunea-anuala-a-diplomatiei-romane-din-2-septembrie-2008_11a101064.html (last access: 9 January 2009).

of the Romanian society.³¹⁷ Therefore, he and his government fully support the development of the European Union: "We need, therefore, a powerful Union in the exterior, economically competitive and politically respected, capable of manifesting itself in a context in which the economic challenges are doubled by turbulences of the international relations."³¹⁸

A similar attitude was adopted by the Romanian President, Traian Băsescu. After the European Summer Council he declared that the priority should be the ratification of the Treaty of Lisbon as its non ratification would affect the European Union enlargement and it would generate a series of problems relating to the number of the Commissioners and members of the European Parliament.³¹⁹ The issue of the Commissioners became more visible in the following months due to the perceived risk by Romania to lose 'its' Commissioner. This elicited a strong reaction on the part of the President: "We do not believe that Romania will be in the situation to lose a Commissioner for a very simple reason: Romania supports that, by the December European Council at the latest, solution to be adopted that does not create discussions inside the European Union before the entry into force of the Treaty of Lisbon. Therefore, our proposal is for an extension of the Treaty of Nice in all its effects, including the one that every country had a Commissioner in the European Commission".³²⁰ The solution to the crisis is, and should be, an Irish one. Thus, in the same press statement made after the meeting with the President of the Republic of Ireland on the 23 September 2008, he declared that "[...] Romania respects without any hesitation the decision of the Irish people as expressed in last year's referendum. In no case, does Romania see any other solution, but to wait for a new decision of the Irish people regarding the entry into force of the Treaty of Lisbon. We reject any solution of lack of solidarity in the European Union of the 27 [...]".³²¹ The problem of the number of Commissioners featured prominently in the presidential speech: "[...] our point of view is

that the number of Commissioners cannot be reduced [...]"³²²

If the Romanian officials had a more reserved opinion and emphasised the need to continue the ratification process, the media coverage of the Irish 'No' was somehow less favourable. For instance, Dan Alexe, a Romanian journalist, wrote in an article about how everyone lost due to this 'No'. Ironically, he remarks that the first ones to lose are the Irish themselves, to whom this 'No' gives no chance to leave the European Union if they ever want so. If they wanted to leave the Union, the Irish had to first of all approve this document. The treaty defines a legal mechanism through which the member states can leave the EU. In the present conditions, a country does not have any formula for divorce. By rejecting the treaty, Ireland finds itself trapped in the EU as an insect in amber, also preventing the other countries to endow themselves with a simulacrum of constitution.³²³ The idea is that everyone has lost (the member states, the candidate countries, and the Union in itself) and it will take a while in order to recover; that it will be impossible without a more open communication and without a wider transparency: "The final impression is that, once more, the EU showed that it does not know how to communicate and that, even though Europe impregnates the daily life of its citizens, a majority of the population continues not to see its benefits."³²⁴

The future of the European Union seems to get darker in the eyes of a Romanian columnist for whom "[...] the European Union starts to realise that it is becoming ungovernable."³²⁵ Dinu Flămând takes this as a sign that the European Union as a whole should lower its expectations and become more modest. There is, he says, a fine line that nation states are not ready to cross, a line that defines what they consider to be some inalienable attributes. Yet, this acceptance of a lower level of expectations implies some risks as the evolution of the world is not on hold and globalisation continues to work even against Europe. "Probably the European Union will have to be more modest. To accept that there is a limit beyond which the

³¹⁷ See: http://www.gov.ro/discursul-rostit-de-primul-ministru-calin-popescu-tariceanu-la-reuniunea-anuala-a-diplomatiei-romane-din-2-septembrie-2008_11a101064.html (last access: 9 January 2009).

³¹⁸ Ibid.

³¹⁹ See: http://www.presidency.ro/?_RID=det&tb=date&id=9996&PRID=search (last access: 18 January 2009).

³²⁰ See: http://www.presidency.ro/?_RID=det&tb=date&id=10209&PRID=search (last access: 18 January 2009).

³²¹ Ibid.

³²²

See:

http://www.presidency.ro/?_RID=det&tb=date&id=10304&PRID=search (last access: 18 January 2009).

³²³ See: <http://www.romanialibera.ro/a127816/un-joc-in-care-toata-lumea-a-pierdut.html> (last access: 18 January 2009).

³²⁴ Ibid.

³²⁵ See: <http://www.romanialibera.ro/a128659/un-cutit-infipt-in-spate.html> (last access: 18 January 2009)-

national states are no longer willing to give up their prerogatives. Just that the globalisation is already a steam-roller started on a very steep incline. And united, but also divided, Europe risks to be quickly flattened by this steam-roller. If it does not assume even a revolution of the mentalities."³²⁶

Another point where the Romanian official position regarding the future of the European Union and the Treaty of Lisbon differed sharply from that of the civil society was that regarding the number of Commissioners. Why should we stick our ground and demand that the principle 'one member state, one Commissioner' be the corner stone of any future advancement? In a press article, Cristian Ghinea proposes an alternative view: "There is an alternative strategy that could bring us more real influence at the EU level."³²⁷ So what would that strategy be? In essence, he proposes to give up the prestige granted by having our own Commissioner and to choose the real influence. Why have a Commissioner with a merely decorative function and not have some Deputy Commissioner with real power that can bring us more power at the EU level? "Before rejecting the Treaty of Lisbon there was the idea that the countries that will lose their Commissioner to receive some functions of Deputy Commissioner at some real important portfolios. In another words, we could negotiate to give up a Commissioner for multilingualism (1 percent of the EU budget) for a deputy Commissioner at the agriculture (40 percent of the budget). We could put the condition that in the future formula the new representatives could maintain their participation in the Commissioners college, where the collective decisions are taken."³²⁸

However, despite all these opinions, the December 2008 European Council appears to be favourable to Romania and the future of the European Union. The Romanian official lobby for maintaining the current situation of 'one member state, one Commissioner' was accommodated, since the European Council decided that: "On the composition of the Commission, the European Council recalls that the Treaties currently in force require that the number of Commissioners be reduced in 2009. The European Council agrees that provided the Treaty of Lisbon enters into force, a

decision will be taken, in accordance with the necessary legal procedures, to the effect that the Commission shall continue to include one national of each Member State."³²⁹ Furthermore, it offered a series of guarantees to Ireland, if the Irish government succeeds in ratifying the Treaty of Lisbon "by the end of the term of the current Commission."³³⁰

The decision was warmly welcomed by the Romanian officials who saw in it a success of the French Presidency and a reason of hope for the future. There is yet lack of debates in Romania regarding the future elections for the European Parliament that are to be held on the 9 June 2009. The political parties are now recovering from a very costly and long political campaign for the domestic parliamentary elections and have not yet decided what their strategy or who their candidates will be. There is also a lack of debates and official statements regarding the appointment of the High Representative.

As for the position of Commissioner, up to now, there is no official statement but only rumors. A possible strong candidate is the former Foreign Affairs Minister, Lazăr Comănescu, which is seen by the Romanian media as the most likely candidate and so far the strongest in terms of his political expertise: "Asked on the occasion of a press conference whether he would accept the position of Commissioner, Lazăr Comănescu avoided a direct answer and told with a smile that he could not pronounce himself on something that does not exist. "The current Commission has another year of existence. There are discussions regarding how the future Commission shall be constituted, how many members it will have, if it will be constituted based on the Treaty of Nice or not. I hope that by that time the Treaty of Lisbon will be in force"³³¹ the former minister declared. "Also, there has to be a clarification on how the future portfolios of the Commission will be arranged"³³², underlined the then head of the Romanian diplomacy. " [...] I am among those who, taking into account the specificity of our

³²⁶ Ibid.

³²⁷ See: <http://www.romanialibera.ro/a135102/ar-merita-sa-renuntam-la-comisarul-roman-de-la-bruxelles.html> (last access: 18 January 2009).

³²⁸ Ibid.

³²⁹ Council of the European Union: Brussels European Council 11 and 12 December 2008. Presidency Conclusions, available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/104692.pdf (last access: 18 January 2009).

³³⁰ Ibid.

³³¹ See: http://www.cotidianul.ro/n_2008_mae_a_fost_condus_dup_a_deviza_ein_mann_ein_wort-68572.html (last access: 18 January 2009).

³³² Ibid.

country, are in favor of offering Romania the portfolio of agriculture and rural development, of energy or of infrastructure. These are absolute priorities for us³³³.

Among the latest Romanian official remarks regarding the future of the European Union, we can cite the current governing programme for 2009-2012 of the Romanian governing coalition from December 2008, which stipulates as a Romanian priority, that "the vertical institutional development constitutes the guarantee of the stability and of the efficient functioning of the European Community; in that context, Romania supports the ratification of the Treaty of Lisbon by all the member states, until the date of the elections for the European Parliament of the year 2009"³³⁴.

The future of the EU after the Irish 'No'

Slovakia*

Slovakia and the institutional future of the EU

In recent months in Slovakia there has been very little discussion on the fate of the Lisbon Treaty. Since the negative result of the Irish referendum, Slovakia's politicians have repeatedly emphasised that the future of the Lisbon Treaty was in the hands of the Irish politicians. In expert circles there have been several public events in which the ability of Czech politicians to ratify the Lisbon Treaty while the Czech Republic holds the EU-presidency in the first half of 2009 was questioned. However, on the whole debates on the Lisbon Treaty specifically and the institutional architecture of the EU more broadly have been overtaken by the deepening financial crisis.

Preparations for elections to the European Parliament have so far been overshadowed by Slovakia's direct presidential election whose first round is scheduled to take place on 21 March 2009. Slovakia's elections to the European Parliament will take place on Saturday 6 June 2009. In the previous elections to the European Parliament in 2004 Slovakia recorded the lowest turnout of eligible

voters in all EU member states when only 16.9 percent of voters took part in those elections. Hence, this year there is a general expectation that the turnout should be higher. So far, public opinion polls suggest a low turnout again. According to a Eurobarometer survey conducted in the fall of 2008, only 15 percent of Slovakia's voters (compared with the EU-27 average of 28 percent) said that they would definitely take part in the European elections.³³⁵

According to Slovakia's law on elections to the European Parliament³³⁶, political parties have to register their candidate lists at the very latest 65 days prior to the date of elections to the European Parliament. Since Slovakia's elections to the European Parliament are scheduled for 6 June 2009, candidate lists will have to be registered by 2 April 2009. By the middle of March 2009, most relevant political parties in Slovakia have completed their candidate lists with the exception of the largest governing party, the Social Democrats,³³⁷ and one of their junior coalition partners the People's Party – Movement for a Democratic Slovakia.³³⁸ Slovakia's political parties will compete for 13 seats in the upcoming European elections. The selection of candidates by most parliamentary parties for relevant positions on a party list (places 1-3 on the list) is centralised on the national level. Regional bodies in political parties also nominate candidates but these are relevant mainly in the case of the main opposition party the Slovak Democratic and Christian Union – Democratic Party³³⁹ because of its system of primaries in selecting the party's candidates for the European Parliament. Generally, candidates selected by regional structures of political parties end up on unelectable positions on party lists. Political parties currently present in the European Parliament decided to nominate most of their current MEPs again because of their experience and established contacts. Young candidates are reaching lower positions on candidate lists whereby young candidates should gain experience joining the election campaign.

³³⁵ See Special Eurobarometer 303: Europeans and the 2009 European Elections. Results for Slovakia, January 2008, available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_303_fiche_sk.pdf (last access: 18 March 2009).

³³⁶ Law number 331/2003 adopted on 10 July 2003.

³³⁷ SMER – sociálna demokracia (SMER-SD).

³³⁸ Ľudová strana – Hnutie za demokratické Slovensko (ĽS-HZDS).

³³⁹ Slovenská demokratická a kresťanská únia – Demokratická strana (SDKÚ-DS).

³³³ Ibid.

³³⁴ See chapter 26 of Romania's government programme, December 2008, available at: <http://www.gov.ro/capitolul-26-afaceri-europene-11a2065.html> (last access: 18 January 2009).

* Slovak Foreign Policy Association.

Elections to the European Parliament are clearly second order elections in Slovakia, they are still likely to have some testing relevance for domestic politics in Slovakia as the dominant governing party, SMER-SD, continues to be very popular. According to a recent opinion poll, if parliamentary elections were held in February 2009, SMER-SD would get 46 percent of votes whereas the main opposition party SDKÚ-DS would receive just 12.9 percent of votes.³⁴⁰ Since SMER-SD is unlikely to replicate these numbers in elections to the European Parliament due to the expected low turnout, Slovakia's currently strongest political party may decide to ignore the European Parliament contest to some extent.

Negotiations on the EU climate and energy package in 2008, together with the gas crisis in early 2009, have underscored the rising importance of the energy portfolio in the European Commission. In December 2008 Prime Minister, Robert Fico, suggested in which seat he would like to see Slovakia's next member of the European Commission when he stated: "I would like energy policy but it is perhaps not going to be easy since all member states will fight for energy portfolio."³⁴¹ Prime Minister Fico also expressed his preference to nominate as the future EU-Commissioner a professional diplomat rather than a politician when he argued "I cannot quite clearly imagine that we would just pick someone like a rabbit out of a hat and say that this is going to be Slovakia's new Commissioner. I shall propose a professional who is familiar with the structures and who knows what work in such an organization entails but I do not think it should be a rank politician."³⁴² While Prime Minister Fico did not specify who specifically should become Slovakia's nominee for the next EU-Commissioner, there are widespread speculations that this fall, ambassador Maroš Šefčovič, the permanent representative of the Slovak Republic to the EU, could replace Ján Figel', Slovakia's current member of the European Commission who is planning to return to Slovakia's national politics and run for the chair of the opposition Christian Democratic Movement.^{343 344} There has been

no discussion in Slovakia on the appointment of the High Representative for the Common Foreign and Security Policy.

The future of the EU after the Irish 'No'

Slovenia*

No stall in the enlargement process

Regarding the conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty, the government of the Republic of Slovenia is satisfied with the agreement reached. The Slovenian government was faced with the Irish 'No', while holding the EU-presidency in the first half of 2008. Then Prime Minister Janez Janša expressed respect for the decision of the Irish people, but was quick to utter hope for the Irish 'No' to have no negative implications on the further enlargement process. This represents the central theme of the Slovenian governments' (previous and current, in place since November 2008, following the general elections of September 2008) considerations on the fate of the Treaty of Lisbon. Further enlargement, especially to the countries of the Western Balkans, represents a clear Slovenian national foreign policy interest and steps in direction of Western Balkan countries' accession represented the utmost priority of the Slovenian 2008 EU-Presidency. The Slovenian government responded to the Irish 'No' already as the EU presiding state by setting the timeline for a common EU reaction to the situation and guidelines to be reached by the end of the year 2008.³⁴⁵

Current Prime Minister of Slovenia, Borut Pahor, expressed his satisfaction with the outcomes of the December 2008 European Council. Regarding the ratification of the Lisbon Treaty, he asserted that the EU has a good plan which would convince the Irish voters. He also pointed out that, in order for this plan to succeed and the treaty to be adopted by the end of 2009, "[W]e must avoid the mistake made before the first referendum

³⁴⁰ SITA Press Agency: "Prieskum: Preferencie Smeru aj HZDS vo februári klesli", 17 February 2009.

³⁴¹ Renáta Goldírová: "Budúca Európska komisia", Slovak Radio, 30 January 2009, available at: <http://www.rozhlas.sk/> (last access: 18 March 2009).

³⁴² Ibid.

³⁴³ Kresťanskodemokratické hnutie (KDH).

³⁴⁴ EurActiv: "Črtá sa podoba novej Európskej komisie", 7 January 2009, available at: <http://www.euractiv.sk/> (last access: 18 March 2009).

* Centre of International Relations.

³⁴⁵ Veronika Boškovic-Pohar/Tina Štrafela, directorate for co-ordination of the Government Office for European Affairs: Written comments to the EU-27 Watch Questionnaire, 2008.

in Ireland, that is lack of communication with the people".³⁴⁶

Since the main concern of the Republic of Slovenia was the effect of the Irish referendum decision on further enlargement, the early reaction of the next EU-presidency holder, the French President Nicolas Sarkozy, who explicitly said that the Irish 'No' meant a definite stop to a further enlargement, was perceived as an unnecessary exaggeration. Later on, the Slovenian government looked more positively on the French Presidency's role in mediating for an achievement of guidelines for ratification of the Lisbon Treaty.³⁴⁷ It remains a firm position of the Slovenian government that the enlargement process must go on and that further steps, such as giving a country candidate status, are not conditioned by the treaties.

The Slovenian government does not have any objections to the legal guarantees demanded by the Irish as long as they remain within the formal framework of an additional protocol to the Lisbon Treaty, subject to ratification in each of the member states. However, Slovenia's firm position is that institutional changes of the EU should be dealt with irrespective of enlargement process in the form of an international treaty and not through accession protocols of the potential new member states (Croatia, Iceland, Turkey) as was done in the case of Bulgaria and Romania.³⁴⁸

Regarding the upcoming European Parliament elections in June 2009, the Slovenian government supports the adoption of transitional measures in the event that the Treaty of Lisbon enters into force after the elections. Slovenia is one of the member states whose number of MEPs would increase (by one, from the current seven) by entry into force of the Treaty of Lisbon. The government supports the objective that this modification should enter into force during the year 2010. Since Slovenia represents a single constituency, the appointment of the additional MEP should not represent an administrative or

political difficulty. Political parties present their (national) lists of seven candidates. Voters vote for a list, but can also express their preference for a particular candidate on the list. It is presumed that the eighth candidate, either elected via the list or via the preferential vote, will earn the eighth seat.³⁴⁹

While the number of MEPs from Slovenia hardly attracts any attention, the question of turnout has been raised in the media³⁵⁰ and it is also felt in the discourse of Slovenian political parties. The first elections to the European Parliament by Slovenian took place in 2004 and the turnout was about 29 percent. The elections on 7 June 2009 are awaited with insecurity over voters' interest. It is widely perceived that domestic politics and current issues will determine the turnout and (in close connection to it) the result of the elections.

Regarding the process of appointment of the future Commission, the Slovenian government sees it essential that the designation of its President is initiated without delay after the European Parliament elections in June 2009. The Slovenian government also strongly supports that the number of Commissioners equal to the number of member states is retained. The provisions of the December 2008 European Council (not entirely clear) allow for the one-Commissioner-per-member-state formula. The Slovenian government advocates that a clear decision on keeping the current 27 Commissioners is taken by the European Council in June 2009.³⁵¹

The appointment of the next High Representative for the Common Foreign and Security Policy is seen as yet unclear, but at the same time as an issue that does not need to be tackled until the Treaty of Lisbon is in place, provided the current High Representative will stay in his position until the conditions will be met for the appointment of the new High Representative.³⁵²

³⁴⁹ Ibid.

³⁵⁰ RTVSLO: EU: Volitve pred vrati, pravega zanimanja ni (EU: No real interest for the upcoming elections), 24 January 2009, available at: http://www.rtvsl.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=16&c_id=191684 (last access: 26 January 2009).

³⁵¹ Veronika Boškovic-Pohar/Tina Šrafela, directorate for co-ordination of the Government Office for European Affairs: Written comments to the EU-27 Watch Questionnaire, 2008; Interview at the Ministry of Foreign Affairs of Republic of Slovenia, Ljubljana, 23 January 2009.

³⁵² Interview at the Ministry of Foreign Affairs of Republic of Slovenia, Ljubljana, 23 January 2009.

³⁴⁶ Cabinet of the Prime Minister: Premier Borut Pahor: Podnebno-energetski paket je dober za EU in Slovenijo (Prime Minister Borut Pahor: The climate-energy package good for the EU and Slovenia), 12 December 2008, available at: <http://www.kpv.gov.si/nc/si/splosno/cns/novica/article/252/3378/> (last access: 26 January 2009).

³⁴⁷ Veronika Boškovic-Pohar/Tina Šrafela, directorate for co-ordination of the Government Office for European Affairs: Written comments to the EU-27 Watch Questionnaire, 2008.

³⁴⁸ Ibid.

The future of the EU after the Irish 'No'

Spain*

The future of the EU after the Irish 'No'

The debate in Spain about the conclusions of the European Council of December 2008 on the fate of the Lisbon Treaty was quite predictable. After the summit, the Spanish government defended domestically the solution that had been agreed with Ireland – basically, to keep one Commissioner per member state and to clarify formal guarantees about Irish neutrality, corporate taxation and family law –, on the grounds that this allows Dublin to call for a second referendum before October 31 2009 and, therefore, to complete the ratification process. The socialist Prime Minister, José Luis Rodríguez Zapatero, admitted in the Spanish Parliament that he preferred a smaller and “genuinely supranational” Commission but, realistically, some deal with Ireland was needed. On the other hand, he stressed that the compromise reached among the 27 member states also included a very important provision for Spain; specifically, that the delay in the process of ratification would not impede the increase in the number of Spanish MEPs according to the Lisbon Treaty. Thus, although Spanish electors will elect only 50 representatives to the European Parliament in the forthcoming June 2009 elections – as regulated in the Nice Treaty – four additional seats will be conferred to Spain once the Reform Treaty comes into force.³⁵³

The future size of the Commission was lightly criticised by the main opposition party. Thus, the leader of the conservative Popular Party – Mariano Rajoy – said in the Spanish Parliament that he was somewhat worried since a single country, whose population represents less than 1 percent of the total EU, had been able to re-shape the entire governance of the Union, probably worsening the future effectiveness of the Commission. Notwithstanding this, and “just in order to avoid institutional paralysis”, the PP accepted the agreement as well. The Lisbon Treaty – said Mr. Rajoy – is better, even with these

cutbacks, than the current failure to make progress in the EU.³⁵⁴ It is interesting to note that, despite this “paralysis” and despite the fact that the Nice Treaty – which increased Spain’s weight in the Council to a very similar level to the four largest member states – was successfully negotiated by the former Prime Minister and former PP leader José María Aznar, the Spanish conservatives have not taken the opportunity of the Irish ‘No’ to remark on the institutional advantages for Spain of the Nice institutional framework. They did not do so either during the ‘reflection period’ that followed the failure of the Constitutional Treaty in 2005, since the PP has always officially supported the reform and asked its electors to vote ‘Yes’ in the referendum that was held in February 2005. However, it is true that some voices within the PP – and, perhaps, within the government – suggest that Nice institutions are not so terrible and that, in particular, Spain can live comfortably with 27 votes at the EU Council – and only 50 MEPs – instead of with the double majority voting system – and four additional deputies.

Nevertheless, most Spanish people and the political elites are unambiguous supporters of the Reform Treaty and, therefore, the postponement of its entry into force is considered damaging to Spain’s national interests. However, the truth is that a little additional period of uncertainty, at least, until January 2010 may be welcomed by the officials who are preparing the Spanish EU Presidency during the first semester of the next year, since the maintenance of the current institutional architecture would help to: (i) ease the organisation and smooth functioning of a ‘traditional’ rotating Presidency; and (ii) ensure the visibility of the Spanish Prime Minister in the European Council and important bilateral summits to be held during the semester – such as the EU-US –, in the absence of the new Lisbon figures: the permanent President of the European Council and the reinforced High Representative, whose precise roles, means and status have not been specified.³⁵⁵

* Elcano Royal Institute.

³⁵³ See the address by the PM Rodríguez Zapatero in the Parliamentary Journal of Debates (Diario de Sesiones del Congreso, IX Legislatura), 53rd Plenary Session, 18 December, 2008, Spanish Congress, available at: [\(www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&DOCS=1-1&FMT=PUWXTDTS.fmt&QUERY=%28CDP200812180056.CODI.%29#\(Página4\)\)](http://www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&DOCS=1-1&FMT=PUWXTDTS.fmt&QUERY=%28CDP200812180056.CODI.%29#(Página4)) (last access: 30 March 2009).

³⁵⁴ See the address by the opposition leader Mariano Rajoy in the Parliamentary Journal of Debates (Diario de Sesiones del Congreso, IX Legislatura), 53rd Plenary Session, 18 December, 2008, Spanish Congress, available at:

[\(www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&DOCS=1-1&FMT=PUWXTDTS.fmt&QUERY=%28CDP200812180056.CODI.%29#\(Página8\)\)](http://www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&DOCS=1-1&FMT=PUWXTDTS.fmt&QUERY=%28CDP200812180056.CODI.%29#(Página8)) (last access: 30 March 2009).

³⁵⁵ As it has been underlined (see Attila Agg, 2009, “Global Crisis Management and EU Team Presidencies: European Institutions at the Crossroads”, paper presented at the seminar “A Common Program for the 2010-11 Team EU

On the other hand, a second 'No' in Ireland or a failure in the Czech Republic to complete the ratification this year – because of the lack of a majority in the Senate, a negative ruling on the Treaty if it is again side-tracked to the Constitutional Court, or a refusal of President Vaclav Klaus to sign the instrument of ratification – might cause many headaches during the Presidency if the EU looks to Spain in search of ideas to deal with this scenery of institutional crisis. Spanish officials have already stated that, if this is the case, the first semester of 2010 would be perhaps too premature to launch any 'Plan C' initiative.³⁵⁶ But, even considering that ratification continues to be surrounded by great uncertainty and that it is therefore difficult to foresee the institutional agenda of the Spanish Presidency, it is indeed quite feasible that the Treaty should come into force in late 2009 or early 2010. Depending on the exact date, this may affect the Spain's task to implement or not the new institutional instruments included in Lisbon. In any case, what is already clear also is that some obligations will not be fulfilled at all; for example, in the external and defence fields, where some novelties such as the EU External Action Service will need some time before they can become fully operational. Also linked to the new Treaty provisions, but rather affecting the Spanish parliament, is the

Presidency", Madrid, Elcano Royal Institute): "the decapitation of the rotating presidencies with the 'unemployed' prime ministers can create tensions between the EU bodies and the nation states concerned, first in Spain. Given the delay of the ratification process both problems could have been treated but no special effort can be noticed in this direction. No doubt that the separation of the General Affairs Council and the External Relations Council can solve some problems, since the GAC may provide a job for the prime ministers concerned and with an open coalition-building role can solve some coordination problems among the member states. Most likely that the ERC will be the area of big power contestation in the field of the classical foreign policy and security as well as in the EU foreign policy beyond Europe". To be sure, the division of the Foreign Affairs from the General Affairs Council could become very sensitive given the implications for the internal organisation of national executives, including the Spanish one.

³⁵⁶ Nevertheless, in case of a new failure in the ratification process, some Spanish officials and analysts start to advance their support to an institutional reform oriented towards differentiated integration, without need of unanimity to go further. Even if the Lisbon Treaty completes the ratification, a multi-speed Europe – perhaps through the effective launching of the enhanced co-operations included in the Treaty – seems to be also unavoidable in a heterogeneous EU of, at least, 27 members. See Carlos Closa, 2008, After Ireland: Referendum and Unanimity (Elcano Royal Institute ARI 62/2008), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/ARI62-2008 (last access: 30 March 2009).

definition this year of the new procedure for the reinforced input of the two-chamber Cortes – and, probably, the 17 regional parliaments as well – in the EU's legislative process through the so-called early warning system.

Furthermore, Spanish officials devoted to EU affairs will not only have to prepare during 2009 the six-month rotating Council Presidency but also the 18-month Team Council Presidency with Belgium and Hungary. The S-B-H Trio wants to be the real first one to have a common agenda which started to be defined in Madrid last September 2008 according to the following five priorities:

- (1) Lisbon Strategy.
- (2) New EU policies: global climate change, energy security, migration and innovation triangle.
- (3) Budget reform for the next financial perspectives.
- (4) Institutional reforms (and Stockholm Programme in particular).
- (5) Widening (West Balkan integration and European Neighbourhood Policy reform).

The upcoming European Parliament elections in June 2009 are considered in Spain, as elsewhere in Europe, a domestic political event rather than a real European electoral process. Although this is a general feature of all EP elections, it is especially true this year, considering the political weakness of Prime Minister Zapatero in a scenario of deep economic crisis and the fact that his government does not enjoy a majority in parliament and is not backed by any other party other than its own. Thus, heads of lists in the main candidatures are important politicians but not specifically experts on EU matters. Their previous political experience has more to do with internal and not particularly European topics: a former Justice Minister in the case of the Socialist Party, a former Interior Minister in the case of the Popular Party and an economist specialised in Catalan regional infrastructures in the case of the most important peripheral nationalist coalition.

Regarding the formation of the new Commission in autumn 2009, José Manuel Barroso and his Commissioners are generally perceived in Spain as a competent team with a correct leader. The overall assessment of both politics and policy outputs is positive. First, and looking to politics, this Commission has been able to regain its credibility after the controversial Prodi Commission, established

good relations with the Council and the European Parliament, and functioned smoothly, which is not an easy task in a Europe of 27 Member States. As concerns to policies, three important achievements should be mentioned from Spain's point of view:

- a) The final outcome of the Financial Perspectives 2007-2013, in which the Commission defended Europe's common interests with an acceptable degree of success.
- b) The basis for a common European policy on Migration, one of the most important priorities on the Spanish government's internal and external agenda.
- c) The target of cutting greenhouse gas emissions by 20%, produce 20% of its energy from renewable energies and increase efficiency by 20% (the so-called "20/20/20 by 2020") was highly appreciated in Spain, which supports an EU common energy strategy despite its poor performance in greenhouse gases emissions.

If, as it is foreseen, the European People's Party gets a majority of seats in the next EP elections, the Spanish government and even socialist MEPs would be willing to back him for a second term. It is difficult to state who will be the next Commissioner from Spain, since it is not yet known if the next Commission will have 27 members or less. In principle, Joaquín Almunia – member of the governing Socialist Party –, who is responsible for the key portfolio of Economic and Monetary affairs, should continue since his track record is impeccable: highly skilled, with a truly European view and very well connected with the President of the Commission. In the event of the Lisbon Treaty finally being ratified by all member states and the post of CFSP High Representative becomes part of the Commission, then Spain would probably prefer to preserve this position and then Javier Solana would be the Spanish Commissioner as High Representative. However, it is also said that Solana, who is also a member of the Socialist party, is somewhat tired and, nevertheless, it will be difficult for Spain to retain the position of High Representative for a new appointment. In any case, it should be underlined that Spain (with or without Treaty into force) will probably 'lose' one of its two key institutional positions in the EU machinery after autumn 2009.

The future of the EU after the Irish 'No'

Sweden*

Crucial issues for Europe and challenges for Sweden

For Sweden, which is to assume the presidency of the EU on 1 July 2009, the issues related to the fate of the Lisbon Treaty and the events scheduled to take place during the year are seen both in the perspective of the development of the Union and in the perspective of their influence on the work of Sweden during the last half of the year 2009.

The Swedish parliament ratified the Lisbon Treaty on 20 November 2008 with 243 members supporting the proposal and 39 members against it. This outcome had been predicted – the fact that Sweden was one of the last countries to ratify did not signify that there was any doubt about the outcome.³⁵⁷ 59 percent of Swedes see membership as positive (as compared to the EU average of 53 percent).³⁵⁸ Some groups are, however, for various reasons critical against the Lisbon Treaty.³⁵⁹

During the autumn of 2008, the climate issue and the financial crisis were at the focus of EU-related questions discussed in Sweden. Among the conclusions at the European Council 11-12 December, the decisions on the Lisbon Treaty, taken in order to make the situation easier for the Irish, were reported rather than discussed. The news articles concentrated on the climate issue decisions. As for the decision on the continued right for member states to have its own Commissioner, Sweden has previously declared that, while being aware that this will at times mean having no Swedish Commissioner, for efficiency

* Stockholm International Peace Research Institute.

³⁵⁷ Government Offices of Sweden: Cecilia Malmström om riksdagens godkännande av Lissabonfördraget [Cecilia Malmström on the approval by the Parliament of the Lisbon Treaty], available at: www.regeringen.se/sb/d/118/a/116156 (last access: 25 January 2009).

³⁵⁸ Standard Eurobarometer 70: First Results, December 2008, p. 32, available at: http://ec.europa.eu/public_opinion/archives/eb/eb70/eb70_first_en.pdf (last access: 25 January 2009).

³⁵⁹ One of the more frequent arguments concerns the verdict against Sweden in the so called "Laval Case", concerning the right for a Latvian company to work in Sweden paying wages far below Swedish ones. See Gunilla Herolf: Report for Sweden, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 7, September 2008, Berlin, available at: <http://www.eu-consent.net/content.asp?contentid=522> (last access: 25 January 2009).

reasons the size of the Commission and the European Parliament cannot grow in proportion to the admission of new members.³⁶⁰

The elections to the European Parliament have as yet been subject to very little publicity.

The political parties are now starting their work to try to engage people to vote and to exceed the participation, which was only 38 percent at the previous election. The Social Democrats³⁶¹ argument is that people should vote in order to prevent the xenophobic "Sweden Democrats"³⁶² and the strongly EU-critical "June List"³⁶³ from getting seats in the parliament. (None of them are represented in the Swedish Parliament but the "Sweden Democrats" have lately received increased support in local elections). The Social Democrats' ambition is to project this election as a 'right-left' one, which is a problem since the party is divided on EU issues. Claiming that EU views are not divisive within the party, they have put one of the prominent strong critics on its lists. The Christian Democrats³⁶⁴ have similar problems with some EU critical members and seek to keep the core group voting by putting a former party leader on the list.³⁶⁵

As shown in an opinion poll, during the autumn 2008, only one of three Swedes was aware of the European Parliament elections taking place in 2009. Generally, according to the poll, Swedes have a positive view on the parliament and most of them think that it has an important role in the EU. However, the knowledge about the parliament and the interest for the elections remain low.³⁶⁶

³⁶⁰ Government Offices of Sweden: Lissabonfördraget: Så ska EU bli mer öppet, mer effektivt och mer demokratiskt [The Lisbon Treaty: In this way the EU will become more open, more effective and more democratic], available at: www.regeringen.se/sb/d/108/a/100615 (last access: 25 January 2009).

³⁶¹ Socialdemokraterna.

³⁶² Sverigedemokraterna.

³⁶³ Junilistan.

³⁶⁴ Kristdemokraterna.

³⁶⁵ Dagens Nyheter: Partierna mobiliserar inför EU-val i juni [The Political Parties Mobilize for the EU Elections in June], 3 February 2009.

³⁶⁶ Hanna Hallin/Björn Kjellström: Två av tre svenskar ovetande om Europaval, [Two out of three Swedes Ignorant about European Elections], Dagens Nyheter, 19 January 2009. The poll was made by "TNS Gallup" for the Eurobarometer, the field work being done between 13 October and 3 November 2008. The Swedish results are available at: www.europaparlamentet.se (last access: 25 January 2009).

The elections to the European Parliament and the institutional changes that will take place during the autumn will be a major challenge for the administrative handling of the presidency and is therefore given some attention from this point of view. Sweden is making contingency plans for a potential shift to the Lisbon Treaty.³⁶⁷ However, the Irish have asked that no major projects are initiated at this stage based on a Lisbon Treaty already accepted and this should be respected says Cecilia Malmström, Minister for EU Affairs. We should also, she says, not start negotiations on who will become the new High Representative for the Common Foreign and Security Policy, considering that there are several countries that have not yet ratified the Treaty.³⁶⁸

Generally, the Swedish government sees the Lisbon Treaty as a good balance between the institutions and the new functions and rules as beneficial for the Union. Typical for the Swedish view on the EU is that it is evaluated not primarily in terms of integration but instead in terms of openness, efficiency and democratic legitimacy.³⁶⁹

However, the present situation is considered to be dangerous, as stated by Cecilia Malmström. The "institutional limbo" surrounding the Lisbon Treaty may lead to "new euroscepticism across Europe" during next year's European elections.³⁷⁰

³⁶⁷ Government Offices of Sweden: Interview with the Minister for EU Affairs, Cecilia Malmström: Ett proffsigt ordförandeskap och ett EU som levererar [A professional presidency and an EU that delivers], available at: <http://www.regeringen.se/sb/d/9247/a/94853> (last access: 25 January 2009).

³⁶⁸ Cecilia Malmström, Minister for EU Affairs, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 23 January 2009, p. 6, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=18&dok_id=GW0A18 (last access: 25 January 2009).

³⁶⁹ Government Offices of Sweden: Lissabonfördraget: Så ska EU bli mer öppet, mer effektivt och mer demokratiskt [The Lisbon Treaty: In this way the EU will become more open, more effective and more democratic], available at: www.regeringen.se/sb/d/108/a/100615 (last access: 25 January 2009).

³⁷⁰ Cecilia Malmström: Interview: 'Institutional Limbo' to Overshadow 2009 elections, EurActiv, 18 November 2008, available at: <http://www.euractiv.com/en/eu-elections/interview-institutional-limbo-overshadow-2009-elections/article-177289> (last access: 25 January 2009).

The future of the EU after the Irish 'No' Turkey*

The EU at a turning point

The future of the EU after the rejection of the Lisbon Treaty by the Irish referendum has found a broad coverage by the Turkish media in the reporting period, particularly with regards to its implications for Turkey's EU accession. The exemptions Ireland was able to secure found a large reflection in the media, which underlined that the summit invited Ireland to hold a second referendum on the Lisbon Treaty.

The prevailing argument, in this regard, is that the EU is at a difficult turning point. The European Council meeting of December 2008 makes it possible to outline the challenges that the EU faces. The biggest problem is seen as the Lisbon Treaty's, and thus the EU's, future. It is argued that the economic climate and the deepening recession, coupled with political problems, pose a huge question mark on the future of the EU.³⁷¹ It is noted that following the Irish 'No', the Czech Republic and Poland also show similar tendencies to reject the treaty. It is therefore expected that the EU will pay special efforts, during 2009, in weakening the 'No' camp in Ireland,³⁷² since it is believed that a second Irish 'No' to the treaty would mean 'death' for the Union.³⁷³ While Ireland succeeded in getting some exemptions with regard to the treaty, this is expected to open the way for other smaller countries to do the same, and it is emphasised that the EU prefers to give exemptions to countries, rather than shelving the treaty altogether. This, in turn, prepares the way for bargains and negotiations, which point to a 'multi-vitesse' Europe.³⁷⁴

Czech Presidency

Remarkable attention has been paid to the future of the EU in the short-term, focussing on the foreseen developments under the Czech Presidency. The Presidency of the Czech Republic is being widely conceived as the presidency of an 'anti-Lisbon' member state. In

this context, it has been noted that the Czech Presidency of the EU did not come at a good time, particularly in the light of a challenging period marked by the economic crisis and the clouds over the Lisbon Treaty after the Irish 'No'. It has been underlined that the presidency of a member state which has not itself ratified the treaty would be problematic, especially after the successful French Presidency.³⁷⁵

Enlargement and Turkey's accession

Not surprisingly, the future of the EU is mostly discussed in relation to the enlargement project and Turkey's EU membership prospects. There are both 'negative' and 'positive' views on this. According to the negative view, following the European Council Summit, the impossibility of ratifying and accepting the Lisbon Treaty, coupled with the financial crisis and the challenges concerning energy and sustainable development, led to the shelving of the enlargement project and that the priority of the EU in the coming period is not enlargement. The results of the European Council meeting concerning enlargement are thus found to be grave. The EU is thought to have the tendency to keep new countries away until these problems are solved, and if the problems reach a reasonable solution, there would, in turn, be no need for new member states.³⁷⁶ It is emphasised that the European Council Summit of June 2009, will decide whether the EU will take time off from enlargement or not.³⁷⁷ Another widely held view is that EU-Turkey relations will either speed up or reach a deadlock after the upcoming local elections in March 2009.³⁷⁸

The positive view, including the ruling AKP³⁷⁹ government, argues that globalisation waves, despite the current crisis, will weaken the protectionist, closed, and 'anti-Turkish-membership' sections within the EU. Accordingly, the Lisbon Treaty will facilitate the functioning of an enlarged EU by bringing majority voting instead of unanimity. These developments will create an opportunity for

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³⁷¹ E. Yıldızoğlu: 'Avrupa Birliği'nin Kritik Krizi', Cumhuriyet, 17 December 2008.

³⁷² Evrensel, 13 December 2008.

³⁷³ Radikal, 13 December 2008.

³⁷⁴ B. Dedeoğlu: 'AB İçin Zor, Türkiye İçin Çok Zor Dönem', Agos, 19 December 2008.

³⁷⁵ Dünya: 'Çekler AB'yi "aşağılık kompleksi" olmaksızın yönetecek', 29 December 2008; S. Kohen: 'Çeklerden Türkiye'ye Destek', Milliyet, 24 December 2008; Radikal: 'Yeni dönem başkanı AB'ye Karşı Kılıcı Çekti', 26 November 2008.

³⁷⁶ B. Dedeoğlu: 'AB İçin Zor, Türkiye İçin Çok Zor Dönem', Agos, 19 December 2008.

³⁷⁷ Cumhuriyet, 14 December 2008; Sabah, 13 December 2008.

³⁷⁸ M. A. Birand: 'Avrupa AKP'ye sempatisini kaybediyor', Hürriyet, 4 December 2008.

³⁷⁹ Adalet ve Kalkınma Partisi – Justice and Development Party.

Turkey in the coming period.³⁸⁰ It is argued that the EU will not be able to continue with its enlargement project unless it resolves its problems and conducts its internal reforms, and thus, the French President Nicolas Sarkozy's success in convincing Ireland to hold another referendum is regarded as a positive development in removing the barriers Turkey is facing.³⁸¹

On the other hand, it is generally believed that Turkey's accession process has slowed down in the light of the fatigue and problems on both sides, and that it does not proceed smoothly and at the necessary pace, opening only two chapters at each EU-presidency. 2009 is expected to be a significant year in this regard due to: the upcoming local elections in Turkey, the report on Cyprus expected from the European Commission by the end of the year, as well as the change of the European Parliament and Commission.³⁸² It is generally believed that the European Commission is the safeguard of candidate countries, and underlined that the members of the Commission are of utmost significance for Turkey's accession process. Today's Commission, with its Commissioners who know Turkey very well such as Olli Rehn, José Manuel Barroso and Günther Verheugen, is found to be supportive of Turkey's membership bid; and therefore, the formation of a new Commission expected in the second half of 2009 is thought to entail question marks as to the possibility of including members opposing the Turkish accession process. The elections of the European Parliament are also expected to imply a tension on EU-Turkey relations if MEPs use anti-Turkish feelings as a way to gain voters' support.³⁸³ It is expected that right-wing parties will gain significant ground in 2009 elections of the European Parliament.³⁸⁴ The upcoming period is expected to be marked by domestic political pressures and populist approaches; to be a period when the European public will put Turkey under examination, a period when the weight of both the European and the Turkish publics will be felt more in EU-Turkey relations.³⁸⁵

³⁸⁰ H. Özdalga: 'AB Müzakereleri için En İyi Seçenek', Zaman, 19 December 2008.

³⁸¹ Radikal, 5 January 2009.

³⁸² M. A. Birand: '2009: İlişkilerde dönüm noktası', Hürriyet, 11 November 2008; Hürriyet: 'AB sürecinde vites değişikliği şart', 4 January 2009.

³⁸³ M. A. Birand: '2009: İlişkilerde dönüm noktası', Hürriyet, 11 November 2008.

³⁸⁴ Euractiv.com.tr, 16 December 2008, available at: www.euractiv.com.tr (last access: 5 January 2009).

³⁸⁵ F. Tınç: 'Komisyon ziyaretten neden memnun kaldı?', Hürriyet, 23 January 2009.

The future of the EU after the Irish 'No'

United Kingdom*

Impression of a European Union in crisis

In the United Kingdom, the future of the Lisbon Treaty is a subject which currently is only rarely discussed in either public or political circles. The government, having completed the parliamentary ratification of the treaty last summer, sees no political interest in further controversy on the matter; the Conservative Party, the main opposition party, has taken a strategic decision to speak less about European issues than it did before David Cameron became its leader; and public opinion is concerned by domestic and international economic questions to the exclusion of all other political topics. British public and political opinion in any case and understandably regards the second Irish referendum in the autumn of 2009 as decisive for the fate of the Lisbon Treaty.

The European elections until now have aroused little or no public interest. In so far as European issues are discussed during the electoral campaign, the decision of the British government not to hold a referendum on the Lisbon Treaty and Conservative criticism of the treaty's provisions will no doubt be major issues. It is the official Conservative position that if the party wins the next general election (likely to take place in mid-2010,) and if not all the 26 other member states have completed their ratification of the Lisbon Treaty by that time, it will hold a referendum on the agreement. If the ratification process has been completed in all member states by this time, the party has promised that it would not let 'matters rest there', though is not absolutely clear on what actions it would take. It should be pointed out that a number of commentators doubt the real willingness of a newly-elected Conservative government to devote time and political energy to renegotiation of the terms of the treaty in such circumstances, given the practical obstacles to so doing.³⁸⁶ While Cameron will certainly be under pressure from important elements of his party to reverse or

* Federal Trust for Education and Research.

³⁸⁶ See eg: Ian Martin: EU: Do the Tories have the courage to re-negotiate after Lisbon, Telegraph, 8 June 2008, available at: http://blogs.telegraph.co.uk/ian_martin/blog/2008/06/08/eu_do_the_tories_have_the_courage_to_renegotiate_after_li_sbon (last access: 25 January 2009); Andrew Grice: Cameron's first 100 days, The Independent, 1 August 2008.

subvert the Lisbon Treaty, his attitude towards European questions has been noticeably less polemical than that of some among his immediate predecessors in the leadership of the Conservative Party. His reluctance to commit himself to any specific course of action in the event that all other member states have completed their ratification of the Lisbon Treaty may suggest a desire to avoid creating unrealizable hopes for the harshest critics of the EU within his own party.

The appointment of the new European Commission seems unlikely to figure largely as a question in the European elections, since Prime Minister Gordon Brown seems to want José Manuel Barroso, a representative of a different political family to his own, to continue as President of the European Commission. This will effectively dampen any potential political controversy on the question during the European elections. Nor is the appointment of the High Representative for the Common Foreign and Security Policy a matter of public discussion in the United Kingdom, beyond occasional speculation that Blair may still be a candidate for this post, an idea apparently congenial to those who favour an established statesman in this post, in the wake of positive views of Nicolas Sarkozy's handling of the French Presidency.³⁸⁷

In general, the Irish rejection of the Lisbon Treaty in June, 2008, and the uncertain outcome of the second Irish referendum have reinforced the impression in the United Kingdom of a European Union in crisis. This impression is a cause for satisfaction or concern, depending upon the underlying attitudes of the observer. A specificity of the European debate is that very few British politicians, commentators or citizens, even those who regard themselves as 'pro-European', would be content to accept the workings of the European Union as an 'integration process'. This starting-point makes it difficult for British politicians, even if they are willing to participate effectively in the day to day workings of the European Union, to develop long-term 'implications and scenarios' for the future of the Union.

³⁸⁷ Tony Barber: Blair reappears as choice to be EU president, Financial Times, 12 January 2009, available at: <http://www.ft.com/cms/s/0/c919a4b4-e04a-11dd-9ee9-000077b07658.html> (last access: 25 January 2009).

I.2

Transatlantic relations renewed after President Bush: top priorities

On 4 November 2008, the people of the United States of America voted for their new President Barack Obama.

- **What are the three top priorities for a re-definition or re-vitalisation of the transatlantic and EU-US relationship?**
- **What is needed on the part of the EU?**

Transatlantic relations renewed after Bush

Austria*

Many issues to tackle – but also more engagement needed

The three top priorities for a re-definition or revitalisation of the transatlantic EU-US relationship is the establishment of peace and stability in the Afghan region, fighting climate change and the closing-down of the Guantanamo prison camp. Barack Obama is expected to demand more engagement in Afghanistan from the Europeans, not only in terms of financial support but also through the increase of troops deployed in the country.

In a commentary in the newspaper "Der Standard", Austrian EU-Commissioner Benita Ferrero-Waldner stated that it was crucial to revitalise the transatlantic relationship. As most pressing topics for both parties she mentioned the economical crisis, climate change and energy scarcity. On a more international level she highlighted the Middle East peace process, Afghanistan and the convention on climate protection as the three top priorities. But she was also very clear in saying that Europe would not get a better partnership for free, and that a lot of engagement from European side was needed.³⁸⁸

Transatlantic relations renewed after Bush

Belgium*

More about the personality of Obama than about political priorities

The presidential elections in the United States of America were extensively covered by the Belgian press, however, it must be noted that the focus was on Obama's personality, career and the USA electoral system and not on the impact for transatlantic relations.³⁸⁹ Nevertheless, if we have to define the three main elements relevant for the EU-US

* Austrian Institute of International Affairs.

³⁸⁸ "Yes we can!" Soll auch für Europa gelten", Der Standard, 19 January 2009, available at: <http://derstandard.at/druck/?id=1231152304020> (last access: 17 February 2009).

* Centre d'étude de la vie politique, Université libre de Bruxelles.

³⁸⁹ See Le Vif l'Express, 5 November 2008, available at: www.levif.be (last access: 12 February 2009); Le Soir, 22 November 2008, 17 December 2008, available at: www.lesoir.be (last access: 12 February 2009).

relationship, it would be NATO, the place of Europe in the world after the inauguration and finally, climate change and human rights.

NATO

Firstly, NATO seems to be an important issue for a potential revitalisation of the EU-US relationship. Indeed, "from the American perspective the foremost issue in transatlantic relations is now NATO's mission in Afghanistan. Barack Obama has made it very clear that the war in Afghanistan is his top priority. The United States is expected to significantly increase their military presence in Afghanistan and will be expecting a significant commitment from their allies."³⁹⁰ However, Belgian politicians stressed the differences between the EU's and the USA's vision of NATO. According to them, NATO is seen by the Europeans as a regional defense organisation whereas the Americans see it as a global political actor. They also feared that the new USA administration would ask the EU to intervene more in international affairs.³⁹¹

The place of Europe

Indeed, the reactions and expectations are diverse concerning the EU's involvement in international affairs after the inauguration of Barack Obama. On the one hand, some feared that the EU would be left aside. During the long transition period between Bush and Obama, the EU (through its Council's President Nicolas Sarkozy) could be very involved in international affairs,³⁹² while for some commentators, it would not be possible once Obama is in office. On the other hand, others were more optimistic about the EU-USA relationship, hoping the EU will still have a say in world affairs, especially with the good relations between the USA and the Czech Republic (the new EU-Presidency).³⁹³ A high level of goodwill from Obama in Europe was also highlighted by

³⁹⁰ Interview with Katya Long, FNRS researcher at the Université libre de Bruxelles, specialist in American politics, 12 January 2009.

³⁹¹ Audition of Javier Solana in the Committee for External Relations and Defense and the Federal Advice Committee in charge of European Affairs, Report realised for the Federal Advice Committee in charge of European Affairs, 25 November 2008, Report CRIV 52 COM 378 (Chamber), for more details on Belgium and NATO, see point III of this report.

³⁹² See Le Vif l'Express, 6 January 2009, available at: www.levif.be (last access: 12 February 2009).

³⁹³ Face à l'info, La première (radio station), 06 January 2009, available at: http://old.rtbf.be/rtbf_2000/bin/view_something.cgi?id=016_0995_sac&menu=default&pub=RTBF.PREM%2fPREM.FR.la_taille.HOME (last access: 12 February 2009).

Katya Long although she also stressed that “Europeans should not expect a substantive break from the last years of the Bush administration. Indeed, the unilateralist and alienating attitude of the first years of George Bush’s presidency has since been replaced with a more traditional realist approach to foreign policy. Although Barack Obama is a liberal, he is also a pragmatist and if it is undoubtful that he will re-engage with the world with strong diplomacy he will remain the President of the United States, committed to the interests of his country.”³⁹⁴

Climate change and human rights

Finally, “[t]here are two subjects however where Barack Obama’s attitude will be markedly different from that of his predecessor: climate change and human rights. On both these issues it is clear that an Obama administration will engage with the Europeans. One might expect strong American leadership on climate change and the closing of Guantanamo as well as the end of the practise of torture in interrogations will allow Europeans and Americans to work more closely on issues of counter-terrorism. Perhaps the most significant change will be on the level of discourse: where George Bush always emphasized America’s capacity to do things on her own, Barack Obama repeatedly says that the issues that are faced (terrorism, economic crisis, climate change) are global and need an international response”.³⁹⁵

Transatlantic relations renewed after Bush Bulgaria*

Intensified cooperation for approaching common challenges

Approaches and top priorities for a re-vitalization of the transatlantic and EU-US relations seem to differ depending on whose perspective we will consider. In the US perspective, Europe is needed as a supporter for recovering global US leadership based on the power of example and inspiration for all people in the world.

³⁹⁴ Interview with Katya Long, FNRS researcher at the Université libre de Bruxelles, specialist in American politics, 12 January 2009.

³⁹⁵ Ibid.

* Bulgarian European Community Studies Association.

It will be up to Europe’s maturity to acknowledge either a position of a junior partner of the US in a global alliance for global good, or try to survive on its own quite insecure domestic and international agenda, while at the same time being squeezed by an emancipated Russia and a frustrated Turkey.

It has to be crystal clear, that any debate about the redefinition of transatlantic relations cannot evade the uneasy questions related to Russia and Turkey. If the US and the EU continue to approach Russia separately, and if within the EU some member states still prefer dealing with Russia on a bilateral basis, then it will be irrelevant to speak about anything transatlantic. If Turkey continues to hang in the abyss with no clear geopolitical future, if the EU stays inhibited with its relatively small problems, then no future for a transatlantic unity could ever be foreseen.

The first and most needed thing to do is intensifying political contacts between the US and the EU in search of framing common discourses. The US and the EU have quite different starting points and frames of reference, but they both have a common challenge – Russia. Whether each will sneak and deal with Russia at sole discretion without compromising with the other will be the key to the ‘transatlantic standing together’ or ‘self-help’ approach.

“Transatlanticism” has been bitterly challenged over the last eight years of the outgoing Bush administration. President Barack Obama and Secretary of State Hillary Clinton will have to live through hard times to restore Europe’s transatlantic enthusiasm, which has considerably degraded not only because of US policies, but also because of the increasing reluctance of some European countries to follow the American lead. So, one of the first cornerstones of a re-animated transatlantic link would be compromising on the issue of leadership – leadership-in-what, leadership-when, leadership-how, leadership-with-whom. On issues related to security and geopolitics, the EU does not have much choice or room for manoeuvre but to accept the US leadership. On other issues related to global governance, policies towards less-developed counties, meeting global challenges, a dual or joint leadership between the EU and the US, is much more feasible.

Certainly, the most difficult focal points for finding compromises between the US and the

EU will be Russia, Afghanistan, Iran and Turkey.

On the whole, Central European countries are concerned that with the new American President, they might lose the privileged relations they maintained with the Bush administration. The prevailing opinion in Central European countries is that President Obama will concentrate on restoring relations with Western Europe that critically suffered under the neoconservative American establishment. Although some Central European countries were reliable allies to the Bush administration, they might be pushed aside now. The fact that the pro-American Czech Republic took the rotating presidency of the EU at the time of Obama's inauguration is unlikely to make any change. It is expected that the EU-US agenda will be dominated entirely by the global financial crisis and economic reform efforts. Thus, big West European economies like Great Britain, Germany and France, will be prioritized as partners at the expense of Central European EU members.

The Czech Presidency seems committed to bringing new impetus into the transatlantic agenda since the first EU-US summit with the new US President will be held during its term. It remains to be seen whether Czech enthusiasm will materialize in more concrete results.

As far as Russia is concerned, the new US administration will probably follow President Nicolas Sarkozy's milder tone instead of the more hard-line position of Poland and the Czech Republic. Here again, the highlight is on the disunity in the EU itself with regard to Russia, even beyond the transatlantic discourse. And when the transatlantic discourse is at stake, we witness at least three visions towards Russia – the American, the West European and the Central European ('new' Europe, most eloquently represented by Poland and the Czech Republic). Whether there will ever be a crossing point or merger of these visions, is a matter of strategic importance for the future of the transatlantic community.

The other critical point of divergence – Turkey – will be the next test-case for the transatlantic future. Unlike Central Europe, anti-Americanism in Turkey grew stronger, just as Euro-scepticism. Both the US and the EU damaged, or at least aggravated, their

relations with Turkey. How they will get out of this situation is also a matter of priority for transatlantic partners.

Perspectives from Bulgaria

The Bulgarian public is fully aware that the country has no 'special place' on the US strategic agenda. Where the country could possibly fit in, besides NATO, is within a general revitalization of the EU-US transatlantic relationship, which gives Bulgaria the only opportunity for direct access to discussing or expressing positions on such strategic issues as the future of international presence in Iraq and Afghanistan, negotiations with Iran or energy security.

Bulgaria is especially interested in how the process of integration of the Western Balkans will continue and what type of engagement the transatlantic partners (US and EU) will maintain in the Black Sea region.

On bilateral level, the recent US-Bulgarian agenda is framed by the outstanding issue of whether and when Bulgaria will enter the US visa-free travel programme, and other more technical issues such as the entry into force of the bilateral agreement for avoiding double taxation. On more critical issues, Bulgaria is likely to continue keeping a low profile in transatlantic relations. Unlike the political establishments in Poland and the Czech Republic, governments in Bulgaria in recent years tried to avoid and attempted to stay away from any bilateral approach to the US that might inflict an increase in the regular rate of disapproval the EU maintains towards Bulgaria. Even the signing of the agreement for joint military facilities between Bulgaria and the US is rather an exception to confirm that rule.

Another reason for the governing circles in Bulgaria to refrain from a direct and straightforward engagement with the US is the 'conventional wisdom' or instrumental common sense deriving from a psychological complex from the past that 'there is nothing good in annoying Russia'. Unfortunately, this type of servitude mentality and also alleged business links with Russia grounded the argument that Bulgaria may turn into Russia's "Trojan horse" in the EU.

Political circles in Bulgaria seem quite unlikely to go for any direct transatlantic engagement. What is most likely, is that Bulgaria will leave West European EU member states and the US

to bridge the transatlantic gap on their own. Bulgaria will surely not be an ardent advocate of transatlantic relations.

If we compare the trends of approval for US leadership in global affairs, the Bulgarian public opinion stands somewhere in the middle, compared to some other EU countries. This maintains a certain level of transatlantic vigour in the country, but this enthusiasm is not impressive at all. It exists only within small expert communities, rather than among the general public. The transatlantic inertia and the pro-American sentiment in Bulgarian society from the 1990s are on the downside. Opinion surveys in 2007 in Bulgaria showed a somewhat declining trend of approval of US leadership.

Transatlantic relations renewed after Bush

Croatia*

Hope for renewal of the transatlantic relations for the benefit of both EU and Croatia

The problem of transatlantic relations has been scrutinized in Croatian public and politicians, mainly from two aspects: the aspect of the global financial crisis and the aspect of the new American administration under the new elected President Obama. The daily "Vjesnik" has pointed out the differences in the starting positions between the EU and the USA during the G20 summit in November 2008 in Washington, where the EU leaders have advocated stronger market regulation while USA supported as much as possible safeguarding of liberal capitalism.³⁹⁶ Connecting this aspect with the aspect of expectations from the new administration, EU leaders have discretely expressed the hope that the new American administration will have more potential for improving the performance of the American economy than the Bush administration. Comments published in daily "Jutranji list" found this disagreement as evidence of the conflict on leadership between the EU and the USA and not only on that issue, but on many others.³⁹⁷ Discussing this issue, professor Luka Brkić from the Faculty for Political Science in Zagreb, had stressed that EU countries have understood that no single country has potential to cope neither with the

US economy nor with giant corporations in the world. There is still a profound difference between the two concepts: mainstream neoliberal, which is preferred by the USA and market-regulated, which is implemented in the EU. Although these two market concepts have been discussed for a long time, they are different especially with the view of the current crisis and possible outcomes.³⁹⁸

Regarding the impact to Croatia, comments in pro-government daily "Vjesnik" have expressed the opinion that the upgrading of the partnership between the EU and the USA, which is one of the important priorities of the foreign policy of the new American administration, will also promote Croatian prospects to become a full-fledged member of both Euro-Atlantic structures as soon as possible.³⁹⁹

In some comments and statements by top Croatian leaders, fine differences could be noticed. For instance, President Mesić keeps stating in each possible occasion that Croatian foreign policy must not neglect other parts of the world, and must not focus only on the USA⁴⁰⁰ while Prime Minister Sanader evidently prefers the US-Croatian partnership, which will probably help Croatia to become a full-fledged member of NATO very soon.⁴⁰¹

Transatlantic relations renewed after Bush

Cyprus*

Cyprus hopes on Obama's active support for reunification

The Cypriot people were quite enthusiastic about Barack Obama's election. Among other things, this was because during his campaign he promised to the Greek-American community that if elected, he will seek to negotiate a political settlement on Cyprus. As President Obama put it, "there must be a just and mutually agreed settlement of difficult issues like property, refugees, land and security". Most importantly, he added that "a negotiated political settlement on Cyprus would

³⁹⁸ Luka Brkić: "EU must become a leader", Novi list, December 2008.

³⁹⁹ Bruno Lopandic: "Partners", Vjesnik, November 2008.

⁴⁰⁰ Statement of Stjepan Mesić on 19 December 2008 on Croatian TV

⁴⁰¹ Press conference, 22 December 2008.

* Institute for International Relations.

³⁹⁶ Vjesnik, November 20, 2008.

³⁹⁷ Jutarnji list, November 22, 2008.

* Cyprus Institute for Mediterranean, European and International Studies.

end the Turkish occupation of northern Cyprus and repair the island's tragic division while paving the way to prosperity and peace throughout the entire region"⁴⁰².

The Cypriot government congratulated Barack Obama on his election, while expressing hope that his administration will actively support the island-state's reunification process. Cypriot President, Demetris Christofias, spoke of the "very positive positions" of Joe Biden and the long standing relationship with him.⁴⁰³ He made reference to Turkish Prime Minister Recep Tayyip Erdoğan's reported remark that he hoped that Obama's statements (on Cyprus) would remain mere pre-election declarations. President Christofias said he hoped that the exact opposite would be the case. But he also made clear that Cyprus does not demand anything: all it wants is a fair treatment.

Cypriot government spokesman, Stefanos Stefanou, had stated some months ago that "President Obama has made specific declarations which we welcome. We hope that these declarations will be fulfilled"⁴⁰⁴. In the eyes of most Greek Cypriots, the US administration – especially the one under George W. Bush – have been, to date, far more pro-Turkish, in view of Turkey's regional strategic importance. But as Stefanou put it, "We ask nothing more than respect for the values of international law and UN resolutions on Cyprus. We will insist on this, bearing in mind the realities existing both in the US itself and in the world." The government spokesman also emphasised that the Cypriot government notes that Obama's programme and his declarations promise a new era for the USA, which will bring more social justice in the country and a normalisation of its relations with the rest of the world.

In general, the Cypriot mass media presented the election of Barack Obama as a historic opportunity for the EU to re-define its relations with the US.⁴⁰⁵ According to the Cypriot media on various occasions, EU officials have expressed strong satisfaction over Obama's

election and spoke of the need for a renewed commitment between Europe and the United States to a new joint direction in the world. Cypriot media were eager to report that numerous EU leaders also spoke of a remarkable victory allowing strong optimism about the chance for the European Union and the United States to pursue crucial solutions together.

On Obama's election, Cypriot diplomats noted that this will provide a "unique opportunity" to strengthen EU-US relations.⁴⁰⁶ According to the same diplomats, the three top priorities for a re-definition or re-vitalisation of the transatlantic and EU-US relationship are:

- 1) The development of new and more flexible policies towards third countries such as Russia and countries in the Middle East (especially for issues like the Israeli-Palestinian conflict and the Iranian nuclear ambitions);
- 2) The creation of common short-term and long-term policies concerning climate and energy issues, by promoting new technologies and incentives in the capital markets in order to push forward more quickly the development of a green economy;
- 3) Common approaches on the global financial crisis in order to avoid a longer and more painful recession.

Moreover, in the words of one of our interlocutors at the Cypriot Ministry of Foreign Affairs, "the era that we are living in demands a closer cooperation between the EU and the US, and also among them and Russia as well as such emerging major powers as China and India. This is because the present-day problems are common all over the world and thus the international community needs common actions in order to be able to overcome these challenges. The EU can bring all these countries together and establish an ongoing constructive cooperation among them, because it has proven to be a reliable and fair mediator and honest broker with all states"⁴⁰⁷.

To be sure, there were also some (lonely) sceptical voices in a few radio and television interviews with Cypriot analysts who, by recalling repeated disappointing cases of misplaced Cypriot expectations, argued that

⁴⁰² As reported by the Greek-American weekly newspaper Greek News, available at: <http://www.greeknewsonline.com/> (last access: 25 January 2009).

⁴⁰³ Christofias, President: Statements, Brussels, 8 November 2008 (as reported by all Cypriot Media).

⁴⁰⁴ Stefanos Stefanou, spokesperson of the government: Statement, 3 July 2008 (as reported by all Cypriot Media and the Cyprus News Agency).

⁴⁰⁵ Press commentaries, November 2008.

⁴⁰⁶ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, December 2008.

⁴⁰⁷ Ibid.

the Obama election would not be different than any other since, as the cliché goes, 'US Presidents are not the ones who *really* decide'. The most serious commentators, however, such as former Cypriot Minister for Foreign Affairs, Erato Kozakou-Marcoullis, the rector of the University of Cyprus, Stavros Zenios, and rector of the University of Nicosia, Michalis Attalides, welcomed unreservedly the start of the Barack Obama administration. During a long live programme at the "Cyprus Broadcasting Corporation" ("CyBC") before and during the 20 January 2009 ceremony in Washington, the three Cypriot personalities expressed deep appreciation for both the capabilities and the vision of the newly elected US President. Thus, Attalides stressed his conviction that the international community will experience better days with Obama at the US helm, while Zenios added that not only Obama's vision is most promising but he has proven already that, in its execution, he can be pragmatic indeed. Kozakou-Marcoullis concurred on the label "pragmatic" and, in contrast to the pessimists, concluded that the Obama administration can be relied upon to make, inter alia, a salutary contribution to the resolution of the Cyprus problem, provided that the Cypriots also assert their rights actively and appropriately.

The next day, the chairman of the "Cyprus Institute of Mediterranean, European and International Studies" (KIMEDE), Costas Melakopides, interviewed by the "CyBC", endorsed fully the evaluation by the three aforementioned commentators.⁴⁰⁸ In addition, he emphasised the series of "idealist" values that President Obama had embraced in his speech, such as human rights, fairness and justice, dialogue even with former enemies, and refusal to regard military power as either always necessary or sufficient to achieve American goals. In this way, the new president signalled his commitment to a far less antagonistic and bellicose, but far more cooperative and multilateralist, US posture in the world. Melakopides thus concluded by submitting, as a more accurate description of the new American President's worldview, the concept of "pragmatic idealist".

Finally, Greek-speaking media in Cyprus (as in Greece), did not even attempt to hide their 'relief' at the departure of George W. Bush and Obama's arrival on the international stage.

⁴⁰⁸ Costas Melakopides in an interview with the journalist Paris Potamitis, in: CyBC1: 'From Day to Day', 21 January 2009.

After all, beyond the sincere expectation that the new administration will honour its pronouncements on Cyprus and Greek-Turkish relations, journalists and analysts could not miss Obama's and Hillary Clinton's, US Secretary of State, repeated references to (Professor Joseph Nye's) 'soft power' and 'smart power' notions as their own favoured instruments for the performance of the United States in the world.

Transatlantic relations renewed after Bush

Czech Republic*

Focusing on Obama's visit

The current centre-right government is more 'Atlanticist' in its outlook than the previous one. The biggest party in the coalition, the Civic Democratic Party (ODS), presents itself as a strong supporter of transatlantic ties. Smaller coalition partners – the Christian Democrats (KDU-ČSL) and the Greens (SZ) – are either affirmative (KDU-ČSL) or too weak to change the Atlanticist shift (SZ). The current government still respects the general trend and the continuity of Czech foreign policy as based on 'two pillars' – membership in the EU and an alliance with the USA.⁴⁰⁹ On the other side, there were moments when the Atlanticist leaning of the government became evident. The prime example is the support of the US radar base in the Czech Republic. Also, the Czech government is quite sceptical regarding the ability of the EU to provide 'hard' security to its member states (through the European Security Defence Policy (ESDP)). Thus, the EU membership is perceived rather as an 'economic pillar', and the strategic bond with the USA (either bilateral or multilateral within the NATO) is seen as vital for the hard security of the Czech Republic.

Given its Atlanticist orientation, it is not surprising that the 'transatlantic bond' plays an important role in the priorities of the current government towards (and within) the EU. Officially, "the Czech Republic sees as crucial Europe's transatlantic link with the USA and Canada, and the strategic partnership between the North Atlantic Treaty Organisation (NATO)

* Institute of International Relations.

⁴⁰⁹ Petr Drulák: Česká zahraniční politika mezi internacionalismem a atlantismem (Czech foreign policy between internationalism and Atlanticism), in: Michal Kořan (ed.): Česká zahraniční politika v roce 2007. Analýza ÚMV, Ústav mezinárodních vztahů, Prague 2008.

and the European Union".⁴¹⁰ In this context, strong ties, partnership and cooperation between the USA and the EU are seen as indispensable for the 'hard' security of the EU in a similar way as the partnership of the USA and the Czech Republic is indispensable for the hard security of the Czech Republic. According to the Czech government, the contemporary partnership between the USA and the EU is less about securing intra-European stability and more about securing Europe from external threats.⁴¹¹

The transatlantic bond between the USA and Europe is seen by the government as a necessity – a strategic and geopolitical imperative caused by Europe's (European powers') lack of military capacities, the weak ESDP and also a 'lack of a will to defend itself' on the side of Europe. A strong transatlantic bond is an end in itself, and the discussion rarely extends beyond general proclamations that 'we need a strong transatlantic link'.

The priorities of the Czech Presidency are a bit more concrete than a public debate on a transatlantic link between the USA and Europe. "Multilateralism, the Middle East peace process, Afghanistan/Pakistan and relations with Russia" are the top priorities "within the transatlantic dialogue".⁴¹² According to the government, the renewed transatlantic dialogue should focus on these issues. But concrete (public) proposals on how to revitalize the dialogue itself and on how to rebuild the confidence on both sides of the Atlantic are missing. The government focuses primarily on the arrangement of the EU-US summit in Prague (the organization of this summit is supported by the whole political scene).⁴¹³ We can illustrate the point on the case of Guantanamo prisoners. Accepting these prisoners can be seen as an opportunity for an initial 'confidence building measure'. Despite its pro-American outlook, the Czech government took a quite cautious position. The

Czech Foreign Minister stressed that "it is up to each nation what they will decide".⁴¹⁴ So far, there are no signs that the Czech Republic will accept any of the inmates.⁴¹⁵

It should also be noted that the Czech debate about Atlanticism and strategic 'transatlantic' ties with the US is bilateral in its nature. The future of Czech-US relations (the issue of the US radar base) gains much more salience than the 'EU-US' relations. The Czech discussion revolves around the future of the US radar base after Obama's inauguration rather than about US-EU cooperation. Here, the government expects the continuation of the cooperation while the opposition Social Democrats believe that Obama (confronted with the financial crisis) will scrap the plan for the radar base. The Social Democrats even called upon Obama to scrap the plans for the radar base, believing that such a step would "signal a new era in the relations between Europe and the USA".⁴¹⁶

Moreover, the Civic Democrats, as the main coalition partner, treat even the "transatlantic ties" between Europe and the US as an issue of bilateral ties between the US and EU member states. The Czech political scene has quite happily accepted Rumsfeld's distinction between the 'old' and the 'new' (US-friendly) Europe. The upcoming meeting with Obama in Prague can be seen as an attempt to reconfirm this special relationship between the US and the new Europe. The Civic Democrats (in contrast to the opposition Social Democrats) still do not believe in the notion of the EU as a 'political actor' – a consolidated entity which can enter into the 'EU-US' relationship.⁴¹⁷ This may also be the reason for their reluctance

⁴¹⁰ Transatlantic relations – priorities of the Czech Republic, EU2009.cz, available at: <http://eu2009.cz/en/eu-policies/general-affairs-and-external-relations/eu-enlargement/eu-enlargement-612/> (last access: 28 January 2009).

⁴¹¹ Ibid.

⁴¹² Work Programme of the Czech Presidency. Europe without Barriers, Czech presidency of the Council of the EU, 2009, available at: <http://eu2009.cz/en/czech-presidency/programme-and-priorities/programme-and-priorities-479/> (last access: 28 January 2009).

⁴¹³ Češi chtějí v Praze zorganizovat první setkání Obamy a lídrů EU (Czechs want to organize the first meeting between Obama and EU leaders), Czech news agency, 5 November 2008.

⁴¹⁴ EU doubts over taking in former Guantánamo prisoners, The Guardian, 26 January 2009, available at: <http://www.guardian.co.uk/world/2009/jan/26/eu-guantanamo-inmates-offer> (last access: 3 February 2009).

⁴¹⁵ The government remains silent, but the opposition Social Democrats refused to accept the prisoners in the Czech Republic or in the EU (c.f. Sociální demokraté se k přijetí vězňů z Guantánama staví odmítavě, Mediafax.cz, 24 January 2009). The public assumes a hostile stance, refusing to accept any Guantánamo 'terrorists' on Czech soil.

⁴¹⁶ Libor Rouček: Libor Rouček vyzývá Baracka Obamu ke zrušení plánů na výstavbu amerického radaru v Brdech (Libor Rouček calls upon Barack Obama to scrap the plans for the construction of the American radar in Brdy), ČSSD press statement, 5 November 2008.

⁴¹⁷ It must also be noted that the attitude of the Civic Democrats towards the notion of the EU as a global political actor is becoming more affirmative recently. The reason lies in the perceived need to (jointly) face up to the 'global challenges' of, e.g., the geopolitical revival of Russia and the economic (which turned into the geopolitical) rise of 'Asian powers' such as India or China.

(inability) to reformulate their general call for stronger 'Europe-US' transatlantic ties into concrete proposals for 'EU-US' cooperation and partnership on the ground.

Transatlantic relations renewed after Bush Denmark*

Denmark and the USA: allies under Bush – allies under Obama

The transition from President Bush to President Obama has been intensely discussed in Denmark in terms of Danish-US relations and transatlantic relations. The Danish government's close relations to Bush had been demonstrated by Danish military participation in Afghanistan and Iraq – on his last day in office Bush spoke to Prime Minister Rasmussen by phone.⁴¹⁸ But while Rasmussen does not comment on Bush's record as President, his fellow party member, Søren Pind, described the Bush era as 'morally corrupt' in reference to allegations of torture and mistreatment of terrorist suspects by US personnel.⁴¹⁹ During the election campaign Barack Obama had been critical of US allies, including Denmark, for not doing enough to help the Iraqi refugee crisis.⁴²⁰ Prime Minister Rasmussen hoped to maintain very close ties between the USA and Denmark, but in the first week of the Obama administration these hopes dissolved as Denmark (and the Netherlands) did not want to help take freed detainees resettled from Guantánamo Bay detention centre.⁴²¹

Beyond the war on terror, the immediate Danish priority in transatlantic relations is the forthcoming United Nations Climate Change Conference "COP15" in Copenhagen in December 2009.⁴²² The transformation of the

* **Danish Institute for International Studies.**

⁴¹⁸ Brian Knowlton: 'Obama celebrates holiday with service', *International Herald Tribune*, 19 January 2009.

⁴¹⁹ Copenhagen Post: 'For PM, in the Obama means out with an ally', 21 January 2009.

⁴²⁰ Copenhagen Post: 'Obama: Denmark has done 'little' for Iraqi refugees', 10 November 2008; Natalie Ondiak: 'Keeping faith with our Iraqi allies', *Guardian*, 21 January 2009.

⁴²¹ Politiken: 'Amnesty vil have en lukkedato for Guantanamo', 8 January 2009; Copenhagen Post: 'No help for terror suspects', *VOA News*, 21 January 2009; Lisa Bryant: 'Europeans in dilemma over Guantanamo prison closing', 22 January 2009; Jim Brunsten: 'EU to start talks on Guantánamo resettlement', 23 January 2009.

⁴²² Michael McCarthy: 'UN Climate Conference: The countdown to Copenhagen', *The Independent*, 9 January 2009.

US position on global warming by President Obama has made productive talks at "COP15" far more likely.⁴²³ The wider renewal of transatlantic relations between the US and the EU beyond "COP15" has not been a big issue in Denmark, reflecting Danish difficulties in dealing with major global issues such as reform of financial architecture because of non-participation in EMU politics.

Transatlantic relations renewed after Bush Estonia*

Cooperation and stabilisation of the post-1991 security architecture

A strong and stable partnership between the United States and Europe, as well as the improvement of the international reputation of the USA, is a key priority for Estonia.⁴²⁴ In his recent 'advice' to the president-elect of the United States, President Ilves argued that "(o)f all the international issues that will demand President Barack Obama's attention, two will be increasingly urgent: restoring the still-fragile relationship with Europe and addressing the collapse of the continent's post-1991 security architecture". The top three Estonian priorities for re-vitalizing the EU-US relationship appear to be the following:

1) Developing a unified policy towards Russia. This is especially important in the wake of the Georgia conflict. Both the EU and the US must "continue defending the liberal democratic values that ended the cold war while working with a resurgent, authoritarian and resentful Russia".⁴²⁵ According to President Ilves, the United States must continue to defend liberal-democratic principles while proactively restoring its ties to Europe: "Otherwise, 2008 could go down in history as the year when the fundamental assumptions of the post-cold-war world ceased to apply. These assumptions

⁴²³ Tony Barber: 'Action is vital for a good transatlantic relationship', *Financial Times*, 23 December 2008; Bibi Häggström: 'Klimatet hettar till i danska politiken' *Sydsvenskan*, 10 January 2009.

* **University of Tartu.**

⁴²⁴ Erika Kalda and Erik Gamzejev, "President Ilves: "Surutisele vaatamata pole töö Eestis otsa lõppenud", *Põhjarannik*, 19 November 2008, available at: <http://www.president.ee/et/ametitegevus/intervjuud.php?gid=122096>.

⁴²⁵ President of Estonia Toomas Hendrik Ilves, "The Challenge in Europe: Only unified can the West defend itself. But first it must heal the transatlantic rift." *Newsweek*, 31 December 2008, available at: <http://www.newsweek.com/id/177415>.

include the ideas that aggression is unacceptable, that borders cannot be changed by force and that democratically elected governments and the rule of law should not be forsaken for pragmatic concerns".⁴²⁶

The EU, in turn, must resist the temptation to give in to *Realpolitik* when dealing with Russia. While the call to treat Russia 'as it is' is often heard in EU circles, many EU leaders appear to forget that Russia 'as it is': "now ranks 147th in the world in fighting corruption (according to Transparency International) and 141st in freedom of the press (according to Reporters Without Borders), and in 2008 was downgraded by Freedom House from 'partially free' to 'not free'".⁴²⁷

2) Cooperation in solving regional conflicts from the Middle-East to Afghanistan and intensifying security cooperation under the NATO umbrella.

3) Cooperation in the sphere of energy and climate policy. According to Foreign Minister Paet, the US and the EU need to take into account the geopolitical aspect of the energy issue. Cooperation with the US is particularly critical in carrying out energy infrastructure projects in the Caspian and Black Sea region.⁴²⁸

Transatlantic relations renewed after Bush Finland*

New energy, familiar themes

Public debaters were unanimous in saying that the relations between the EU and the US will improve. While there was a lot of excitement about the new era, expectations were often quite unspecific. Many pointed out that more effort is now needed from the EU side than before. Moreover, the wish lists are not similar on the opposite side of the Atlantic Ocean.⁴²⁹ The Finnish Foreign Minister, Alexander Stubb, fears that more obstacles for productive cooperation will now be found in Europe rather

than in the US.⁴³⁰ Many Finns would very likely agree to several of the points on Minister Stubb's wish list when he said that he would like the US and the EU to form a better team with regard to world trade, crisis management, human rights, climate change and rebuilding in Iraq. He also wished Europe and the US had other noticeable forms of cooperation than just the NATO operation in Afghanistan. All transatlantic collaboration should not be related to wars.⁴³¹

Nevertheless, by far the most often mentioned issue was *burden-sharing* with regard to *Afghanistan*. A prominent EU affairs correspondent of the largest newspaper, "Helsingin Sanomat", even predicted that the next big argument between the US and the EU may erupt over Afghanistan.⁴³² Obama is likely to put more resources into Afghanistan and will expect greater input from his European allies, including in the more dangerous areas of Southern Afghanistan, which may materialize the worry over the Europeans' ability to meet Obama's requests.⁴³³

Barack Obama's initial climate policy decisions were welcomed by many. "Vihreä lanka", the official paper of the Green Party, hailed Barack Obama's energy policy as strict and progressive and was positively surprised by his level of investment to renewable energy technology.⁴³⁴ Jutta Urpilainen, the leader of the main opposition party, Social Democrats, called upgrading the transatlantic relations as the EU's mission for the year 2009. In her view, the Copenhagen Climate Conference should become a potentially important milestone in fulfilling this goal.⁴³⁵ Perhaps this reflects the second broader theme: strengthened *multilateralism* which involves the *joint leadership* of the US and the EU. There was some acknowledgement of the need to involve more partners than just the EU and the

⁴³⁰ "USA:n kädenojennukseen vastattava", Suomen Kuvalehti, 19 June 2008.

⁴³¹ Ibid.

⁴³² "Tervetuloa Bush ja tervetuloa Obama: EU on innoissaan uudesta alusta", Helsingin Sanomat, 6 November 2008.

⁴³³ "Raimo Väyrynen: Uuden hallinnon taloudellinen liikkumavara pieni", Turun Sanomat, 6 November 2008.

⁴³⁴ "Obama satsaa uusiutuvaan energiaan odotettua enemmän", Vihreä lanka (web edition), 19 January 2009, available at: <http://www.vihrealanka.fi/uutiset/obama-satsaa-uusiutuvaan-energiaan-odotettua-enemman> (last access: 25 January 2009).

⁴³⁵ Jutta Urpilainen, leader of the Social Democrats: Speech at a meeting of the Social Democrat MP's, 2/3 September 2008, available at: <http://www.sdp.fi/fi/ajankohtaista/puheet/?a=viewItem&itemid=1116> (last access: 25 January 2009).

⁴²⁶ Ibid.

⁴²⁷ Ibid.

⁴²⁸ Ministry of Foreign Affairs Press Release, "Eesti peab väga oluliseks ELi ja USA koostööd energiajulgeoleku suurendamisel", 9 January 2008, available at: http://www.vm.ee/est/kat_42/10518.html?arhiiv_kuup=kuu_p_2009_01.

* Finnish Institute of International Affairs.

⁴²⁹ "Niin paljon odotuksia, niin vähän takeita", Helsingin Sanomat, 14 January 2009.

US to tackle the financial crisis. In climate matters, it is somehow more possible to call for the EU-US tandem to lead the world.

Finally, more respect for human rights is certainly among the top three wishes the Europeans have for the new US Administration,⁴³⁶ with resigning from torture and the closing down of Guantanamo as the most important practical implications. This led to a vivid discussion as to whether Finland should accept prisoners from Guantanamo.⁴³⁷ This, we think, is a manifestation of the third priority: *concrete measures* to show that the two partners are again sharing the same *values*.

Transatlantic relations renewed after Bush France*

Hope may be replaced with deception

In France, like in other EU member states, the election of Barack Obama as President of the United States has been warmly welcomed. French President Nicolas Sarkozy in his letter of congratulations to Obama informed him of the immense hope in France, Europe and beyond: "the hope of an open America, characterized by solidarity and strength that will once again lead the way, with its partners, through the power of its example and the adherence to its principles".⁴³⁸ According to philosopher André Glucksman, this hope even led European public opinion to overlook the more inconvenient sides of Barack Obama. Europeans, he thinks, have delegated to him the task of looking after the woes of the world and the challenges of the near future.⁴³⁹ According to Ezra Suleiman, political science Professor, they are expecting too much and this hope may be replaced with deception.⁴⁴⁰

⁴³⁶ Annamari Sipilä, journalist: "Niin paljon odotuksia, niin vähän takeita", Helsingin Sanomat, 14 January 2009.

⁴³⁷ See e.g. Pekka Haavisto: "Suomen pitäisi vastaanottaa Guantánamon vankeja", Helsingin Sanomat, 25 January 2009.

* Centre européen de Sciences Po.

⁴³⁸ Letter of congratulations from President Nicolas Sarkozy to President-elect Barack Obama, 05 November 2008, available at: <http://ambafrance-us.org/spip.php?article1167> (last access: 26 February 2009).

⁴³⁹ *Le Figaro*, 12 November 2008.

⁴⁴⁰ *Le Nouvel Observateur*, 06 November 2008.

First priority: reinforcing multilateralism

Cooperation is the keyword of French observers regarding US-EU relations. On climate change, peacekeeping in the Middle East, the nuclear question in Iran, or relations with Russia, Europeans hope that Obama will change US attitudes and put an end to unilateralism.⁴⁴¹ However, many experts remain lucid about these expectations. The former Minister for Foreign Affairs, Hubert Védrine, admits that Europeans have an opportunity because every change in US administration opens a window for discussions.⁴⁴² Furthermore, the new administration will certainly not be as unilateralist as its predecessor. But people may be disappointed if they believe that the United States will now decide things collectively. According to Benoît Chevalier, Professor at Sciences Po, "There is no do-gooder approach to wait from Obama, who will defend US interests like any other president".⁴⁴³ And this statement concerns different policies on which Europeans are expecting more cooperation with the United States.

Second priority: diplomacy and global order

On many international issues, EU member states were reluctant to follow US policy. "Le Monde" reminds in its editorial that the European troika in charge of negotiations with Iran on the nuclear question hardly managed to define a clear strategy, between its willingness to help Iran to build its own civilian nuclear industry (on the condition that Iran abandon its uranium enrichment program), and its readiness to impose sanctions in the event of a refusal. This situation was also the consequence of European fear that the US would respond to an Iran threat with military action. Washington will soon join the negotiations. As Obama repeatedly insisted on the need for the US to revive diplomatic relations with Teheran, European expectations are high on this issue.⁴⁴⁴ Another test for transatlantic relations, "Le Monde" argues, will be Afghanistan. As Obama has indicated it to be pivotal in the struggle against terrorism, he intends to send in more troops but he is expecting Europe to do the same. The

⁴⁴¹ *AFP*, 06 November 2008.

⁴⁴² Interview, *Les Echos*, 06 November 2008.

⁴⁴³ *Le Nouvel Observateur*, 05 November 2008.

⁴⁴⁴ *Le Monde*, 19 November 2008.

question is whether Europeans will be ready to follow the new president in this direction.⁴⁴⁵

Third priority: trade relations in a context of economic crisis

Economic and trade relations will also be a key issue for transatlantic relations. Many experts observe that the financial and economic crisis could lead to more protectionism from both sides of the Atlantic. Hubert Védrine reminds that Obama voted against all the last free trade agreements.⁴⁴⁶ He thinks that the US will not turn inwards, but it will surely try to protect its national industries against Asian competition. According to Dominique Moïsi from IFRI "French Institute for International Relations", state aids to national industry leaders could destabilise international cooperation, just like the tariffs barriers did in the past.⁴⁴⁷

Climate change and the future of the Kyoto Protocol

Another crucial issue for EU-US relations is climate change policy. According to French environment and energy expert Pierre Radanne, the United States will be back into climate negotiations after the election of Obama.⁴⁴⁸ This raises the issue of leadership at the international level. Brice Lalonde, former Minister for the Environment and now French ambassador for climate change, assumes that because of the EU being self-centred with its energy climate package, leadership failed in Poznan, for the 14th UN Conference on Climate.⁴⁴⁹ Noëlle Lenoir, former Minister for European Affairs, even fears that whereas European member states seem to renounce to ambitious targets in this sector, there is a high risk that the United States will take its leadership and impose its norms and technologies on the rest of the world.⁴⁵⁰

Florence Autret, a French journalist, summarised the upcoming challenges for transatlantic relations. According to her, on all

these issues (diplomacy, economy or environment) the election of Barack Obama will place Europe face to face with its own responsibilities.⁴⁵¹

Transatlantic relations renewed after Bush

Germany*

Transatlantic relations with Obama: renewed but not reinvented

The new president-elect of the United States of America, Barack Obama, was also the favourite candidate of the majority of Germans. In fact, the *Financial Times Deutschland*, in cooperation with the opinion research institute *Forsa*, found out that Obama would win three quarters of all votes if the Germans were his electorate.⁴⁵² Thus, support for his agenda is widespread but also fuelled by high expectations.

German Chancellor Angela Merkel, from the Christian Democratic Party (CDU), offered close cooperation to the newly elected American President. In a phone call to Obama, she pointed in particular to "the challenges that the international community is facing", such as the Iranian nuclear programme, the stabilisation of Afghanistan, the climate change and the financial crisis.⁴⁵³ In reaction to Obama's presidential speech, Merkel expressed that she "anticipates more multilateralism from now on." However, the expectations on the new President are extremely high and one should not forget that he is 'only a human' too.⁴⁵⁴

Her party colleague and spokesperson for foreign policy affairs of the faction in the

⁴⁴⁵ Ibid.

⁴⁴⁶ Védrine H., *op. cit.*

⁴⁴⁷ *Les Echos*, 31 December 2008.

⁴⁴⁸ Radanne P., Note pour la fondation Terra Nova, 03 December 2008, available at: <http://www.tnova.fr/images/stories/publications/notes/065-poznan.pdf> (last access: 26 February 2009).

⁴⁴⁹ *Libération*, 15 December 2008.

⁴⁵⁰ Lenoir N., "Le leadership européen sur le climat a des chances d'être dépassé par les Etats-Unis", *Le Cercle des Européens*, 12 November 2008, available at: http://www.ceuropeens.org/Energie-Climat-Le-leadership.html?var_recherche=climat (last access: 26 February 2009).

⁴⁵¹ Interview, *Touteleurope.fr*, 05 November 2008, available at:

<http://www.touteleurope.fr/fr/actions/economie/politique-economie/actualite/actualites-vue-detaillee/afficher/fiche/3689/t/43802/from/2745/breve/florence-autret-barack-obama-va-mettre-leurope-face-a-ses-responsabilites.html> (last access: 26 February 2009)

* Institute for European Politics.

⁴⁵² *Financial Times Deutschland*: Obama und McCain liegen gleich auf, 25 August 2008, available at: http://www.ftd.de/politik/international/US_Umfrage_Obama_und_McCain_liegen_gleichauf/405201.html (last access: 30 January 2009).

⁴⁵³ Angela Merkel, Pressemitteilung, Bundeskanzlerin online, 7 November 2008, available at: www.bundeskanzlerin.de/Content/DE/pressemittelungen/BP (last access: 30 January 2009).

⁴⁵⁴ Angela Merkel as quoted in *Frankfurter Allgemeine Zeitung*: Obama ruft eine Ära des Dienens aus, 20 January 2009.

German Bundestag, Eckart von Klaeden, underlined the points she mentioned but also warned that the “times of excuses from Europe” have ended with Obama. This means that if Europe is calling for more consultation from the American side in international affairs, it should be prepared to “act effectively”. From a German perspective, this refers especially to the commitment in Afghanistan. While von Klaeden does not think that Obama’s first action in office will be to call for more German troops to the war zone, he stresses the importance of combining military and civil operations.⁴⁵⁵ Also, Ruprecht Polenz, head of the Foreign Affairs Committee and member of the CDU, supports this view: One should not only concentrate on the military aspect of the engagement in Afghanistan. Instead, he says, it is important to stabilise the country and the region. This includes civil reconstruction efforts but also political dialogue with the neighbours, such as Pakistan.⁴⁵⁶ Indirectly, this could be seen as a concession to Obama.

However, to make this ‘effective multilateralism’ work, von Klaeden argues that neither the USA can attempt to undertake strategic international operations on their own, nor can Europe decline its responsibilities. Especially in regions of the world where Europe’s prestige is better than that of the USA, like in the East or Middle East, chances for common success are higher. Moreover, the EU has built up extensive resources and expertise in the field of civil crisis management and reconstruction, which can serve as an important attribute to achieve the above.⁴⁵⁷ Nonetheless, the outstanding commitment of the USA in the Middle East will not cease with the new President. This is why Polenz called on Obama to put the conflict on top of his priority list.⁴⁵⁸ Moreover, Polenz is convinced that the transatlantic relationship will experience a “return of diplomacy” with Obama, who is expected to accommodate his allies more than his predecessor. Yet, nobody

will ask for permission from Europe. There will rather be a common conclusion from the analysis of a problem, which then also demands common action. This will have consequences for Germany and Europe. In conclusion, his style of policy will be more demanding.⁴⁵⁹

Just on the day of Obama’s inauguration, the CDU/CSU faction on the German Bundestag published a strategic paper called “For a closer transatlantic partnership”.⁴⁶⁰ In this paper, they highlight again the priorities of their party and invited Obama to explore new ways in the economic, environmental, security, and foreign policy together with Europe. The paper explicitly encourages the new American administration to join the Kyoto Protocol and negotiate further steps.⁴⁶¹ Additionally, the CDU/CSU faction stressed the importance of NATO as central instrument of the transatlantic security and defence policy. A new concept is needed to adapt this alliance to the global challenges, which are no longer geographically confined. This is also seen as a task for the EU.⁴⁶²

The open letter from Foreign Minister Frank-Walter Steinmeier to President Obama, which was published in *Der Spiegel* magazine on 12 January 2009, can partly be read as a statement as candidate for chancellorship of his Social Democratic Party (SPD).⁴⁶³ Nonetheless, this letter addresses a number of issues that can generally be seen as top priorities for a future transatlantic relationship from a German government perspective. The actual ranking of these priorities might however differ, depending on who is articulating them.

Thus, Steinmeier framed his priorities in three broad categories: 1) ‘Working together in conflict regions’; 2) ‘Working towards security in both East and West’; and 3) ‘For a global community of shared responsibility’. In the following sub-themes he welcomes Obama’s

⁴⁵⁵ Eckart von Klaeden: Mit Europas Ausreden ist es bei Obama vorbei, CDU/CSU Bundestagsfraktion online, 8 November 2008, available at: www.von-klaeden.de/portal (last access: 30 January 2009).

⁴⁵⁶ Ruprecht Polenz: Er wird auf die Verbündeten zugehen, Interview, Deutschlandradio, 5 November 2008, available at: www.dradio.de/dkultur/sendungen/interview.de (last access: 30 January 2009).

⁴⁵⁷ Eckart von Klaeden, 8 November 2008.

⁴⁵⁸ RP online: Polenz: Obama soll Nahost-Konflikt als erstes angehen, 28 December 2008, available at: <http://www.rp-online.de/public/article/politik/deutschland/654824/Polenz-Obama-soll-Nahost-Konflikt-als-erstes-angehen.html> (last access: 30 January 2009).

⁴⁵⁹ Deutschlandradio, 5 November 2008.

⁴⁶⁰ CDU/CSU – Bundestagsfraktion (2009): Positionspapier der CDU/CSU – Bundestagsfraktion. Beschluss vom 20. January 2009, available at: <http://www.von-klaeden.de/> (last access: 30 January 2009).

⁴⁶¹ CDU/CSU – Bundestagsfraktion (2009), p. 4.

⁴⁶² CDU/CSU – Bundestagsfraktion (2009), p. 5.

⁴⁶³ Frank-Walter Steinmeier: Im Engen Schulterschluss. Offener Brief von Außenminister Frank-Walter Steinmeier an Barack Obama, 12 January 2009, in: *Der Spiegel*, Nr. 3/2009, Hamburg: Spiegel-Verlag (German Version). The English version is available from the SPD website: http://www.frank-walter-steinmeier.de/aktuell/namensbeitraege/090112_obama-brief.html (last access: 30 January 2009).

announcement to close the prison camps in Guantanamo and pleads for alternative solutions in the fight against terrorism. Rather than military force, it would be more effective to support economic development and create 'life-perspectives to help people find their way out of poverty'. The Middle East, Iran, Iraq and especially Afghanistan, serve as examples in this point. Reading between the lines, it seems obvious that Steinmeier does not want to upset Obama by refusing additional commitment in any of these conflict zones. On the other hand, he also does not want to be associated with support for these wars, since they are highly unpopular with the German electorate.⁴⁶⁴

For the second category, Steinmeier points at the need to re-think the role and mission of NATO, but also stresses the responsibility of the USA and Russia to help countering the proliferation of nuclear weapons. With regards to the third category, he recalled the world financial summit in Washington as a new start to integrate "new powers" into a global system of responsibility, which expands beyond financial issues. Climate protection and energy security were mentioned as additional key topics in this regard.⁴⁶⁵

Notwithstanding the Steinmeier's position, Hans-Ulrich Klose from the SPD faction in the German Bundestag openly voices his belief, according to which Germany should take over the Quick Reaction Force and "make it strong enough so that it can be deployed in Afghanistan – also in the South". Klose is well known for his dissenting views and as an America-friendly transatlanticists.⁴⁶⁶ Karsten Voigt (also SPD), coordinator for German-American cooperation in the Foreign Ministry, warned the Europeans already during the campaigns of Obama and McCain that no matter who will win the elections, and despite the acknowledged relevance of multilateral cooperation from both sides, multilateralism will never have the same importance for the USA as for Germany.⁴⁶⁷ This can only be understood under the "constitutional political

tradition" of the United States, its "world power status", and its "political culture".⁴⁶⁸

Nonetheless, Voigt sees great potential for transatlantic cooperation, but Europe will have to play its part. Themes that he mentions as being vital and maybe most sensitive for this partnership include the fight against terrorism, realisation of a peace order in the Middle East, the geo-political and economic challenges through emerging powers, and the conflicts in Afghanistan, the Balkan region, Africa and Asia. The current financial crisis also makes it indispensable to think about a new transatlantic economic partnership. Protectionist measures as often advocated by the Democrats would harm Germany as an exporting nation especially. For the EU-American relationship, Voigt identifies two major tasks: First of all, it is necessary to find a common stance on measures to meet the climate change and to ensure energy security. Secondly, and this at least for Europe is somehow connected to the latter point, both have to come to terms with Russia. Being an essential political and economic partner, and also a direct neighbour for Europe, America should not attempt to make the development of transatlantic cooperation depending on Europe's relationship with Russia.⁴⁶⁹

Guido Westerwelle, leader of the Liberal Party (FDP), mentioned "nuclear disarmament" as major point when sketching his vision for a new German foreign policy in view of the changes in America. In doing so, he took reference to a joint declaration of four outstanding German "elder statesman"⁴⁷⁰ who pleaded for "a world without nuclear threats". This in turn was a reaction to an appeal issued by four elder statesmen from the USA in 2007, who also called for a "world free of atomic weapons".⁴⁷¹

Werner Hoyer, spokesperson for foreign affairs of the FDP faction in the German Bundestag, formulated the international challenges ahead as to "overcome a giant crisis of trust", which does not stop at the financial markets and the

⁴⁶⁴ DPA News agency: Germany to Obama: We Will Resist Calls for More Troops, Deutsche Welle online, 9 November 2008, available at: www.dw-world.de/ (last access: 30 January 2009).

⁴⁶⁵ Frank-Walter Steinmeier, 12 January 2009.

⁴⁶⁶ Carsten Volkery: Der Überzeugungstäter der SPD, Spiegel online, 4 February 2008, available at: www.spiegel.de/politik/deutschland (last access: 30 January 2009).

⁴⁶⁷ Karsten Voigt (2008): Die Wahlen in den USA und die Zukunft des deutsch-amerikanischen Verhältnisses, in: *Zeitschrift für Außen- und Sicherheitspolitik*, ZFAS (1), Wiesbaden: VS Verlag für Sozialwissenschaften, pp. 6-15.

⁴⁶⁸ Karsten Voigt (2008).

⁴⁶⁹ Karsten Voigt (2008).

⁴⁷⁰ The authors of the document are: Ex-chancellor Helmut Schmidt (SPD), Ex-Bundespräsident Richard von Weizsäcker (CDU), foreign affairs expert Egon Bahr (SPD), and Ex-Foreign Minister Hans-Dietrich Genscher (FDP). It was printed in the *Frankfurter Allgemeine Zeitung* on 9 January 2009.

⁴⁷¹ Guido Westerwelle: Abrüstung muss wieder zu einem Kernbestandteil deutscher Außenpolitik werden, Portal Liberal, 9 January 2009, available at: www.fdp.de/webcom/show_article.php (last access: 30 January 2009).

economic policies. Rather it has to reconsider the “fundamental values and principles of political action that once made the USA strong and were the basis for its international attractiveness”.⁴⁷² In this, Hoyer sees a chance for Europe, together with the USA, to re-define “the West”, which includes a clear hint at America’s isolated standing on Guantanamo and Abu Ghraib. Furthermore, he cites the financial crisis as a topic that needs to be tackled – together with the emerging economies of the South and East. The G20 Summit in Washington thus poses a promising starting point. Finally, he puts the relevance and future of NATO on the discussion table, too. Hoyer expects closer cooperation from the new US government with the other NATO members, and interprets the announcement of the US-Foreign Ministry to push no longer for Georgia’s hasty admission to the Membership Action Plan as a positive sign “bearing Obama’s handwriting”.⁴⁷³

The leaders of the Green Party (Bündnis 90/Die Grünen), Claudia Roth and Reinhard Bütikofer, explained that their priority is a transatlantic initiative in the area of climate and energy policy.⁴⁷⁴ Whereas Rainer Steenblock (member of the German Bundestag for the Greens) in his position as OSCE election observer noted that the social climate in Germany might change when the new US-government is going to pursue different political aims. This will also have an effect on Germany’s readiness to develop a common strategy for Afghanistan together with the US, which eventually will soften Germany’s resistance to any additional deployment of troops in Afghanistan. However, this needs the respective preconditions.⁴⁷⁵ Helmut Scholz, member of the Leftist Party (Die Linke) executive committee, merely asks Obama to stick to his promises.⁴⁷⁶

⁴⁷² Werner Hoyer: Barack Obama wird 44. US-Präsident – Change has come to America, Portal Liberal, 7 November 2008, available at: www.fdp.de/webcom/show_article.php (last access: 30 January 2009).

⁴⁷³ Werner Hoyer: Hoyer begrüßt Wandel in der US-Außenpolitik unter Obama, Portal Liberal, 26. November 2008, available at: www.fdp.de/webcom/show_article.php (last access: 30 January 2009).

⁴⁷⁴ Claudia Roth and Reinhard Bütikofer: Eine historische Wahl, Bündnis 90/ Die Grünen, Presse-Info, 5 November 2008, available at: www.grüne.de (last access: 30 January 2009).

⁴⁷⁵ Rainer Steenblock: Obama braucht die Europäer, das weiß er, Interview, Deutsche Welle, 6 November 2008, available at: www.dw-world.de (last access: 30 January 2009).

⁴⁷⁶ Helmut Scholz: Realismus ist angebracht, Die Linke online, 5 November 2008, available at: www.die-linke.de

One of the first actions in office of the new President was to undertake steps to close the Guantanamo prison camps and to halt the military trials, as he promised. While the move as such was welcomed by all political parties, it soon evolved into to discussion about Germany’s obligation to accept ex-prisoners. Wolfgang Schäuble, CDU Minister for the Interior, sees the “humanitarian responsibility” to care for an “acceptable future of the prisoners” with the US government and is not of the opinion that Germany generally should host any of them. Foreign Minister Steinmeier, also in his role as presidential candidate for the SPD, already offered that Germany could think about such a step.⁴⁷⁷ The last word has not been spoken and the issue will remain part of the ongoing debate.

But not only politicians are placing great hopes on the new president-elect. Also, civil society groups are hoping that Obama will set positive trends nationally but also on the international scale. Michael Sommer, Chief of the Confederation of German Trade Unions (DGB), for example, is talking about a “good sign for employees” as they might enjoy better social rights from now on. And Jürgen Thurmman, President of the Industrial Union, claims stronger ties between the European and American economy to formulate and enforce joint answers to the global challenges.⁴⁷⁸ Environmental groups in Germany are placing high expectations on the new president as well. The green group BUND postulates that the US “like all other industrialized countries” has to “move to a sustainable economic model”. And the environmental group NABU is hopeful that “an Obama administration would have a fundamentally different approach to climate protection than outgoing US President Bush”.⁴⁷⁹

However, German researchers who analyse the prospects of a new transatlantic relationship are sceptical about the real impact that the new President Obama will and can have. Similar to Karsten Voigt, Stefan Fröhlich

linke.de/politik/international/detail/artikel (last access: 30 January 2009).

⁴⁷⁷ Wulf Schmiese: Streit in Berlin, in: Frankfurter Allgemeine Zeitung, 22 January 2009, p. 2.

⁴⁷⁸ Frankfurter Rundschau: Deutschland will enge Partnerschaft mit Obama, Frankfurter Rundschau online, 5 November 2008, available at: www.fr-online.de/in_und_ausland/politik/dosseirs/spezial_us_wahl (last access: 30 January 2009).

⁴⁷⁹ Deutsche Welle: Germany has doubts about Obama’s Green Commitment, Deutsche Welle online, 6 November 2008, available at: www.dw-world.de (last access: 30 January 2009).

from the University of Erlangen-Nürnberg, stresses America's different approach to the concept of multilateralism. While he does think that there will be more transatlantic cooperation, he assumes that it will be more "instrumental".⁴⁸⁰ Meaning that Washington will decide from case to case whether and how it will consult with partners. Fröhlich also suggests, that those partners do not always have to be European. Moreover, international cooperation in the understanding of US politicians has a strong connotation of "burden sharing". It can be expected that Obama is going to try to rebuild the image of America as the "friendly hegemon". Yet, this also implies that allies are needed to share the unpleasant tasks. These assumptions are underlined by Obama's promise to double American foreign aid on the one hand, and his announcement to increase the defence budget and the number of military troops.⁴⁸¹ Moreover, Fröhlich warns that high expectations are likely to be disappointed. Reading the signs of Obama's first political steps carefully, reveals that transatlantic relations are not necessarily on top of his list. In the end, "it was the economy that won the campaign" and not his policy on Iraq. All together, Europe should expect a "pragmatic" approach to the coming transatlantic partnership. Nevertheless, there will be opportunities for the EU to influence and shape this agenda.⁴⁸²

Most of the above mentioned points are also shared by Peter Rudolf, head of the America research group at the German Institute for International and Security Affairs. In addition, he underlines the change in rhetoric that has taken place under Obama. It can be expected that he will make a greater effort to rehabilitate and use America's 'soft power'. This also includes the instrumentalisation of 'global governance institutions' to integrate emerging powers. Along with this goes the understanding that America inhabits a 'natural leadership role' in organisations, such as the UN. On the other hand, America is autonomous enough not to join the International Court of Justice and also Obama remains sceptical in this question. He decided to wait and watch for now.⁴⁸³

⁴⁸⁰ Stefan Fröhlich (2009): Außenpolitik unter Obama – pragmatischer Multilateralismus und transatlantische Annäherungen, in: *intergration* 1/2009, Berlin: Institut für Europäische Politik, pp. 3-16.

⁴⁸¹ Stefan Fröhlich (2009), p. 7.

⁴⁸² Stefan Fröhlich (2009), p. 15 ff.

⁴⁸³ Peter Rudolf (2008): Amerikas neuer globaler Führungsanspruch. Außenpolitik unter Obama, *SWP-Aktuell* 77, November 2008, Berlin: SWP.

Overall, it appears that the Afghanistan question will have a strong impact on the German-American and transatlantic relationship. An opinion poll published by the *Financial Times* reveals that some 60 percent of the German population would not wish their government to send more troops to Afghanistan "under any circumstances".⁴⁸⁴ However, as can be filtered out from the contributions above, it is most likely that Obama will demand some sort of contribution to this front from Europe. Thus, this issue will also be crucial for German-EU relations and the role of the EU as a civil-military partner. Additionally, the same opinion poll shows that "dealing with the international financial crisis" is in the top range of Germany's priority list. However, whereas near to 60 percent of Americans subscribe to this point, only about 30 percent of Germans do so. Consequently, this could lead to a conflict of interest when other issues are given less attention than expected. Last but not least, the transatlantic partnership will be determined by Obama's commitment to address environmental issues responsibly and sustainably. In the short term, however, many debates on all that in Germany will also be fought under the umbrella of the upcoming elections. It will be interesting to see which issues gain top priority once German politics follow their business as usual and once Obama has settled in his new office. One should not forget, after all, that Obama faces a serious amount of challenges at home, too.

Transatlantic relations renewed after Bush

Greece*

Obamania versus anti-Americanism

The victory of Barack Obama – or, more accurately the irresistible ascent and finally the victory of Obama and the Democrats, along with the fall and almost collapse of President Bush and his brand of Republicans – has been more than approved by Greek public opinion (and the political system of Greece). The Europe-wide Obamania took root in Greece soon enough, but it has found especially fertile ground in the anti-American sediment that remains throughout Greek public opinion. One should not forget that on items of special Greek interest, such as the potential accession

⁴⁸⁴ Financial Times: Poll shows EU resistance on Afghan war, FT.com online, 19. January 2009, available at: www.ft.com/cms.com (last access: 30 January 2009).

* Greek Centre of European Studies and Research.

of the Former Yugoslav Republic of Macedonia (FYROM) to NATO (with the “name issue” unsolved), or the recent Turkish incursions to the Aegean, US positions and/or de facto stances were perceived as inimical to Greece. Thus, expectations from an ‘Obama renaissance’ are high, although already voices of moderation (of such expectations) were taking over.⁴⁸⁵

If one had to pick priority areas where the Obama administration would be expected to change track in American-European relations (i.e. without including such overriding but ‘purely Greek-interest’ issues), three policy fields should be mentioned. First and foremost, the shift from unilateral policies of the Bush era to more negotiated/co-operative US-EU approaches on global issues. Then, due to the quite horrific humanitarian and ‘defensive offensive’ situation that has arisen in the Gaza Strip, a more constructive stance on the Middle East, withdrawal from Iraq, and a less bellicose attitude towards Iran are expected. Also, in a more long-term approach, a change of position in global environmental affairs, especially insofar the fight against global warming/post-Kyoto negotiations etc., is concerned. As a close runner-up, one could mention energy and energy-security issues, following European disillusionment with Russia as a provider of natural gas.

Transatlantic relations renewed after Bush **Hungary***

Balanced and fruitful EU-US ties

On the two-day informal meeting of EU foreign ministers in Avignon, France in September 2008, the Hungarian Foreign Minister, Ms. Kinga Göncz, underlined that “the best possible moment had been chosen to review the future of EU strategic relations with the

United States, two months before the presidential elections. The EU can identify precise areas where co-operation with a new US president is most important, such as Afghanistan, the fight against terrorism and the Middle East”.⁴⁸⁶ Regarding the latter issue, according to the Hungarian Foreign Minister the new president should “approach the situation in a comprehensive way and avoid narrowing it down only to the Israeli-Palestine conflict. They must consider the interests of all participants affected by the crisis, for example, those of Syria.”⁴⁸⁷ The Hungarian Foreign Minister also endorsed the common conviction that “the two pillars of the transatlantic alliance are bound by a common set of values. Fine-tuning standpoints is all the more important as new and influential powers arrive on the scene (China, India and Brazil) and it is no longer possible to avoid a restructuring of international institutions”.⁴⁸⁸ Further priorities are for Hungary energy security of the region and a kind of stability spill-over from the EU to southern and eastern parts of Europe mainly promoted by the Union but strongly backed by the US.

The opposition also agrees with the most important international issues to be settled by a more pragmatic EU-US cooperation and they emphasize that the upgraded transatlantic relations under president Obama should be developing on an equal footing between the parties. In close connection to this József Szájer, Hungarian MEP (EPP-ED), highlighted at a conference in Budapest that the Fidesz – Hungarian Civic Alliance is interested in a strong European Union able to act efficiently on the international scene.⁴⁸⁹

⁴⁸⁵ See Yannis Kartzalis: “Expectations and Realities”, in *To Vima*, 18 January 2009, p. 18; also A. Lianos: “America turns a page” (referring to the tone of recent deliberations of the American Historical Association on the subject), in *To Vima*, 18 January 2009, p. 20 and R. Someritis: “Obama after the swearing-in ceremony” (covering both the EU and the Middle East angles), in *To Vima*, 18 January 2009, p. 21. See also the positive-if-not-enthusiastic interview of (1988 presidential candidate) Mike Dukakis in *Kathimerini*, 18 January 2009, p. 16, but also the sobering analysis of Theodore Kouloumbis: “Will Obama solve our problems for us”, in *Kathimerini*, 18 January 2009, p. 18.

* Institute for World Economics of the Hungarian Academy of Sciences.

⁴⁸⁶ Transatlantic relations and the situation in the Caucasus were in the focus of a two-day informal meeting of EU Foreign Ministers in Avignon, France—Kinga Göncz’s statement after the meeting, press release of the Ministry of Foreign Affairs, 6 September 2008, available at: http://www.kulugyminiszterium.hu/kum/en/bal/european_union/Latest+news/080906+avignon.htm (last access: 27 February 2009).

⁴⁸⁷ Ibid.

⁴⁸⁸ Ibid.

⁴⁸⁹ Magyarország többre képes, available at: <http://www.fideszfrakcio.hu/index.php?Cikk=127160> (last access: 27 February 2009).

Transatlantic relations renewed after Bush Ireland*

Three top priorities for a re-definition or revitalisation of the transatlantic and EU-US relationship

1. The issue of greatest importance is almost certainly contributing to a global solution to the global financial crisis. The lack of liquidity in domestic and international markets is of concern for Ireland, with cutbacks in public services and increasing unemployment dominating the attention of government, media and ordinary citizens. Avoiding a growth in EU-US protectionism, reassuring and encouraging US investment (and conditions for EU investment in the US), and establishing better international financial regulation are pressing issues for Ireland in future EU-US relations.⁴⁹⁰

2. Climate change continues to dominate the international relations agenda in the run-up to the international conference in Copenhagen in December 2009. In the December 2008 European Council and during his January 2009 visit to Japan, the Taoiseach, Brian Cowen, made continual references to the importance of taking action against climate change.⁴⁹¹

The importance of climate change in the re-definition of transatlantic relations is underwritten by the well publicised fact that US co-operation and action on climate change is critical for a global solution to the problem, and that this is an issue which the Bush Administration and the EU diverged from in some respects for much of the previous eight years.⁴⁹²

3. Public interest in and discourse over the crisis in the Middle East, especially Israel-Palestine and Iran, makes peace in the region the third most likely priority. Again this issue

* Institute of International and European Affairs.

⁴⁹⁰ See for example:
<http://www.taoiseach.gov.ie/index.asp?locID=605&docID=4223>,
<http://www.independent.ie/national-news/financial-crisis/lenihan-faces-tax-hikes-more-cutbacks-to-raise-83644bn-1496203.html> and
<http://www.independent.ie/national-news/budget-2009/news/cowen-budget-will-mean-a-sacrifice-for-us-all-1492545.html> (last access: 23 March 2009).
⁴⁹¹ See
<http://193.178.1.117/index.asp?locID=582&docID=4139>,
<http://www.taoiseach.gov.ie/index.asp?locID=605&docID=4188> and
<http://193.178.1.117/index.asp?locID=582&docID=4132>
 (last access: 23 March 2009).

⁴⁹² See for example:
<http://www.irishtimes.com/newspaper/world/2008/1206/1228515634912.html> (last access: 23 March 2009).

appears in numerous speeches of the Taoiseach, the Minister for Foreign Affairs and in the media.⁴⁹³ Irish interest in this issue and the need for greater EU-US action on it is also evident in the recent visits to the Middle East by Micheál Martin (Minister for Foreign Affairs) and Mary McAleese (President of Ireland).⁴⁹⁴

Transatlantic relations renewed after Bush Italy*

Beginning of a new era in international relations

At present, both the Italian public opinion and the political elite seem to be thinking that the election of Barack Obama as President of the United States will lead to a change in the EU-US relationship. In any case, many commentators share the opinion that, in order to have a real turning point in transatlantic relations it will be necessary for both the US and the EU to address some priorities which, once dealt with, will open the way to a revitalised partnership. This will not be an easy task, since, as an Italian journalist noted, "the new US President will deal with a Europe which is different from that of eight years ago, when George W. Bush was elected: it is a Europe that is closer to the US as a political and institutional subject, but that has moved farther away at the level of public opinion".⁴⁹⁵

First of all, the first important issue in such a process will be the ability of the European Union to act as an effective global player. As Italian Foreign Minister Franco Frattini stated, "the new US President Barack Obama's multilateral approach will lead Europe to take its own responsibilities in fields such as the fight against terrorism and in global defence

⁴⁹³ See
<http://www.taoiseach.gov.ie/index.asp?locID=605&docID=4188>,
<http://foreignaffairs.gov.ie/home/index.aspx?id=80889> and
<http://www.irishtimes.com/newspaper/opinion/2009/0209/1233867927213.html> (last access: 23 March 2009).

⁴⁹⁴ See <http://www.independent.ie/national-news/micheals-break-from-reality-1631817.html>,
<http://www.independent.ie/breaking-news/national-news/mcaleese-begins-fiveday-visit-to-middle-east-1622057.html> (last access: 23 March 2009).

* Istituto Affari Internazionali.

⁴⁹⁵ M. Monti: L'Europa adulta e l'America, Corriere della Sera, 2 November 2008, available at:
http://archivistorico.corriere.it/2008/novembre/02/EUOPA_A_ADULTA_AMERICA_co_9_081102005.shtml (last access: 25 January 2009).

policy⁴⁹⁶. In the opinion of some journalists, this demand from the new US Presidency may lead to a cleavage among EU member states: some of them will support a more active Europe in the crisis management field, while others will not.⁴⁹⁷ Generally, the Italian position on this matter is that there is the possibility of a change in EU-US relations, but to make it happen, Europe has to be more cohesive and to speak with one voice. In particular, the European Union will be asked to devolve more resources to the mission in Afghanistan and to be prepared to intervene in situations that may be dangerous for international stability. In this sense, an important step was already taken in January with the EU diplomatic mission in the Middle East, which has been praised by the new American President.⁴⁹⁸ However, the Europeans will have to do more than show their will to be considered an effective strategic partner by the new United States' administration. As an Italian analyst noted: "Europe's room for manoeuvre on the world stage is more likely to expand through strong partnership with the United States than by drifting apart from Washington"⁴⁹⁹.

The second issue, that in the opinion of the Italians will determine the future of the EU-US relationship, is the building of a new global governance, which the financial crisis of the last months has made even more essential. As an Italian journalist wrote in an article in "Corriere della Sera", "strong transatlantic cooperation is more necessary than ever, since the financial crisis has opened our eyes to the urgency of providing the globalised markets with solid public governance"⁵⁰⁰. In order to build a new global governance of

economic processes, both the United States and the European Union are considered fundamental. On the one hand, only the US can stimulate a new policy, based on multilateralism and cooperation with partners. On the other hand, Europe has two important contributions to offer in this process: first, "the knowhow which enabled the EU institutions to successfully govern the 'globalisation' at the continental scale for fifty years"⁵⁰¹; secondly, "a credibility that in the eyes of the other actors involved, such as China, is probably higher right now than that of the United States"⁵⁰².

Reform of the international institutions goes in the same direction. Of them, Italian Foreign Minister, Franco Frattini, considers of the highest importance the reorganisation of the G8 structure, which will be considered under the new Italian Presidency in 2009.⁵⁰³ The reform of other international institutions, such as the United Nations and the WTO, is also seen as one of the main points in the new EU-US agenda.⁵⁰⁴ Briefly, from the Italian point of view, it is important for the United States and the European Union to work together in order to "re-establish the rules of economic governance"⁵⁰⁵.

The relationship with Russia is the other important theme that will influence the future relationship between the EU and the US. A recent survey showed that both Americans and Europeans consider Russia a risky element in international relations, not only because of the energy issue, but also because of its behaviour towards neighbourhood countries.⁵⁰⁶ In an article published in "Affari Internazionali", the Italian diplomat, Maurizio Massari, wrote that for Europe, it is of the highest importance to have a renewed relation between Moscow and Washington since "Russia has become one of the main factors of division inside the European Union and of misunderstanding in

⁴⁹⁶ See: USA-UE: Frattini, Obama chiederà più soldati, serve politica difesa comune, Libero, 10 January 2009, available at: <http://www.libero-news.it/adnkronos/view/32276> (last access: 25 January 2009).

⁴⁹⁷ L. Caracciolo: E l'Europa si spaccherà, L'Espresso, 13 November 2008, available at: <http://espresso.repubblica.it/dettaglio/E-l-Europa-si-spacchera/2048229/18> (last access: 25 January 2009).

⁴⁹⁸ See: Gaza/Da Obama apprezzamento a premier ceco per missione Ue, 8 January 2009, available at: http://www.notizia.it/notizie/esteri/2009/01_gennaio/08/gaza_da_obama_apprezzamento_a_premier_ceco_per_missioni_ue.17482931.html (last access: 25 January 2009).

⁴⁹⁹ R. Alcaro: Where to (Re)start? Proposals for Re-launching the Transatlantic Partnership in View of the US Presidential Elections, in: R. Alcaro (ed.): Re-Launching the Transatlantic Security Partnership, Quaderni IAI English series, 12/2008, pp. 101-116, p.114.

⁵⁰⁰ M. Monti: L'Europa adulta e l'America, Corriere della Sera, 2 November 2008, available at: http://archiviostorico.corriere.it/2008/novembre/02/EUROPA_ADULTA_AMERICA.co_9_081102005.shtml (last access: 25 January 2009).

⁵⁰¹ Ibid.

⁵⁰² Ibid.

⁵⁰³ M. Rigacci: McCain o Obama? UE, chiave è multilateralismo, 3 November 2008, available at: http://www.ansa.it/opencms/export/site/notizie/rubriche/approfondimenti/visualizza_new.html_814211148.html (last access: 25 January 2009).

⁵⁰⁴ Ibid.

⁵⁰⁵ USA-UE: Frattini, Obama chiederà più soldati, serve politica difesa comune, Libero, 10 January 2009, available at: <http://www.libero-news.it/adnkronos/view/32276> (last access: 25 January 2009).

⁵⁰⁶ Filippo Vecchio: Europei Ottimisti Sulle Relazioni Transatlantiche Se Vince Obama, Meno Con McCain Presidente, Transatlantic trends, September 2008, available at: http://www.affarinternazionali.it/Documenti/Comunicato-stampa_TT08_ita.pdf (last access: 25 January 2009).

the transatlantic framework"⁵⁰⁷. From his point of view, the European Union could play an important role in softening tensions between Russia and the Western countries by promoting the 'cooperative' management of the 'former Soviet neighbourhood', which is one of the most important sources of disagreement today.⁵⁰⁸ This issue is particularly important in Italy since Prime Minister Berlusconi has always been a promoter of good relations with Russia. Given this 'special relationship', in the opinion of some commentators, Italy could play an important role in facilitating Russia-US communication. Gianni De Michelis, MEP for the Partito Socialista and former Italian Foreign Minister, affirmed that, for the new US President, "Italy will be very useful for the dialogue with Putin"⁵⁰⁹. This opinion is shared by the Italian Prime Minister, who, in an interview given a few days after Obama's election, said: "I suggest that Obama should not go on with the escalation of negative relations with Russia"⁵¹⁰.

To conclude, it may be noted that both the Italian public opinion and politicians consider the election of Obama as President of the United States as the first step of an important change in international relations. This idea is generally shared by the whole political elite. Walter Veltroni, leader of the opposition party PD, affirmed that "this is the beginning of a new era that will change history"⁵¹¹. The Italian Foreign Minister declared that there will be a re-launch of the partnership between the US and Europe and that Italy will play an important role in it.⁵¹² Piero Fassino, the Italian shadow minister for foreign affairs, affirmed that with Obama's election "there will be a definite change in relations between the United States and the European Union"⁵¹³. However, to make

it happen, it is common opinion that Europe will have to show that it is ready to act beside the new US-presidency and that it is strong enough to take on its own responsibilities. Therefore, whether Obama will bring a change in the US-EU relationship or not does not only depend on him alone, but depends mostly on the way the Europeans will be ready to interact with the new American administration.

Transatlantic relations renewed after Bush

Latvia*

Obama has not prompted Latvia to re-examine Latvian-US relations

In Latvia, as in other European states, the election of Barack Obama as the President of the United States was met with widespread public approval. Despite the fact that 'change' was the principal theme of Obama's campaign, there was in 2008 and there is in early 2009 no reason to anticipate fundamental changes in US-Latvian relations. These can be characterised as a strategic partnership.

Given the preoccupation of Latvians, particularly since November 2008, with their own problems, the election of a new US President has not prompted them to re-examine Latvian-US, let alone transatlantic relations. There has been no commentary in the Latvian media in recent months devoted specifically to redefining or revitalising European-American relations during the Obama Presidency.

From the meagre discussions on topics related to transatlantic relations in the Latvian media and public statements of officials, it appears that the more prevalent views on improving EU-US relations reflect many of the mainstream views of leading EU officials and political pundits elsewhere in Europe. A tentative list of recommendations from Latvia could be:

1. Europe must learn to speak with one voice. By extension, the EU must demonstrate unity of purpose, accompanied by the necessary capacity to act in line with that purpose. Thus, the EU would

⁵⁰⁷ M. Massari: Obama di fronte alla sfida russa, Affari internazionali, 5t November 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=980> (last access: 25 January 2009).

⁵⁰⁸ Ibid.

⁵⁰⁹ Interview to Gianni De Michelis, Il Riformista, 5 November 2008, available at: http://www.magna-carta.it/files/Rassegna_stampa_Elezioni_Usa_5_novembre.pdf (last access: 25 January 2009).

⁵¹⁰ See: Berlusconi a Obama: priorità legame con Russia, Il Giornale, 11 November 2008, available at: <http://www.ilgiornale.it/a.pic1?ID=305349> (last access: 25 January 2009).

⁵¹¹ See: <http://www.adnkronos.com/IGN/Politica/?id=3.0.2930261222> (last access: 25 January 2009).

⁵¹² See: Applaudono tutti. Napolitano: giorno di grande speranza, La Gazzetta del Mezzogiorno, 6 November 2008.

⁵¹³ See: Usa 2008: Fassino, con Obama miglioreranno rapporti con Ue, 5 November 2008, available at: <http://www.repubblica.it/ultimora/politica/USA->

[2008FASSINO-CON-OBAMA-MIGLIORERANNO-RAPPORTI-CON-UE/news-dettaglio/3393896](http://www.2008FASSINO-CON-OBAMA-MIGLIORERANNO-RAPPORTI-CON-UE/news-dettaglio/3393896) (last access: 25 January 2009).

* Latvian Institute of International Affairs.

demonstrate more convincingly to the rest of the world that it is a credible partner to be reckoned with.

2. Firm advocacy of multilateralism rather than unilateralism or bilateralism – all involved parties should be at the discussion table.
3. Better coordination of activities on matters of common interest and common challenges, and these are a multitude.

The wish of the European Union to strengthen its role in global affairs has been all too frequently hampered by the inability of the member states to speak with one voice on important issues. This has also affected transatlantic relations by making it easier for Washington to take the initiative without adequately consulting with Brussels. Aware of these weaknesses, the EU has instituted major reforms, most notably the Lisbon Treaty, but until they are functioning considerable time will have passed. In the meanwhile, the first two steps of the Union should be simultaneous: on key issues, the EU member states should define and agree upon a common stand or policy guidelines that are binding for all member states while speeding up the reform process.

Unity of purpose in Europe is particularly important as the world becomes increasingly multi-polar with the centres of power no longer being the United States and Europe as it was at the start of this century. In the intervening years we have seen Russia successfully reassert itself and as a major power and the growing importance on the world stage of China, India, and Brazil. This is the situation as President Obama starts his presidency. From his initial statements, it is clear that Europe will continue to enjoy a special role in American foreign relations; Europe should not expect Washington to be less attentive to its relations with other major powers. Thus, the EU should realize that it too is a part of the multilateral world and is perceived as such by other players.

On areas of common interest and common challenges, such as dealing with global economic problems, and energy and climate change, renewed attention should be given to better coordination of activities and existing cooperation frameworks. Clearly, the work of the “Transatlantic Economic Council” should

be enhanced. In the realm of international security, the EU member states should reassess their own cooperation, and clarify their common strategic vision, especially vis-à-vis the outside world.⁵¹⁴ This, in turn, should strengthen the foundations of EU and NATO relations and facilitate practical cooperation. Efforts should also be made to raise the level of existing cooperation regarding the countries affiliated with the European Neighbourhood Policy and involved with Eastern Partnership. Willingness to do so, as has been expressed by Benita Ferrero-Waldner on 3 December 2008, should be followed up by concrete efforts.

Transatlantic relations renewed after Bush

Lithuania*

Transatlantic relations should be strengthened

There is a general agreement in Lithuania that the transatlantic relations should be strengthened. During a meeting of the EU Foreign Affairs Ministers, former Lithuanian Foreign Affairs Minister, Petras Vaitiekūnas, emphasized that “for the EU it is useful to strengthen the cooperation with the USA. It is especially important to develop a strategic dialog and practical cooperation in such fields as the common evaluation of the threats and crisis management”. According to the Minister, crisis in Georgia and dependency on the single supplier of the energy resources, increase the importance of the transatlantic dialogue.⁵¹⁵

The new Lithuanian government formed after the autumn elections to the parliament, further sustains this position – in its programme the new government set a goal to seek for strengthening the relations between the EU and the USA. According to the government programme, direct participation of the USA in Western, Central, Eastern Europe, and the

⁵¹⁴ These ideas come from a discussion in October 2008 among members of the European Affairs Committee of the Latvian parliament and Latvian government officials. See LETA, news agency: dispatch of 20 October 2008.

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⁵¹⁵ Lithuanian Foreign Affairs Ministry: Lietuvos užsienio reikalų ministras: Europos Sąjunga turi stiprinti bendradarbiavimą su JAV (Lithuanian Foreign Affairs Minister: the EU has to strengthen the cooperation with the USA), press release, 5 September 2008, available at: <http://www.urm.lt/index.php?-1151384726> (last access: 25 January 2009).

Baltic region, is an important factor for strengthening both Lithuanian and European security.⁵¹⁶ Speaking about the priorities of the Czech Presidency it is always emphasized, that the Czech goal to strengthen the transatlantic dialogue completely matches the interests of Lithuanian foreign policy.

The priorities for strengthening EU-USA relations are not really clear

Nevertheless, while speaking about strengthening the EU-USA dialogue, the priorities for strengthening this dialogue are not concretely named. Only member of the European Parliament from Lithuania, Justas Paleckis, elaborated more on the context of the EU-USA relationship. According to him, the USA is no longer able to fight with any threat to the planet alone. The same can be said about the rest of the world – it is not able to do anything without the USA. The USA and the EU can deal with the global challenges only cooperating with China, Russia, India and the states of Latin America and Africa. The following challenges in the agenda of the transatlantic cooperation are the most important: an efficient fight against the financial crisis, matters concerning energy security, rehabilitation of the international organisations, the reform of the United Nations Organization, and finally, stopping climate change. None of these challenges can be dealt with without the efforts from both sides of the Atlantic, according to Justas Paleckis.⁵¹⁷

⁵¹⁶ See: Vyriausybės programa: užsienio politikoje siekti ES solidarumo, partnerystės su JAV, geros kaimynystės su Rusija (The programme of the government: to seek for the EU solidarity, partnership with the USA and good neighbourhood with Russia in foreign policy), 4 December 2008, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/4775/> (last access: 25 January 2009).

⁵¹⁷ Bernardinai (news portal): Justas Paleckis. Naujasis JAV prezidentas gręžiasi į Europą ir pasaulį (Justas Paleckis. the new president of the USA looks back to Europe and the world), 9 December 2008, available at: <http://www.bernardinai.lt/index.php?url=articles/88743> (last access: 25 January 2009).

Transatlantic relations renewed after Bush

Luxembourg*

Transatlantic relations put to the test by economic crisis, Afghanistan and Middle East

"The hero" ("d'Lëtzebuenger Land"), President Barak Obama is everybody's darling on the Luxembourg political stage: the Christian-Democrats,⁵¹⁸ Socialists,⁵¹⁹ Liberals⁵²⁰ and the Greens⁵²¹ hail his election; even the Populists admire his capacity to bring about change. The editorialist of a left-of-centre newspaper, "d'Lëtzebuenger Land" compares Obama's election in 2008 to the 1981 election of François Mitterrand "whose Keynesian experiences are already history."⁵²²

Foreign Minister Jean Asselborn's reaction to Obama's election, and the future of transatlantic relations, are three-fold: first may be mentioned an optimistic view on a real change in American society, combined with the hope that the election of an African American may well announce that minorities have at last gained the influence they deserve in the United States of America. Secondly, transatlantic relations have to be seen within the framework of realism: the financial and economic crisis will determine the activity of the new president. Foreign Affairs Minister Asselborn, considers that an evolution of the transatlantic relations on a multilateral basis to be "extremely important".⁵²³ The third implication of Obama's election must be, in the eyes of Asselborn that "(the US policy concerning) NATO cannot be an alternative to (US administration's positions taken within the framework of) UNO"⁵²⁴.

Many commentators, although they welcome Obama's election, nevertheless foresee trouble rising in transatlantic relations. They are linked to the elected president's commitment to reinforce NATO's military presence in

* Centre d'Etudes et de Recherches Européennes Robert Schuman.

⁵¹⁸ Chrëschtlech Sozial Vollekspartei.

⁵¹⁹ Lëtzebuenger Sozialistesche Aarbechterpartei.

⁵²⁰ Demokratesch Partei.

⁵²¹ Déi Gréng.

⁵²² D'Lëtzebuenger Land: Der Held, 7 November 2008.

⁵²³ Réponse de M. Asselborn relative aux implications de l'élection d'un nouveau président des Etats-Unis à une question de M. Fayot, in: Chambre des Députés: Compte-rendu des séances publiques, 11 November 2008.

⁵²⁴ Ibid. Asselborn's third point is very difficult to understand, it has been made as clear as possible.

Afghanistan.⁵²⁵ Europeans will have straight talks with the new American President on these matters, as they cannot ignore the rising annoyance among the public opinion with the lasting presence of NATO troops on the Hindu Kush.⁵²⁶

Concerning the most recent Middle East crisis, the 'hyperactive' French EU-Presidency, the German Foreign Affairs Minister or the new Czech EU-Presidency, have tried in vain to broker a deal in the bloody Israeli-Palestinian conflict. Again, the lack of European influence in this region has seemed to be obvious. The persisting silence of the newly-elected president concerning the Israeli attack on the Hamas fighters in the Gaza Strip ended as soon as inauguration day had passed. Barack Obama will have no time to lose before making acceptable propositions to both sides.

Transatlantic relations renewed after Bush Malta*

Experts in the new US Administration

The election of Barack Obama as the 44th President of the United States was widely welcomed by the majority of Maltese citizens and Malta's press. 2009 will see the start of the Obama Presidency in the United States, and the new President comes into the White House with very high expectations and facing a very complex domestic and international agenda. Most in Malta believe that Obama has however already signaled that he comprehends the nature of the task facing him by putting into place a top notch administration of experts. The choice of Hillary Clinton as Secretary of State is most telling as it has the potential to equip America with two top leaders at a time when the only superpower will require all the leadership it can muster to cope with the multitude of existing challenges.

Israeli-Palestinian conflict: new opportunities for UN resolutions

The first major priority that Malta would like to see Obama address is the Israeli-Palestinian conflict. The escalation of hostilities between Israel and the Palestinians highlights clearly

that the Palestinian faction of Hamas has not been handled well by Israel, Europe or the United States in recent years. 2009 must see a call for an immediate concerted effort by the Middle East Quartet to try and achieve headway towards a permanent settlement of the conflict by creating a viable Palestinian state. The elections due to be held at the start of 2009 in the West Bank and in Israel and the arrival of a new president in the White House will provide the elected leaders with a mandate to proceed with diplomatic efforts aimed at brokering a peace settlement between Israel and the Palestinians as stipulated in UN Resolutions 242 and 338. It is an opportunity they must seize!

Cessation of Iran's nuclear programme

A second priority is that of ensuring the non-proliferation of nuclear capabilities. The United States and Europe need to continue working closely together to try and persuade Iran to abandon its nuclear programme. To date, Iran shows no signs of changing its determination to possess nuclear technology. Managing relations between the two nuclear states of Pakistan and India will also be a tall order particularly given the very delicate situation after the Mumbai terrorist attacks.

Transition of war efforts: US to call upon Europe

The third priority is that of a smooth commencement of the gradual withdrawal of American combat troops from the Iraqi theatre of operation. The shift in America's foreign policy strategy will see the simultaneous redeployment of troops to Afghanistan as an escalation of military activities against the Taliban is stepped up. The United States is certain to try and seek engagement of Europe more directly in this conflict.

On 7 December 2008, former American presidential candidate Senator John McCain, together with Senator Joe Lieberman, visited Malta on a two day visit. McCain stopped in Malta immediately after a fact finding visit to India, Pakistan and Afghanistan.

⁵²⁵ Tageblatt: Die Europäer und Obama, 12 November 2008.

⁵²⁶ Tageblatt: Notre Amérique, 6 November 2008.

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Transatlantic relations renewed after Bush Netherlands*

US – EU relations and global challenges

The Netherlands has high and numerous expectations of new President Obama, but the most important one is that he will restore the transatlantic relationship.⁵²⁷ Foreign Minister Verhagen has pointed out on several occasions that close cooperation between Europe and the US is needed in order to combat global challenges.⁵²⁸ The government has indicated that it looks forward to cooperation on a broad range of issues. There are however *four* particular policy priorities that are mentioned most often: the financial crisis, climate change, the conflict in the Middle East, and international terrorism. These issues are also frequently referred to in the Dutch media.

Early initiatives by Obama with regard to these priorities have already been received positively by the Netherlands. It welcomed for instance, his decision to close Guantánamo Bay, as well as the appointment of top diplomats George Mitchell and Richard Holbrooke as Special Representatives to the Middle East, and Afghanistan and Pakistan respectively.

Foreign Minister Verhagen has made the observation that the traditional position of the US as a dominant power has changed, and that Europe and the US are increasingly positioned in the same playing field. This has consequences for the way in which the US and Europe should interact. For the US, this means that it will have to take into account European ideas and interests. At the same time, it implies that one can expect more of a more equal Europe, both in the political and the military area.⁵²⁹

The government deems it of vital importance that the EU behaves itself as an active and constructive player in the international arena. This is essential in order to ensure involvement of the US administration with global

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⁵²⁷ De Volkskrant: Obama moet kloof EU dichten (Obama needs to bridge gap with Europe), 21 January 2009.

⁵²⁸ See e.g.: Press release of the Ministry of Foreign Affairs on 05 November 2008, available at: <http://www.minbuza.nl/nl/actueel/nieuwsberichten,2008/11/Verhagen-verkiezing-Obama-nieuwe-kans.html> (last access: 26 February 2009).

⁵²⁹ Raad Algemene Zaken en Externe Betrekkingen, Tweede Kamer, vergaderjaar 2008-2009, 21 501-02, nr. 859.

challenges, considering that American attention for the world necessarily will have to be shared with its domestic problems, the reasoning goes.⁵³⁰ Furthermore, Europe needs to take its own responsibility in the world to ensure that the transatlantic relationship is advantageous for both partners. What is needed to this end, is a Europe speaking with one voice, and an investment in both soft and hard power.⁵³¹

In line with this position, the government has indicated that when the Dutch mission in the Afghan province of Uruzgan ends in 2010, it wants to leave the door open for a contribution elsewhere in the country. It hereby responds to the expectation that the US government will ask the Netherlands to stay. Both the Parliament and the public, however, are very sceptical about this.⁵³²

Transatlantic relations renewed after Bush Poland*

Joy and optimism in light of a new US President

Radek Sikorski, Poland's Foreign Minister, hailed Barack Obama's election victory as "a joyful moment" and "a renewal of faith of Americans in their national mythology."⁵³³

The Minister went on to predict "great" relations between Poland and the U.S, and described Obama as a "charismatic" and "unbelievably intelligent" man. Sikorski was instrumental in signing the missile defense deal with America earlier this year, a project that Obama also backed, provided that the system was not directed at Russia.

Poland's Foreign Minister has rather intimate relations with the U.S, as his wife,

⁵³⁰ Press release of the Ministry of Foreign Affairs on 3 November 2008, available at:

<http://www.minbuza.nl/nl/actueel/nieuwsberichten,2008/11/europa-moet-de-vs-bij-internationale-zaken-betrekk.html> (last access: 26 February 2009).

⁵³¹ Opening Academisch Jaar, Universiteit Leiden, 1 September 2008 door Minister Verhagen, minister van Buitenlandse Zaken, 1 September 2008.

⁵³² Het Parool: Kamer: geen Afghaanse missie meer (Parliament: not another Afghan mission), 12 January 2009.

* **Foundation for European Studies - European Institute.**

⁵³³ Source: Cracow Life, 7 November 2008.

distinguished historian Anne Applebaum, is herself an American citizen.

Transatlantic relations renewed after Bush Portugal*

EU must engage new US-Presidency to deal with Bush inheritance

The year 2009 is certainly a year of great uncertainties regarding the future of the EU after the Irish 'No', particularly when this will be coupled with the unknown impact of the current financial and economic crisis, that seems to many more structural than simply a cyclical recession. But it may also be a year of opportunities. It will certainly be a year of great expectations of change in transatlantic relations and even in global politics with the arrival of President Obama at the White House.⁵³⁴ The combination of these factors seems to point to 2009 as a year of both great opportunities and great challenges in terms of the future of the EU and of global governance.

The Portuguese point of view tends to be generically very positive regarding the opportunities opened by the election of Barack Obama in tune with the polls that show his exceptional popularity throughout Europe and globally. The government has expressed in wishes that the longstanding alliance with the US will be reaffirmed and enhanced with the new presidency. In fact, Portugal took the lead in raising publicly the question of European states receiving former prisoners of Guantanamo – and offering to do so – as a concrete way of showing its willingness to help the new US President in solving some of the most complex aspects of the inheritance of George W. Bush.⁵³⁵ At the level of the government, therefore, the willingness to cooperate with the new US President is clear, both as a result of the traditional strategic priorities of Portuguese defence and foreign policy, but also through a Europeanising of these relations. The current Portuguese government clearly believes that its membership in the EU is an important way of

improving its relations with Washington and acts accordingly.

However, despite this almost universal sympathy, from Communist Nobel Laureate José Saramago to right-wing politicians and opinion-makers who nevertheless expressed their support for Obama, there are some analysts questioning the new US President's ability to deliver on the very high expectations that surrounded his election; or at least emphasise the need for Europe to act now in a coordinated and well-thought way so as to profit from opportunities for a reform of global governance created by this administration, underlining that they will not take place on American initiative alone.

Among these more sceptical analysis is João Marques de Almeida, who points to the need to realize the many difficulties and constraints faced by the new American President.⁵³⁶ Álvaro de Vasconcelos offers an example of the kind comments made by those who see the election of President Obama as a renewed chance for a global partnership translated in an effective multilateralism. At the same time this creates a challenge for Europe, requiring a more proactive stance that will go beyond simply criticising US foreign policy and move towards formulating concrete alternative proposals to the current international *status quo*. The challenges are many, namely in terms of international security, with matters such as NATO enlargement and Afghanistan. But there is also the need for Europeans to build and advocate a broader agenda that goes beyond the traditional US international security priorities and towards more truly global concerns. This could naturally include reforming international institutions, namely by an effort of dialogue and inclusion of different regional organizations.⁵³⁷

In terms of the top priorities for a re-definition or re-vitalisation of the EU-US relationship, a relative consensus emerges in Portugal among decision-makers and opinion-makers. The need for a renewal of the Middle East peace process and engagement with Iran is seen as a priority given the importance of this for our near neighbours in the Southern Mediterranean. Then there is the less urgent,

* Institute for Strategic and International Studies.

⁵³⁴ See e.g. SpiegelOnline International: The World President. Great Expectations for Project Obama, available at: http://www.spiegel.de/international/world/0,1518,589816,0_0.html (last access: 21 November 2008).

⁵³⁵ Michael Abramowitz: Portugal Urges E.U. to Accept Former Guantanamo Detainees, The Washington Post, 12 December 2008.

⁵³⁶ João Marques de Almeida: A ilusão Obama, *Diário Económico*, 11 February 2008.

⁵³⁷ See e.g. Álvaro de Vasconcelos: O fim do carácter único da Europa?, available at: <http://www.ieei.pt/> (last access: 12 December 2008); Teresa de Sousa: O que o mundo espera da América e o que a América espera do mundo, *Público*, 20 January 2009.

but no less important need to reinforce multilateral institutions and by reforming or revising them, make sure that they are able to better integrate the so-called emerging powers, perhaps by engaging in the difficult reform of the UN, but also and more immediately and easily, by permanently transforming the G8 into the G20 with a guaranteed EU presence – so as to make sure that smaller countries like Portugal will have a say in such a forum. Last but not least, there is a sense of urgency because of the current crisis, in the need for stronger, more effective global economic regulations and institutions namely regarding the financial sector and the fight against off-shores and other forms of escaping regulations and not pay taxes.

How far this ambitious agenda can be achieved, however, is less clear. Again more sceptical or cautious voices point to the basic undeniable fact that no matter how much Obama was acclaimed as the “candidate of the Europeans” he will be the “American President”, as well as the potential difficulties if we look at the views so far expressed by Obama regarding the Middle East, that if taken literally – and not as part of the campaign rhetoric – do not necessarily point to an easy convergence on that vital matter with Europe.⁵³⁸ Also, the old trap of falling into the temptation of national protectionism in these hard economic times may cause serious tensions between the US and the EU.⁵³⁹

Despite these different views, what the EU needs to do in order to revitalise transatlantic relations also seems relatively consensually. Europe needs to be more proactive and co-ordinated in its external policy regarding the US and the world in general, showing a greater ability to actually deliver some international public goods, alongside the very significant, but often a strategic, contribution that it already makes – primarily through aid.

This would seem to point to the urgent need for institutional reforms of the EU external action along the lines of the Lisbon Treaty to come into place as soon as possible. The fact that European leaders were able to meet and prepare a joint letter to the new US President on the eve of the election was perhaps a

positive sign that there is some awareness among current European leaders of the need for increased coordination in relations with America. Another positive fact was that Obama made clear his commitment to multilateralism, diplomacy, and renewal and reinforcement of traditional alliances, namely and explicitly with Europe. In his main foreign policy text so far, published in “Foreign Affairs” during the campaign, he points to the mistake made in dismissing “European reservations about the wisdom and necessity of the Iraq war”, and goes on to underline that “I will rebuild our ties to our allies in Europe and Asia and strengthen our partnerships throughout the Americas and Africa. Our alliances require constant cooperation and revision if they are to remain effective and relevant.”⁵⁴⁰

However, if this gives room for hope of a renewed and more dynamic transatlantic relationship, it also means Europeans no longer have the easy alibi of being unable to work with George W. Bush. The EU faces the challenge of becoming an effective actor in the international stage, while at the same time avoiding the power politics (Realpolitik) kind of approach so traditional of international politics dominated by states. A European power politics approach to international relations would create a serious dissonance with a project of European integration born of a rejection of it between its member states.⁵⁴¹ Lastly, the present writer believes that there is room to question whether the current fragile institutional basis of EU-US relations, with periodic summits, while many important issues for the transatlantic relationship actually being discussed primarily either through NATO or through the G8, could not be improved. A stronger institutionalisation with the creation of a more permanent forum for a truly European-North American partnership – perhaps with the inclusion of Canada and Mexico, i.e. a ‘NAFTO’ – would seem to be a potentially very positive step in achieving effective coordination in transatlantic relations across the board.

⁵³⁸ João Marques de Almeida: Bush e Obama, *Diário Económico*, 16 June 2008.

⁵³⁹ Bruno C Reis: *Presidenciais Americanas: Vitória Certa da Europa, Resultados Incertos nas Relações Trans-Atlânticas*, available at: <http://www.ieei.pt/> (last access: 10 December 2008).

⁵⁴⁰ Barack Obama: *Renewing American Leadership*, in: *Foreign Affairs* 4/2007, pp. 2-16.

⁵⁴¹ Teresa de Sousa: *A Europa tem dificuldade em afirmar-se no palco internacional com uma política de potência*, *Público*, 12 December 2008.

Transatlantic relations renewed after Bush Romania*

A strategic partnership – to be continued on European premises

In light of Romania's strategic partnership with the United States, a partnership achieved during the eight year tenure of George W. Bush that meant a strong Romanian military commitment in the combat areas in both Iraq and Afghanistan and materialised in the US support for Romania's bid to become a NATO member. Romania's orientation in terms of foreign policy was generally regarded as pro-American. In the pre-EU accession period, this meant that Romania's position was contrary to that of some of the most prominent EU member states – as it happened for example over the divisive issue of Iraq. After becoming an EU member state, Romania generally backed the points of a common Euro-Atlantic agenda. The notable exception was the issue of Kosovo, when Romania went against the US view and that of the majority of the EU member states, citing the need to abide by the rule of respect of a state's sovereignty and territorial integrity, and opposing Kosovo's independence.

The first priority in the quest for redefining the transatlantic relations is perceived in Brussels as consisting of the need to discover in the new US administration a philosophy of partnership and a perspective inclined towards multilateralism. Although never officially and explicitly stated, the Romanian perspective as regards to the need for a multilateralist America may be inferred from two of the major provisions in the new government programme, namely the two government objectives which refer to "the strengthening of Romania's role in the EU as an active and influent member" and "the advancement of the strategic partnership with the US".⁵⁴² In this context, Romania wants both a continuation of the US engagement in the Black Sea area and a stronger EU presence in this region, and this can only be achieved in a multilateral framework of cooperation in which a unilateralist, 'go it alone' America, would only bring about more European frustration.

While still at the drawing board of the transatlantic relationship, a second priority relates to the security dimension, more specifically the role and preeminence of NATO in the present Euro-Atlantic security structure. The events during the summer of 2008 in Georgia questioned the nature of the collective security benefits the Alliance could provide for states which belong to the so-called Russian 'near abroad'. They also questioned the EU conflict response capacity on the background of the French EU-Presidency's attempts at ushering in the end of NATO preeminence over Europe in matters of security.

Romania remains committed to supporting NATO enlargement, an engagement reiterated by the former Minister of Foreign Affairs, Lazăr Comănescu, in December 2008 at the NATO reunion in Brussels, and "all the decisions of the NATO Summit in Bucharest regarding the perspective of Ukraine and Georgia to become NATO members remain perfectly valid"⁵⁴³. Objectively, after the events in Georgia, the Romanian President, Traian Băsescu, clearly stated that "Romania will not change its position regarding the granting of the Membership Action Plan for both Georgia and Ukraine"⁵⁴⁴.

A second dimension of the Romanian NATO engagement relates to the continuation of the Romanian military presence in the theatre of operations in Afghanistan and Iraq. The necessity to carry on with the Romanian presence in Iraq has been much debated in the media, most arguments focusing on the idea that the "coalition of the willing" is slowly but surely breaking up and the Romanian motivation of still having troops in Iraq is, by now, obsolete. The current Foreign Minister, Cristian Diaconescu, explained this necessity from the viewpoint of commitments previously taken by Romania: "One can make the difference between an opportunistic state and a state that takes on a set of obligations in a serious and responsible manner and carries them through. At this point, Romania is not an opportunistic state."⁵⁴⁵ Furthermore, in the light of the help pledged to the Iraqi side within the framework of the bilateral Romanian-Iraqi

* European Institute of Romania.

⁵⁴² See chapter 25 of Romania's governing programme, December 2008, Chapter 25, available at: http://www.gov.ro/capitolul-25-politica-externa_11a2066.html (last access: 20 December 2008).

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See:

<http://www.mae.ro/index.php?unde=doc&id=37682&idlnk=2&cat=4> (last access: 20 December 2008).

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See:

<http://www.presidency.ro/?RID=det&tb=date&id=10143&PRID=ag> (last access: 20 December 2008).

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See:

<http://www.mae.ro/index.php?unde=doc&id=38010&idlnk=2&cat=4> (last access: 17 January 2009).

relationship, but also from the perspective of a NATO member, "Romania aims to be a security supplier, not only a security receiver"⁵⁴⁶. This last statement holds good if we also consider the Romanian presence in the monitoring or rule of law missions within the European Security and Defence Policy framework in the South Caucasus or the Western Balkans, a presence that the administration in Bucharest wishes to make more substantial in the future.

Still in terms of security, Romanian officials will continue to stress the strategic importance of the Black Sea area, especially in the context of the need to diversify energy resources and transit routes: "The Black Sea region's strategic significance also resides in its gateway position for energy resources, which makes it pivotal for Europe's energy policy. [...] we have encouraged the inclusion of energy security as a clear-cut topic on the agenda of the North-Atlantic Alliance. This is a dimension in which NATO has the capacity to contribute to increased security and stability in our region."⁵⁴⁷

A reconfiguration of the transatlantic relation requires mutual trust, and this seems to be a third priority for the parties, especially from the European side. Several member states, Romania included, when speaking about this sense of trust also refer to the need for their citizens to be exempted from the current US visa regime. Even if a bilateral US-Romanian agreement was signed in October regarding the fulfilment of the "Visa Waiver Program" requirements, the main impediment in the inclusion of Romania in the programme is far from being overcome: the rejection rate of the Romanian applications for US visas remains well beyond the 10 percent formal US threshold.⁵⁴⁸ Romania opted so far for an EU framework of negotiations instead of a bilateral approach and the results of this strategy have been rather unsatisfactory if one considers that EU member states with which Romania had a common bid in this respect have been included in the programme⁵⁴⁹ while Romania has not.

⁵⁴⁶ Ibid.

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⁵⁴⁸ See: <http://www.mae.ro/index.php?unde=doc&id=12733&idlnk=&cat=4&lang=en> (last access: 20 December 2008).

⁵⁴⁹ In September 2008 the rejection rate reached 25.5 percent. See: http://www.euractiv.ro/uniunea-europeana/articles/displayArticle/articleID_14087/Dosar-Relatiile-UE-SUA.html (last access: 17 January 2009).

⁵⁴⁹ The Czech Republic, Estonia, Latvia, Lithuania, Slovakia and Hungary were included in the "Visa Waiver Program" in November 2008. See:

The lack of results makes some voices like that of Ioan Mircea Pașcu, MEP for the PSD,⁵⁵⁰ to argue that the negotiations carried through in an EU-US framework are "the least attractive option as far as the solving of the visa issue is concerned" and that this is a framework that the new member states "are forced to choose"⁵⁵¹.

Having Europe as a partner – the need for a single European voice

"Behold the Obama change! Europe gets a partner of discussion closer to its taste; more complex and thus more nuanced and more multilateralist. By Obama-therapy, the US ceases to be the cultural infant of Europe and is bestowed African-European origins. This will bring into the transatlantic relation the melancholy which must have swept through the Hellenic world when the barbarians became emperors in Rome. Being deprived of their children, the Europeans have an additional reason to stand together for their needs"⁵⁵². Leaving aside the metaphor, what Adrian Severin, MEP for the PSD, and former Minister of Foreign Affairs, tries to suggest is the need of a common European voice in a renewed transatlantic relationship.

The events in Georgia in the summer of 2008 involved high geopolitical stakes for both US and EU as international actors. In the opinion of Ioan Mircea Pașcu, MEP for the PSD, this was a turning point of the transatlantic relations, a set of events that may either weaken or strengthen the ties across the Atlantic, because it signalled the military comeback of Russia which seems to make use of its recently regained energies to recover after the losses incurred in the 1990s.⁵⁵³ Much more than a mere 'synergy' is needed in the area of the Black Sea and that calls for a deeper commitment on behalf of the EU.

http://travel.state.gov/visa/temp/without/without_1990.html (last access: 17 January 2008).

⁵⁵⁰ Social Democratic Party- Partidul Social Democrat (PSD).

⁵⁵¹ See: http://www.euractiv.ro/uniunea-europeana/articles/displayArticle/articleID_14087/Peste-Atlantic.html (last access 17 January 2009).

⁵⁵² See Adrian Severin: Schimbarea numită Obama ("The change called Obama"), Jurnalul Național, 11 November 2008, available at: <http://www.jurnalul.ro/articole/138493/schimbarea-numita-obama> (last access: 20 December 2008).

⁵⁵³ See: http://www.euractiv.ro/uniunea-europeana/articles/displayArticle/articleID_14662/Situatia-din-Georgia-dezbatuta-si-in-Parlamentului-European.html (last access: 20 December 2008).

The issue of energy seems to splinter the Union in almost every context and the recent gas crisis involving Ukraine underlined once more the weakness of the European position facing an energy dependence on Russia, which in turn affects the EU position as a unitary global actor. For Romania, the lesson the EU should learn from this last episode of the gas saga is simple – the remedy is a single, coherent approach. The Romanian Foreign Minister, Cristian Diaconescu, underlines that the mere bilateral relationship between states was not enough to unblock the crisis and this questions the efficacy of this approach in a similar context in the future: “In all EU reunions, energy is looked at as matter of security and a very important issue that everybody agrees ought to be tackled in a unitary manner [...]. This just goes to prove that both the EU and the European Commission have to move beyond words, to action”⁵⁵⁴.

Transatlantic relations renewed after Bush

Slovakia*

Slovakia and the future of EU-US relations

Since 26 January 2009, Slovakia has a new Foreign Minister. Following his appointment by UN Secretary-General, Ban Ki-moon, former Foreign Minister Ján Kubiš left for Geneva to head the “United Nations Economic Commission for Europe” and he was replaced by Miroslav Lajčák, former high representative and EU special representative for Bosnia and Herzegovina. In his remarks on debates at the 45th “Munich Security Conference”, Foreign Minister Lajčák underlined the importance of EU-US relations whereby he stressed that the new US administration would expect a more active European Union in resolving the world’s problems. According to Slovakia’s Foreign Minister, the new US administration would place greater emphasis on partnership with the EU than its predecessor. Lajčák perceives the US under Obama as more keen to communicate with problematic partners, such as Russia or even Iran.⁵⁵⁵ The global economic financial crisis will certainly test the endurance of the transatlantic partnership. In addition, Slovakia’s geographic priorities of foreign

policy – the EU’s Eastern neighborhood and the Western Balkans – are going to necessitate transatlantic cooperation and joint EU-US solutions, especially in light of the recent crisis with deliveries of natural gas from Russia via Ukraine and in light of potentially explosive situation in both Bosnia and Herzegovina and in Kosovo. Afghanistan remains the top priority in terms of Slovakia’s physical and material contribution to US-European military cooperation. In a public interview Lajčák reiterated Slovakia’s commitment to doubling the number of its soldiers in Afghanistan by June 2009.⁵⁵⁶ According to Defense Minister Jaroslav Baška, Slovakia plans to have 280 soldiers, including fighting units, in Afghanistan by 2010.⁵⁵⁷

Transatlantic relations renewed after Bush

Slovenia*

Renewal of strategic dialogue and EU capable to deliver

The three top priorities as seen by the Slovenian government for the revitalisation of the EU-US relations can be summarised as: (i) mutual understanding of a need for a truly strategic partnership, (ii) continuous dialogue and strengthening of relations on political relations and global political issues and (iii) strengthening of bilateral economic relations.

In the course of the Bush presidency the understanding of, what are common threats and challenges faced by the EU and the US have grown apart and undermined the political relations between the EU (perceived largely by the US as individual member states) and the US. The world has also changed in between; therefore, there is no simple return to the comfortable relations of the 1990s. Amidst understanding that there are different historic reasons for the relations between the EU and the US, revitalisation of relations should be based on respect for multilateralism and rule of law.

Political relations and questions of global political issues are dealt with at the informal meetings and summits, but with little preparations, short of strategic considerations

⁵⁵⁴ See: <http://revista22.ro/exista-o-clara-insatisfactie-in-relatia-cu-federatia-rusa-5492.html> (last access: 28 January 2009).

* **Slovak Foreign Policy Association.**

⁵⁵⁵ TASR: “Lajčák: USA očakávajú aktívnejšiu úlohu EÚ pri riešení svetových problémov”, 11 February 2009.

⁵⁵⁶ Mirek Tóda: “S Ficom si vo všetkom rozumiem”, Sme, 16 February 2009.

⁵⁵⁷ Miroslav Kern/Veronika Šutková: “Na vojakov číha najnebezpečnejšia misia”, Sme, 25 April 2008.

* **Centre of International Relations.**

and no overlook over the agreed and its implementation. In this respect, Slovenia's government strongly supports institutionalisation of political relations with the EU in a form of a body of senior officials, which would prepare summits, and plan and overlook the implementation of the agreed measures.

"Transatlantic Economic Council" (TEC) represents the most institutionalised form of relations between the EU and the US (leaving NATO aside), but its full potential has not yet been used. It too often stumbles over imminent concrete issues, undoubtedly important to one or the other side, but so it fails to work towards a concrete goal, that of closer coordinated economies with a goal of increasing competitiveness and contributing to international economic stability. A two-tier work of the TEC, one of the immediate concerns and the other dealing with strategic issues, is needed according to the Slovenian government and also advocated by it.

The primary task for the EU in revitalisation of its relations with the US is proving that it is able to be a real partner, i. e. that it is able to deliver. There will be numerous tests on that, beginning with the willingness of the EU member states to accept a certain number of prisoners from Guantanamo, showing itself more capable in Afghanistan and also take upon its role in the Middle East. Slovenia's government believes that the EU should pay utmost attention to act as a capable partner. The entry into force of the Lisbon Treaty and institutions in place that are envisaged by it, are seen as of vital importance in raising the EU's capabilities.⁵⁵⁸

Transatlantic relations renewed after Bush Spain*

Spanish priorities for a re-definition or re-vitalisation of transatlantic relations

According to the Spanish preponderant view, the three top priorities for a re-definition or re-vitalisation of the transatlantic and EU-US relationship would be:

- a) An effective and co-ordinated management of the global financial crisis.

- b) New approach to security and peace-building complementing military action with soft power tools in order to deal with new conflicts and their causes. In this context, Spain believes that the 'Alliance of Civilizations', proposed to the UN by Prime Minister Zapatero in 2005, could be a relevant instrument to defeat violence.
- c) A new US approach to efficient multilateralism beyond security affairs, especially with respect to the fight against climate change, the international law and cooperation in the fields of education, research and development.

Considering specifically the relationship between Spain and the US⁵⁵⁹, we have to bear in mind that, during the Bush years, relations oscillated from warm (thanks to the unconditional support of the former conservative Prime Minister Aznar to the Iraq invasion) to cold (because of the withdrawal of Spanish troops from Iraq when the socialist Prime Minister Zapatero was appointed in 2004). Nevertheless, Spain and the United States have maintained good relations during the last four years in defence, counter-terrorism, police and judicial cooperation and within NATO. In the economic realm, the situation is also very fluid particularly with regard to mutual foreign direct investment (FDI).

Nevertheless, the Spanish government is currently trying to reinvigorate and improve relations with the US. Taking into account the perspective of the Spanish EU Presidency during the first semester of 2010, transatlantic relations have been defined by Prime Minister Zapatero as "a priority task" for the Spain during its Presidency.⁵⁶⁰ In this vein, the government is now defining a new agenda for relations with the Obama administration.⁵⁶¹

⁵⁵⁹ See Alicia Sorroza and David García Cantalapiedra, 2008, "Spain", in: Transatlantic Relations 2009 European Expectations for the Post-Bush Era, ed. by Jan Techau and Alexander Skiba. EPIN Working Paper No. 20 / November 2008, available at: http://shop.ceps.eu/download.php?item_id=1754 (last access: 30 March 2009).

⁵⁶⁰ See address by the Prime Minister Rodríguez Zapatero on the priorities of the 2010 Spanish EU Presidency on 12 February 2009 organised by the Asociación de Periodistas Europeos, available at: www.la-moncloa.es/Presidente/Intervenciones/Discursos/prdi2009_0212.htm (last access: 30 March 2009).

⁵⁶¹ It is remarkable that 90% of Spaniards have a positive opinion of Obama's election. Moreover, 70% believe there will be significant changes in US foreign policy and 70% also believe Obama's election will be beneficial for Spain. See 19th wave of the Barometer of the Elcano Royal Institute (December 2008), available at:

⁵⁵⁸ Interview at the Ministry of Foreign Affairs of Republic of Slovenia, Ljubljana, 3 December 2008 and 23 January 2009.

* Elcano Royal Institute.

The Spanish government wants to reinvigorate the framework of the European Union to face international challenges such as the Iranian nuclear programme, the Israel-Palestinian conflict, or the relations with Russia. Other important issues, such as UN reform, post-Kyoto agreement (Copenhagen), the fight against poverty, or the reinforcement of the EU-US coordination toward Latin-America may be also included in the renewed Transatlantic Agenda that can be agreed by the EU-US summit to be held next 2010.⁵⁶²

It is true that a renewed partnership may be difficult to convert into tangible realities, and the EU – and particularly Spain – will find several difficulties in meeting US demands, for example with regard to troop deployments in Afghanistan. However, there are also many reasons to believe that the horizon looks bright for the transatlantic relations; not only for the EU in general but also for Spain in particular. Obama's priority to revive the economy and reform its regulatory framework, along with his pledge to achieve energy independence and rebuild the country's failing infrastructure, bodes well for Spain. Not only might Spain share the lessons of the regulatory experience that has kept its banks from collapsing, it might also – as one of the world's leaders in the renewable energy sector – offer to create an energy independence alliance with the United States. Spain's construction companies – also world leaders in their own right, but now feeling the effects of a whopping hangover from their own bubble – would be willing and able to lend a hand in the rebuilding of U.S. infrastructure. Finally, Obama's proposal to create a new Partnership for Energy Security in the Western Hemisphere, and to send an Energy Corps of young engineers into Latin America, offers Zapatero the opportunity to suggest some tangible content for the kind of productive U.S.-Spanish collaboration in Latin America that Bush and former Prime Minister José María Aznar used to only dream about.⁵⁶³

www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Barometer/Barometer19 (last access: 30 March 2009).

⁵⁶² See Alicia Sorroza and David García Cantalapiedra, 2008 (ibidem).

⁵⁶³ See "Don't ignore European economic powerhouse", Paul Isbell, The Miami Herald, November 11, 2008.

Transatlantic relations renewed after Bush

Sweden*

Swedish views on top priorities in transatlantic cooperation

Relations between Europe and the United States are generally in Sweden considered as facing a particular opportunity for improvement with the new President, who in Sweden, as elsewhere in Europe, has become very popular.

Three particular issues can be envisaged. One of them is the American role in regard to global security. Minister for Foreign Affairs, Carl Bildt, sees few things as more important during the coming year than to strengthen understanding between this new United States and the European Union. It is only through this partnership, he claims, that we have the possibility to take on the big global challenges – and to engage the other countries that are also decisive for success.⁵⁶⁴

Another issue often mentioned concerns the American role in overcoming the present financial crisis. For this, Sweden sees it as essential that the US choose a non-protectionist approach.⁵⁶⁵

A third issue, which for Sweden is very important during 2009, concerns the climate issue. Holding the EU-presidency during the period at the end of which the UN climate conference in Copenhagen is taking place means that Sweden sees the responsibility to bring along the United States in the process. This far, President Obama has only said that his ambition is to reduce United States' emissions by 20 percent compared to the level of 1990.⁵⁶⁶

* Stockholm International Peace Research Institute.

⁵⁶⁴ Carl Bildt, Foreign Minister: Klimatfrågan försvåras av den ekonomiska krisen [The Economic Crisis Makes the Climate Issue More Difficult], Dagens Nyheter, 2 January 2009.

⁵⁶⁵ Ewa Björling, Minister for Trade, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 23 January 2009, p. 4, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=18&dok_id=GW0A18 (last access: 25 January 2009).

⁵⁶⁶ Dagens Nyheter: Nu tar Reinfeldt över klubban [Reinfeldt Takes the Gavel], 31 Dec.2009.

Transatlantic relations renewed after Bush Turkey*

Obama's agenda closely watched

The presidential election on 4 November 2008 was watched carefully all over the world. New US President, Barack Obama, has been one of the strong opponents of the neo-conservatives and their hawkish methods in the conduct of foreign policy. In this sense, his election strengthened the hopes for a change in the United States' unilateral approach to world politics as well as the re-vitalization of transatlantic relationships. During the Bush Presidency, the EU-US relations became estranged as a result of disagreements over issues ranging from the Iraq War to the Kyoto Treaty. On the other hand, the foreign policy openings of Barak Obama, though not yet clearly launched, are signalling revitalisation and the multilateralism both in foreign policy and economy. In Turkey, these entire developments assessed cautiously to deduce some conclusions from the effects of the revitalised transatlantic relations.

In Turkey, the Obama administration's inclinations for dialogue and effective cooperation with the EU came into prominence. In this regard, the assessments gave the first priority to the prospective of intensified cooperation in the transatlantic relations. Secondly, it was underlined that the current economic crisis in the world economy, the results of the US invasion of Iraq, the deadlock in the isolationist policies towards Iran, the staggering war on terrorism in Afghanistan, have urged the new US administration to pursue multilateral foreign policy and for the cooperation with the EU.⁵⁶⁷

* Center for European Studies / Middle East Technical University.

⁵⁶⁷ Özgür Gazete, available at: <http://www.ozguradyo.com/> (last access: 25 January 2009); Amerika'nın Sesi, Turkish, available at: <http://www.voanews.com/turkish/> (last access: 25 January 2009); Millet Haber: 'AB Yeni Başkandan Çok Şey Bekliyor', 5 November 2008, available at: <http://www.millethaber.com/47208-: NTV-MSNBC VE AJANSLAR, available at http://www.ntvmsnbc.com/news/default.asp AB Yeni Baskandan Çok Sey Bekliyor haberi.html> (last access: 25 January 2009); Cumhuriyet Strateji: 'Obama'nın olası politikaları', 15 December 2008, available at: <http://www.cumhuriyet.com.tr/?im=yhs&yer=yazar&aranan=Sait%20Y%FDImaz> (last access: 25 January 2009); Cumhuriyet Gazetesi, available at: <http://www.cumhuriyet.com.tr/> (last access: 25 January 2009); Referans Gazetesi, available at:

In this regard, the assessments gave the first priority to the prospective of intensified cooperation in transatlantic relations. The crisis in the world economy and the emerging collective approach between the new US administration and the EU in struggling with the adverse effects of the crisis, constituted the second issue in Turkey. In the face of worsening and the spread of the economic crisis, both sides of the transatlantic worked in a harmonious manner.⁵⁶⁸

In Turkey, it was highlighted that over the expectations for an immediate change in the transatlantic relations, would result in disappointments. It is obvious that although the foreign policy agenda of Obama aimed at revitalisation of transatlantic relations, the economic and social crisis in the USA will take the priority over foreign policy issues.

Transatlantic relations renewed after Bush United Kingdom*

Election of Barack Obama widely welcomed in UK

The election of Barack Obama has been universally welcomed in the United Kingdom. Voters and politicians hope that his administration will be more willing to work cooperatively with its allies than was its predecessor; will take more seriously than its predecessor the threat of man-made global climate change; and restore America's traditional role as a pillar of multilateral institutions and the international rule of law. In the United Kingdom, much attention has been paid to Obama's declared intention to prosecute vigorously the current military action of NATO in Afghanistan. Britain has been a major contributor of fighting troops to this action over the past five years and will no doubt be using Obama's enthusiastic commitment to the NATO action in Afghanistan as an occasion to encourage other Europeans to follow the British example. John Hutton, Secretary of State for Defence, recently urged

<http://www.referansgazetesi.com/> (last access: 25 January 2009).

⁵⁶⁸ See: <http://www.tumgazeteler.com/?a=3955578 - 5k> (last access: 25 January 2009); ansesNet Haber Ajansı, available at: http://www.ansesnet.com/goster_2.php?sira_no_e=9581 (last access: 25 January 2009); Cumhuriyet gazetesi, available at: <http://www.cumhuriyet.com.tr/?im=yhs&kid=58&hn=25098> (last access: 25 January 2009).

* Federal Trust for Education and Research.

fellow European powers in a press interview to “step up to the plate”.⁵⁶⁹ A former Conservative Chancellor of the Exchequer, Kenneth Clarke, has been quoted as saying in December 2008 that he did not believe that Obama would relish working with an anti-European Conservative government if David Cameron became Prime Minister at the next British general election.⁵⁷⁰ It may well be that at the next general election British political parties try to obtain political advantage by presenting their philosophies and policies as being more similar to those of Obama than are those of their opponents.

⁵⁶⁹ Richard Norton-Taylor: Hutton tells Nato allies to “step up to the plate” over Afghanistan, *The Guardian*, 16 January 2009.

⁵⁷⁰ Allegra Stratton: Ken Clarke warned Tories Barack Obama would snub a “Euro-sceptic” UK, *The Guardian*, 21 January 2009.

I.3

Financial crisis and challenges of global governance: the EU response

The financial crisis demonstrated once more the increased economic and social interdependence on a global scale.

- **What are the expectations towards the EU in this context? How is the performance of the EU in the financial crisis so far perceived, discussed and evaluated in your country?**
- **Which shifts in the international power constellation are expected? What are the consequences for the EU?**

Financial crisis and global governance

Austria*

The EU's response to the financial crisis generally seen as mostly positive

The EU's overall performance in reaction to the financial crisis is perceived highly positive, the president of the "Austrian Chambers of Commerce", ("Wirtschaftskammer Österreich", WKÖ) Christoph Leitl outlined the measures taken by Nicolas Sarkozy in France to fight the crisis and evaluated them as a way to follow.⁵⁷¹ Another positive statement was made by the Member of European Parliament Andreas Mölzer from the Austrian Freedom Party (Freiheitliche Partei Österreichs, FPÖ), he stated that the Euro had proved itself during the financial crisis.⁵⁷² He also hoped for the European Central Bank to continue its work in the present way and for the Euro to behave as a shield against international financial gamblers.⁵⁷³

Former Chancellor Wolfgang Schüssel, stated in a press release that Europe's reaction to the financial and bank crisis was right and very ambitious. He also emphasised that Europe had proved of being capable of acting properly in such critical situations.⁵⁷⁴

Financial crisis and global governance

Belgium*

Criticising the lack of harmony in the European reaction

During the first days after the outbreak of the financial crisis, various Belgian political actors criticized the individual management of the

events and the lack of harmony in the European reaction. The Belgian government expressed its dissatisfaction on this topic to the French President during the Eurogroup meeting on 12 October 2008. In addition, the Belgian Prime Minister denounced the lack of an answer from the EU at the beginning of the crisis, with the exception of the European Central Bank, while the parliamentary opposition particularly stressed the absence of the European Commission and of its President.⁵⁷⁵

The crisis revealed the need for a structural management of the events of all member states. Therefore, the Belgian government, in a very active but discrete way,⁵⁷⁶ proposed the creation of a European harmonised organ in charge of supporting the preventive control, the granting of warranties, and the organisation of financial facilities in cases of insolvency, illiquidity and bankruptcy. Another proposal was the creation of a European fund aiming at solving the liquidity problems for a certain category of banks.⁵⁷⁷ Eventually, other member states should be inspired by the way the Belgian government dealt with the financial crisis said Georges Dallemagne (CDH⁵⁷⁸), a MP belonging to the majority.⁵⁷⁹ During the 15 and 16 October summit, Belgium successfully proposed a warranty of the structure of the capital of bank institutions and a state warranty for interbank transactions, enlarged to 100,000 Euros in Belgium.

Other suggestions have been made by different political actors regarding the financial environment. First of all, several MPs from both the majority and the opposition stressed the need for a reform of the International Monetary Fund and other financial institutions as they apparently did not provide useful solutions to the crisis.⁵⁸⁰ The main problem with such reforms is that Belgium alone can do little and a consensus would be required

* Austrian Institute of International Affairs.

⁵⁷¹ "Leitl: 'Sarkozy hat gezeigt, wie es geht.'", Die Presse, 30 December 2008, available at: <http://diepresse.com/home/politik/innenpolitik/440835/print.do> (last access: 17 February 2009).

⁵⁷² The FPÖ represents the right wing and national interests and is highly EU sceptical.

⁵⁷³ "Mölzer: Euro hat sich in derzeitiger Finanzkrise bewährt", press release, available at: http://www.fpoe.at/index.php?id=477&backPID=390&tt_news=25637 (last access: 17 February 2009).

⁵⁷⁴ "Schüssel: Europa hat gegen Finanzkrise hervorragend reagiert – Österreich ist gegen Rezession gut gerüstet", press release, available at: http://www.ots.at/presseaussendung.php?schluessel=OTS_20081210_OT0103&ch=politik (last access: 17 February 2009).

* Centre d'étude de la vie politique, Université libre de Bruxelles.

⁵⁷⁵ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report made for the Advice Federal Committee in charge of European Issues, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

⁵⁷⁶ Leterme se félicite de l'influence belge, in: La Libre Belgique, 7 November 2008.

⁵⁷⁷ Y. Leterme réclame un fonds d'aide européen, in: La Libre Belgique, 25 October 2008.

⁵⁷⁸ Centre Démocrate Humaniste, French-speaking conservative party.

⁵⁷⁹ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report made for the Advice Federal Committee in charge of European Issues, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

⁵⁸⁰ Y. Leterme réclame un fonds d'aide européen, in: La Libre Belgique, 25 October 2008.

among European countries to reform these institutions. The suppression of the fiscal off-shores has also been discussed in the federal parliament,⁵⁸¹ as well as the creation of a European bank and finance Commission. This latter proposal can be useful for regulation and global initiatives besides the existing European Central Bank, but its main disadvantage would be its rigidity. As by definition, a financial crisis requires a fast reaction, this institution would be inadequate in rapidly dealing with the short term events.

Financial crisis and global governance

Bulgaria*

Strong focus on Eurozone leaves new members worried

Many experts focused their attention on the repercussions of Brussels' decision to block EU funds allocated to Bulgaria on the country's economy. It had lost 220 million Euros in pre-accession funds, whereas another 500 million Euros were frozen. They pointed out that, unfortunately for Bulgaria, those coincided with the unfolding global financial crisis. Thus, the cash cut-off could never be compensated, especially in the context of the crisis-ridden world economy,⁵⁸² which aggravates the impact of all of these developments. Especially in such a difficult period, when the most serious sectors in Bulgaria were affected and many people were losing their jobs. Other Bulgarians were being thrown out of companies across Europe – for example in Spain or the UK, and had to return to Bulgaria.⁵⁸³ However, the possibilities to create new jobs were reduced by the firm line of Brussels.

In the observed period, the European search for answers to the global financial crisis was increasingly moving into the focus of media attention. A watchful eye was kept on the quest of the French Presidency for concrete

decisions and measures to cope with the crisis, especially on the summit in mid-October in Brussels. It took place immediately after the meeting of the Eurogroup with the objective to extend the healing plan, drawn by the 15 Eurozone countries for the recovery of confidence in the banking system, to all member states. It implies the re-capitalization of financial institutions under difficulties, state guarantees for inter-banking loans and improved deposit protection schemes. Bulgarian journalists also accentuated the complaints of the new EU member states that the plan did not offer any aide to countries outside the Eurozone.⁵⁸⁴ New member states advocated European solidarity because they rely hugely on foreign capital. They expressed their worries that the 15 Eurozone members will apply the doctrine of competition and soften up the Stability and Growth Pact for their benefit alone.

Bulgarian officials highlighted that, in accord with the French efforts, the country committed itself to the need of discussing and agreeing on European level coordinated activities to maintain the stability of the financial system and to limit the mistrust among economic agents in Europe. Tsvetan Manchev, Bulgarian National Bank's Deputy Governor, took the view that even a prospective discussion of the flexibility of the current Stability and Growth Pact rules will seriously damage the fragile confidence.⁵⁸⁵ He also outlined the importance of the participation of the European leaders in the international dialogue about the future of the global financial architecture.⁵⁸⁶

Are Brussels' decisions adequate to the situation? Are the anti-crisis measures Europe is undertaking sufficient for coping with the crisis? To what extent can European citizens rely on their own institutions to protect them from the raging financial crisis? Which are the most endangered, and which are the best-protected countries? Similar questions dominated the Bulgarian media landscape. According to the experts, Europe is quite unprepared for this crisis, because there are

⁵⁸¹ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report made for the Advice Federal Committee in charge of European Issues, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

* Bulgarian European Community Studies Association.

⁵⁸² See Radio Bulgaria: Bulgarian MPs comment on cancelled financing from EU funds, 28 November 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

⁵⁸³ See Radio Bulgaria: EC criticism resonates strongly across Bulgaria's political divides, 3 December 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

⁵⁸⁴ See Standart News: A plan to save 15 or 27, 16 October 2008, available at: <http://www.standartnews.com> (last access: 6 January 2009).

⁵⁸⁵ Bulgarian National Bank: Tsvetan Manchev: Rule-based versus discretionary policy responses to the recent financial crisis, 8 December 2008, available at: <http://www.bnb.bg> (last access: 6 January 2009).

⁵⁸⁶ Bulgarian National Bank: Tsvetan Manchev: The financial crisis and the initial EU, 25 November 2008, available at: <http://www.bnb.bg> (last access: 6 January 2009).

not many possibilities for maneuvering. The measures could stop the melting down and the collapse of the financial system but they cannot annihilate old mistakes and problems, related to the fact that the EU is not yet the most competitive and dynamic economy. With a view to the situation, besides protecting the system from a catastrophe, Europeans should also give it the chance to develop.⁵⁸⁷

Another hot topic was connected with the prospects of expansion of the Eurozone, in order to protect the countries of "small" currencies from the influence of the financial storm. On the one hand, the states, which were opponents of the Euro, began to gravitate toward the adoption. On the other hand, because it will be more difficult to enter the Eurozone for countries that wish to do so. Analysts also claimed that thanks to the crisis, the supremacy of politicians over the influential personalities from the financial sphere was resumed because they are the only persons that are institutionally entrusted to approach the problems. In the European context, if they prefer to go their separate ways and to give different responses to the crisis, then all will certainly sink together. In such a negative scenario, the multiform aspects of the crisis could even undo already achieved agreements for unity.

Financial crisis and global governance

Croatia*

Mixed responses on the EU's reaction and growing fear of recession in Croatia

Croatia's fears of recession and devastating effects of the global economic crisis

The intensive preoccupation of the Croatian public with the world financial crisis and its reflections on Croatia started in the summer of 2008. First reactions of government officials reflected the attempt to play down the proportions of crisis and its possible effects on the Croatian economy. It was hoped that the financial crisis would be limited to US financial institutions and its economy.

The autumn of 2008 brought the sobering up of and acknowledgement of the realistic scope of the threat and since then, governmental and public interest is primarily directed on the potential impact of the crisis to the Croatian economy as well as its accession process to the EU.

The reactions to the crisis and how to overcome it have come from practically all social actors; the government, employers, banks, trade unions, experts, opinion makers, media analysts etc. Trade unions for instance, have focused mainly on the protection of jobs and the living standards of employees and citizens. In the expectations of a worsening of financial crisis and its spill-over effect into the real sector, the government offered social partners, employers and unions, to freeze salaries in the 2009 in order to bring the state budget deficit closer to zero,⁵⁸⁸ however the trade unions declined it as an unfair attempt to put the burden of crisis solely on the shoulders of workers.⁵⁸⁹ The government also formed the 'Council of Economic Advisors I' in November 2008 to ensure the needed expert advice on prudent economic policies and measures to mitigate the immediate financial crisis effects on the Croatian economy. In February 2009 the government however rejected a set of anti-recession measures suggested by the economic council; and adopted a much milder policy approach to deal with it. As local elections are scheduled for May 2009, the government which is led by HDZ was for a long time reluctant to declare openly that Croatia has entered into recession.⁵⁹⁰ The Social Democratic Party (SDP) has come out with its proposal of anti-recession measures earlier.⁵⁹¹

Thanks to prudent regulation of Croatian National Bank (CNB), banking sector in Croatia is still strong and has not been hurt much by the crisis thus far.⁵⁹² The CNB is presently helping to preserve the monetary stability by using the high foreign currency reserves for

⁵⁸⁷ Radio Bulgaria: The European answer to the world financial crisis, 4 December 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

* Institute for International Relations.

⁵⁸⁸ "Croatian Govt in 2008, from Elections to Blockade", available at: <http://www.javno.com/pr.php?id=218629> (last access: 28 January 2009).

⁵⁸⁹ Kresimir Sever: Statement at the meeting of the Socio-Economic Council, 2 December 2008.

⁵⁹⁰ "Economic Council presents the first anti-recession measures", available at: http://www.totalportal.hr/article.php?article_id=254797 (last access: 30 January 2009).

⁵⁹¹ More details on SDP web portal, available at: http://www.sdp.hr/vijesti/sdp_predstavio_paket_antirecesijskih_mjera (last access: 30 January 2008).

⁵⁹² Governor Rohatinski was awarded by the journal *The Banker* as the best European Governor and the best Central Banker in the world.

intervening on the money market and also ensuring the debt service of the government.⁵⁹³ The thorough assessment of the financial crisis' potential impact on the Croatian economy was presented in the recent CNB Bulletin.⁵⁹⁴ It has emphasised that the consequences of the international financial crisis on the Croatian economy will be first seen in the increased interest rates on foreign debt and in the decrease of Croatian exports of goods and services. Within the conducted simulation model, CNB illustrated that the cost of borrowing from abroad (for Croatian banks, companies and the government) will increase by 4 percent, due to which commercial banks might increase interest rates on households and corporate loans (by 5.8 percent and 5.9 percent, respectively). Finally, this would result in a decrease of household loans by 28 percent. As a response to such a scenario, the Governor of CNB, Željko Rohatinski, emphasized that forecasts from the model do not necessarily become reality and that some of these negative effects, can be mitigated by the already adopted CNB measures such as the lowering of the obligatory reserves for banks.⁵⁹⁵

The perceptions on EU response to the effects of the financial crisis are mixed in Croatia

The Croatian media reports focused quite intensively on how the EU is handling the financial crisis – its role in dealing with the consequences of the crisis, undertaken measures, and cooperation with the rest of the world, as well as the analysis of the EU plans for overcoming the crisis.

Most of the debates and analyses were focused on the dynamics of the crisis and the performance of the EU in this context. The fears of recession were portrayed as reasonable, while the reports were centred on the measures of the EU governments which were desperately trying to save their financial institutions. The media reports stressed the lack of a clear vision of EU actions in solving

the problems in the financial sector. Most media reported on the appeal of José Manuel Barroso, the President of the European Commission, for the cooperation between member countries since neither of them will be able to overcome the crisis alone.⁵⁹⁶ The media also initially reported that the Union rejected the possibility of setting up agencies which would monitor bank operations throughout its territory and announce the ad hoc meetings which would deal with each individual company. The EU also rejected the French proposal to establish a European fund that could react similarly as the American Ministry of Finance with large injections of money in the squalid business. French President Nicolas Sarkozy concerns on the future of the Eurozone if it continues to function without a clearly defined economic management body, were also widely reported here. Such economic government should cooperate closer with the European Central Bank (ECB), but the French President also stressed that cooperation would not disrupt the independent monetary policy. The Croatian media also reported about the divisions in the reactions of the members of the European Parliament e.g. that Germans fear that it will undermine the independence of the ECB and create division between the EU member states.⁵⁹⁷ German Chancellor Angela Merkel's opinion was often singled out by media as the strongest opponent to the joint action.⁵⁹⁸

Opinions on how the EU is handling the crisis have been expressed also by the experts and academic analysts. Ivan Lovrinović, Professor at The Faculty of Economics and Business, is of opinion that the economy of the European Union is about to face major challenges, especially the European Central Bank which thus far has not been influenced by external pressures of such kind. He also stressed that the European Union does not have a unique strategy for overcoming the financial crisis, yet that each member state individually creates the arrangements for dealing with it, which can easily be seen in the actions of Sarkozy, Merkel and Brown.⁵⁹⁹ Lovrinović also

⁵⁹³ Interview with Governor Rohatinski, Business monthly BANKA, vol. 16, no.1, January 2009.

⁵⁹⁴ Croatian National Bank: "Bulletin No.143", December 2008, p. 11, available at: <http://www.hnb.hr/publikac/bilten/arhiv/bilten-143/hbilit143.pdf?tsfsg=b5982137f7d4aadf50f29139b97bd555> (last access: 25 February 2009).

⁵⁹⁵ Željko Rohatinski: "Interest rates are not increasing", 16 January 2009, available at: <http://www.net.hr/novac/page/2009/01/16/0016006.html> (last access: 25 February 2009).

⁵⁹⁶ "European Parliament members discussed about resolving the financial and economic crisis after the G20 summit", EnterEurope, 19 November 2008, available at: <http://www.entereurope.hr/cpage.aspx?page=clanci.aspx&pageID=13&clanakID=3254> (last access: 29 January 2009).

⁵⁹⁷ Petra Kostanjšak: "Sarkozy: Eurozone needs the economic government", Vjesnik, 6 November 2008, p. 23.

⁵⁹⁸ Gojko Driljača: "Europe in panic from the credit collapse", Večernji list, 7 October 2008, p. 16.

⁵⁹⁹ Vesna Roller: "The government must cut the life on debt", 8 October 2008, available at: <http://glasistre.hr/?d27f361163cf2826d0d2bcd50149c52.T>

addressed the role of the European single currency – Euro – in dealing with the crisis. In the last two years, the exchange rates for the dollar and the Euro have depreciated by fifty percent which made the EU countries unable to protect their economies. In addition, depreciation of the dollar represents also an external shock to the economic activity, and according to him the EU has no instruments to fight back the ‘intercurrency war’ that has spread to the Japanese and Chinese currency.⁶⁰⁰

The relationship between the EU and the USA as well as with other countries in the context of solving the crisis was also commented on in Croatia. Croatian Prime Minister Ivo Sanader considers that Europe cannot be separated outside the Euro-Atlantic line and thinks that it is important for the EU to coordinate measures with the United States because both economies are mutually dependent.⁶⁰¹ In his speech on the 16th Conference of the “Croatian Society of Economists” held on 12 November 2008 in Opatija, Croatian President Stjepan Mesić pointed out that the world is searching for common solutions, while simultaneously trying to protect both existing international integrations and their individual interests.⁶⁰²

After the G20 summit, from which much was expected, the countries ended without specific measures for economic recovery. The market expected a joint strategy, not a decision on leaving each government to tailor the response to the crisis according to their individual circumstances. In addition, the media reported different views on the approach to the financial crisis – that of Europe and of the USA. There are also other countries, such as Brazil and China, with large developing markets, which seek to participate more in the decision-making process. Some analysts note that all of these directly imply a decrease in the influence and power, both of the United States and European countries.⁶⁰³

[S.4032.4083.20546.27180.255718](http://www.glasistre.hr/?d27f361163cf2826d0d2bcdc50149c52,T_S_4032.4083.20546.27180.255718) (last access: 25 February 2009).

⁶⁰⁰ Vesna Roller: “The government must cut the life on debt”, 8 October 2008, available at: http://glasistre.hr/?d27f361163cf2826d0d2bcdc50149c52,T_S_4032.4083.20546.27180.255718 (last access: 25 February 2009).

⁶⁰¹ Jurica Körbler: “Government and CNB have done everything to be safe”, Vjesnik, 16 October 2008, p. 3.

⁶⁰² “Speech by President Mesić on the 16th Croatian Society of Economists Conference”, 12 November 2008, available at: <http://www.predsjednik.hr/default.asp?ru=345&gl=200811120000003&sid=&jezik=1> (last access: 25 February 2009).

⁶⁰³ Luka Capar, “The world and the crisis after the G20 summit – Without specific measures for economic recovery”, Vjesnik, 20 November 2008, p. 22.

Also, of considerable public interest were analyses related to the present desirability of the membership in the European Union. The main question that appears in media is how much is it worth to be part of the united Europe now. Almost ironically, the financial crisis could play an important role in the process of EU enlargement which can be seen on an example of Iceland, Denmark and Ireland. Comments conclude that, even with the crisis, the integration is very much desirable and worthwhile.⁶⁰⁴ Croatian media closely followed the chain of events in these countries. After being shaken up by the dimension of the economic crisis, Iceland expressed interest in joining the European Union, and Denmark enunciated the possibility of entering the Eurozone.⁶⁰⁵ The crisis also pushes Ireland to the EU – it has finally announced some progress associated with the Lisbon Treaty, which is important for the realization of further EU enlargement. Irish people are starting to wonder whether they act wisely while saying ‘No’ to the Lisbon agreement.⁶⁰⁶ Croatian public is very much interested in the situation in Ireland, because their growing support to the Lisbon agreement opens the EU door to Croatia.⁶⁰⁷

Regarding the potential implications of the crisis on Croatia’s status as one of the candidate countries, Croatian Government and the general public welcomed the statement of the European Commissioner for enlargement Olli Rehn who said that the process of Croatian accession to the EU will not slow down due to the global financial crisis. However, he added that it is true that the EU suffers from an increased fatigue from an enlargement which is associated with the financial crisis.⁶⁰⁸

Jadranka Kosor, Vice-President of the government and Minister of the Family, Veterans’ Affairs and Intergenerational Solidarity, believes that Croatia will triple the efforts in finishing the negotiations by the end

⁶⁰⁴ Bruno Lopandić: “The crisis and the integrations”, Vjesnik, 22 and 23 November 2008, p. 24.

⁶⁰⁵ Bruno Lopandić: “Everyone in the eurozone”, Diplomatic portal, Vjesnik, 29 and 30 November 2008, pp. 24.

⁶⁰⁶ Ines Sabalić: “The financial crisis pushes Ireland to Europe”, Slobodna Dalmacija, 18 October 2008, available at:

<http://www.slobodnadalmacija.hr/Svijet/tabid/67/articleType/ArticleView/articleId/26523/Default.aspx> (last access: 25 February 2009).

⁶⁰⁷ Milan Lazarević: “Ireland, due to the crisis for the Lisbon agreement”, Jutarnji list, 27 November 2008, p. 8.

⁶⁰⁸ “Rehn: financial crisis will not slow down the Croatian accession to the EU”, 13 November 2008, available at: <http://www.poslovnj.hr/98448.aspx> (last access: 25 February 2009).

of the year 2009, partly due to the fact that in times like this, it would much better to be part of the EU.⁶⁰⁹

Several Croatian experts commented also on the European plan for solving the crisis by lowering the taxes and increasing spending. This plan is based on the belief that the economy will recover if each member state takes some money from the budget and redirects it in to spending. The fiscal incentives (in a large number VAT reduction), will be launched and completed in the year 2009. Although each country will individually draw up a program that best suits her needs, countries will have to be coordinated in their measures.⁶¹⁰ In her comment on the EU plan on tax incentives, Katarina Ott, the director of the Institute of Public Finance stated that Croatia may even have to raise taxes, not reduce them. She pointed out that the measure of reducing taxes in a time of recession does not have to increase spending and employment. Furthermore, economies are in different circumstances, and there are countries like Croatia that cannot afford such a fiscal stimulation. She also thinks that this measure cannot be undertaken in a country with high fiscal deficit and foreign debt. At the same time, Daniel Nestić from The Institute of Economics, Zagreb, also points out that Croatia should not follow the EU in its measures and impose large fiscal benefits because this money would spill over in import and would not encourage the recovery of domestic industry.⁶¹¹

In short, the crisis within the Union, as mentioned in the media, can be seen as two-sided. On the one hand it can be said that the crisis *hit* the Union a few years too early, before the joint system of financial operations and its control was organized. In such a situation the actions of individual governments of the member countries could create a chaotic situation within the Union (for example, the Irish and Greek rescue of national banks is highly criticized). On the other hand, the crisis can be helpful, since the Union will find the need for the establishment of a common

strategy and safety measures for similar crises in the future.⁶¹²

During the conference entitled "The impact of world financial crisis on Croatia" which was held on 8 December 2008 in Zagreb, one of the leading lobbyists in Brussels, Daniel Gueguen, said that the problem the EU will have to face is much bigger than the recession. In his speech he stated that, in the EU, there is no fiscal, economic and social coordination and that he is very disappointed by the poor management of the Union. He also added that the Union's rescue plan is the worst document that he has seen so far.⁶¹³

In its recent analysis, the Croatian Association of Banks concluded that Croatia should carefully monitor developments in the EU, since in the context of the crisis the old rules are being redefined and the new ones established. Some of the changes could even redefine the relationship between large and small countries within the Union. As an important historical event that determines the direction of reforms, they point out the provision of five billion Euros in loans to Hungary by the European Central Bank, in the light of the fact that Hungary is not included in the Eurozone.⁶¹⁴

Financial crisis and global governance

Cyprus*

Economic crisis hits Cypriot tourism and construction industry

Cyprus felt the impact of the global financial crisis, however, at a lower scale than other EU member state economies. In October, the international credit crisis escalated significantly and the "Cyprus Stock Exchange" suffered its heaviest losses since 1999. At the time,

⁶¹² Jovan Dragišić: "Will the financial crisis have an impact on Croatia? Of course it will", 5 October 2008, available at: <http://www.index.hr/vijesti/clanak.aspx?id=404732> (last access: 25 February 2009).

⁶¹³ Miho Dobrašin: "Euro will soon become questionable currency", 9 December 2008, available at: <http://www.poslovnih.hr/103024.aspx> (last access: 25 February 2009).

⁶¹⁴ Dinko Boić: "Croatian Bank Association: The financial crisis will leave deep and long lasting mark in Croatia", 4 November 2008, available at: <http://business.hr/Default2.aspx?ArticleID=de2c6919-c9b2-4995-ba48-f3fd7d61234a&open=sec> (last access: 25 February 2009).

* Cyprus Institute for Mediterranean, European and International Studies.

⁶⁰⁹ Silvana Oruč Ivoš: "Jadranska Kosor: Despite all the difficulties, we need to work harder and faster on the completion of negotiations", Vjesnik, 1 December 2008, pp. 4-5.

⁶¹⁰ Ines Sablić: "Against recession – by demand", Slobodna Dalmacija, 28 November 2008, p. 15.

⁶¹¹ Ljubica Gatarić: "The European model and Croatia", Večernji list, 27 November 2008, p. 3.

Cypriot President, Demetris Christofias, in his intervention at the seventh EU-Asia Summit (ASEM) in Beijing, noted that the international financial crisis required fast and coordinated actions by all states.⁶¹⁵ Upon his return to Cyprus, Christofias stated that the Cypriot economy is not substantially affected by the crisis, while the country's banking system still stands strong.⁶¹⁶ Minister of Finance, Charilaos Stavarakis, sharing the president's view, also observed that the Cypriot economy will inevitably be affected by the international financial crisis, but because of its robust foundations it will be able to come out of the crisis much easier than other states.⁶¹⁷

While efforts were made at EU and Eurozone level to come up with measures to address the crisis, the European Commission's economic forecasts for Cyprus showed growth for the island's economy (2.9 percent) at 29 times the Eurozone average despite the overall slowdown.⁶¹⁸ Minister of Finance Stavarakis, speaking from Brussels, expressed satisfaction with the forecasts, while adding that these are not reason for calm.⁶¹⁹ He also stated that this is the best indicator that the government's economic planning is in the right direction and that it appears that the government will be able to fulfil its plans. He also expressed the belief that if oil prices remain at current levels, inflation in Cyprus could slow down to 2.5 percent.

To overcome the impact of the financial crisis, the Cypriot government followed the guidelines drafted at an EU level during the high-level discussions between the European Commission, the European Central Bank and largely affected states, such as the United Kingdom, Germany and France. The Ministries of Finance and of Commerce, the "Central Bank of Cyprus" and other financial bodies, often briefed the Committee on European

Affairs of the "House of Representatives" on the deliberations on the European level regarding the effort to contain the financial crisis. The "House of Representatives" needed to revise existing legislation, according to revised EU directives, in order to reinforce the stability of the financial system, the reduction of exposure of credit institutions to risk, and the improvement of the oversight of banks which operate in more than one EU member state. As the president of the Committee on European Affairs of the "House of Representatives", Nicos Cleanthous, stated, this is a particularly serious issue given the international financial crisis, and therefore the briefing of the "House of Representatives" will continue in order for it to be better informed and therefore capable to further refine the legislation which will be derived from the EU directives.⁶²⁰

All relevant authorities in Cyprus were also called to prepare emergency plans in order to support sectors that might be affected by the crisis, including the tourism industry and the holiday home market. Thus, according to data released by the "Cyprus Hotel Owners' Association" and the "Cyprus Tourism Organisation" the arrival of tourists from the UK and Russia is expected to decrease for 2009 and the income of the tourist industry for September 2008 was expected to face a decrease of 6 percent.⁶²¹

The Ministry of Commerce, Industry and Tourism examined a series of measures, such as the promotion of Cyprus' tourist product, concentration on new markets, and the creation of a coordinating committee which will handle a possible crisis.⁶²² The Cyprus tourism organisation outlined a plan for winter tourism and also announced a programme for the attraction of domestic tourists.⁶²³ By early February 2009, however, some signs were somewhat melancholy: overall figures about tourist arrivals in January were down by 8.5 percent compared to the same month in 2008. On the other hand, arrivals from the promising market of Russia in the same month had

⁶¹⁵ Demetris Christofias, President: ASEM address, Beijing, 24/25 October 2008 (as reported by all Cypriot Media).

⁶¹⁶ Demetris Christofias, President: Statements, Larnaca, 25 October 2008 (as reported by all Cypriot Media).

⁶¹⁷ Charilaos Stavarakis, Minister of Finance: Statements, Nicosia, 26 October 2008 (as reported by all Cypriot Media).

⁶¹⁸ Council of the European Union: 2901st Council meeting Economic and Financial Affairs, press release, No. 15067/08 (Presse 311), Brussels, 4 November 2008, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/103811.pdf (last access: 25 January 2009).

⁶¹⁹ Charilaos Stavarakis, Minister of Finance: Statements, Brussels, 4 November 2008 (as reported by all Cypriot media).

⁶²⁰ Statements after members of the Committee on European Affairs of the House of Representatives after its session, 21 October 2008 (as reported by the Cyprus News Agency).

⁶²¹ Cyprus Hotel Owners' Association Press conference, 28 October 2008 (as reported by all Cypriot media).

⁶²² See: Ministry of Commerce, Industry and Tourism, 4 November 2008, available at: <http://www.mcit.gov.cy> (last access: 25 January 2009).

⁶²³ Cyprus Tourism Organisation: Press conference, 4 November 2008 (as reported by all Cypriot Media).

increased by 42.9 percent as compared to January 2008.⁶²⁴

In this connection, our communication with the consulate general of Cyprus in St. Petersburg provided the following useful data. First, the visas issued by that consulate to Russian tourists travelling to Cyprus in 2007 were 23,698, reaching 30,911 in 2008. And second, the total number of Russian tourists travelling to Cyprus for the years 2006 to 2008 were as follows: (1) 2006: 114,758 people; (2) 2007: 145,914 people (i.e. an increase of 27.1 percent over the previous year); and (3) 2008: 180,919 people (or an increase of 24 percent over 2007).⁶²⁵

For its part, the Ministry of Labour announced that, while Cyprus does not have a problem with unemployment, the government will take measures in case the financial crisis does affect the construction and tourism industries.⁶²⁶ Part of these measures is the creation of a permanent mechanism for observation of the labour market, which will convene on a regular basis.

The Interior Ministry also announced its plans for 2009, which aimed at boosting the construction industry, which is the first sector to be affected by the crisis, as developers warned of layoffs and called for a reduction of transfer fees and capital gains tax.⁶²⁷ The ministry's plans include the renovation of old apartment buildings and their resale to those entitled to subsidised housing. Also, the increase in housing aid to refugees of up to 100 percent, which will be effective retroactively as of 1 March 2008, and the grant of government aid to the construction sector, based on income criteria and for those purchasing their first residence, in compensation for the payment of transfer fees.

Two aid packages were also announced by the government. The one, announced in November 2008, provided for a 52 million Euro aid package in support of the tourist and construction industries.⁶²⁸ According to the

package, development projects will be accelerated and bureaucratic procedures will be simplified in an effort to support the construction industry. Also, the application for visa by third-country citizens will be simplified, a number of consulates will be opened in countries with a high potential for tourism, and the Cyprus tourism organisation budget will be supplemented by 12 million Euro. The government also decided to form two action groups to deal with potential problems in the two sectors in danger.

Despite President Christofias' reassurances that the Cyprus economy is not only in good shape but also resilient, and that the government makes sure that this remains so through a dynamic development programme, the main opposition party, Democratic Rally DISY, expressed its dissatisfaction with the first package of measures announced, while saying it expected a radical revision of the budget and the support of the private sector, which did not happen.⁶²⁹

A second aid package followed in early February 2009, when the government announced the approval of an additional 300 million Euro for the economy.⁶³⁰ The package of measures, which aims to maintain high productivity levels and low unemployment in light of the global financial crisis, concerns the construction, tourism and financial sectors. President Christofias outlined the measures, which he described as satisfactory for the time being, noting that these are temporary in nature, and stressed that there will be no new taxes imposed by the government.⁶³¹ With regards to the tourism industry, airport fees will be reduced for 2009 after the government waives its share, VAT for the tourism industry for 2009 is reduced from 8 percent to 5 percent, fees payable to local authorities per stay in hotels are waived, and measures are taken to promote domestic tourism and subsidise domestic tourism for low income families. The total cost of these measures is estimated at 51 million Euros. With regards to the construction sector, the government decided to grant long term low interest loans (for at least 20 years) for low and mid-income couples looking to purchase a house of up to 200 square meters. The loans will have a 0 percent interest rate for the first two years. It

⁶²⁴ 2,793 Russian tourists had arrived in Cyprus in January 2009, as compared to 1,955 in the same month of 2008. See: Simerini (newspaper), 12 February 2009.

⁶²⁵ Correspondence with the consulate general of Cyprus at St. Petersburg, 16 February 2009.

⁶²⁶ See: Ministry of Labour and Social Insurance, 4 November 2008, available at: <http://www.mlsi.gov.cy> (last access: 25 January 2009).

⁶²⁷ See: Ministry of Interior, 1 November 2008, available at: <http://www.moi.gov.cy> (last access: 25 January 2009).

⁶²⁸ Demetris Christofias, President: Statements, Nicosia, 14 November 2008.

⁶²⁹ Democratic Rally: Announcement, 14 November 2008 (as reported by the Cyprus News Agency).

⁶³⁰ Demetris Christofias, President: Statements, Nicosia, 3 February 2008.

⁶³¹ Ibid.

also decided to construct new units for refugees and the repair of school buildings. The total cost of the package for the construction sector is estimated at 200 million Euros. In view of the need to maintain low unemployment rates, expected to reach 4.5 percent in 2009, the government will focus on training workers and the securing of a suitable job for those applying to the unemployment office, as well as run a campaign against illegal workers and revise allowances for non-EU member state employees. In an effort to strengthen the financial sector, Christofias announced that the government will extend its deposit of 700 million Euros in commercial banks for an additional three and a half months in an effort not to affect the liquidity of the sector. Concluding the analysis of the package, Christofias also reiterated that the government will continue its social policy and that it will in no case stop supporting the taxpayer. The measures were welcomed by political parties and professionals associations.

In all, the global financial crisis is an issue which certainly concerns the Cypriot people. As shown in the autumn 2008 Eurobarometer, Cypriots claim to be largely affected by the crisis and are concerned by the future of the Cypriot, and the EU economy.⁶³² 67 percent stated that they can barely pay their utility bills each month, while 78 percent said it is not satisfied with the cost of living in Cyprus. In addition, 88 percent expressed dissatisfaction by the increasing price of energy and 93 percent by the increasing housing prices.⁶³³ In "Marfin-Laiki Bank's" annual survey, the "Cyprobarometer", nearly half of the people asked (48 percent) said that, as regards the economy, 2008 was a much worse year than 2007.⁶³⁴ Then, on 11 February 2009, upon returning from the ECOFIN and Eurogroup meetings in Brussels, Finance Minister Stavrakis admitted that Cyprus will not avoid an economic slowdown in the second half of 2009. Talking at an event entitled "Leadership in a Challenging Environment", he added that, in any case, the Cypriot government will retain its present rates for company taxation, given that they provide Cyprus with a comparative advantage in attracting foreign investment.⁶³⁵

⁶³² Standard Eurobarometer 70, Autumn 2008, available at: http://ec.europa.eu/public_opinion/archives/eb/eb70/eb70_en.htm (last access: 25 January 2009).

⁶³³ Ibid.

⁶³⁴ Economic Research and Planning Department of Marfin Laiki Bank: Cyprobarometer-2007, 19 June 2008.

⁶³⁵ Simerini (newspaper), 12 February 2009.

In the international power constellation system, the past months' financial downfall showed a relevant shift, as the Euro had proven its strength and credibility compared to the US Dollar and the British Pound. Analysts from the "Central Bank of Cyprus" have expressed the estimation that Eurozone's economy will be able to eventually come out of the financial crisis much stronger than before (already, in many Middle Eastern countries the use of the US Dollar has been replaced with the Euro as it is considered a more stable currency).⁶³⁶ In general, the crisis could lead the world's large economies to seek a more effective and efficient financial system, perhaps a 'new Bretton Woods' as leaders such as Nicolas Sarkozy have started envisioning. Political analysts also believe that when the financial crisis comes to an end, the political system will be transformed to a multi-polar global system of numerous regional powers, thus the cooperation between nations will be imperative.⁶³⁷

Financial crisis and global governance

Czech Republic*

State interventions are believed to be harmful

The Czech banking sector has so far remained rather immune to the turbulence caused by the financial crisis, thanks to a more conservative approach to loans by Czech banks, which in turn is a consequence of the Czech banking crisis in the 1990s. Therefore, the Czech Republic was not seriously hit by the first wave of the financial crisis. The aftermath of the financial crisis, however, has also affected the Czech economy, with a slight increase of unemployment being the first evidence.

The Czech Presidency has chosen the slogan "Europe without Barriers", and this is also the Czech recipe for how to deal with the financial crisis. The Czech government warns against protectionism and other potential interventions into the free market which could arise as a reaction to the current crisis. Furthermore, the government emphasises that the EU countries should not loosen their fiscal discipline as a consequence of crisis packages meant to

⁶³⁶ Interviews conducted by Nicoleta Athanasiadou at the Central Bank of Cyprus, Nicosia, December 2008.

⁶³⁷ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, December 2008.

* Institute of International Relations.

stimulate the economy. Increased budget deficits can, according to the government, have serious consequences for the European competitiveness. Therefore, among others, the EU finance ministers should stick to the goal of reaching consolidated public finances by 2012.⁶³⁸

In his address to the European Parliament in January, the Minister of Finance, Miroslav Kalousek, stressed the respect of the Stability and Growth Pact as an important condition for successfully combating the economic downturn: "The Czech Presidency considers the Stability and Growth Pact to be the cornerstone of our budget policies which must not be questioned. After the reform of 2005, the pact now offers a framework for bad as well as good economic times."⁶³⁹

The Czech Presidency will also insist on the maintaining of regulations concerning state intervention in the economy, i.e. regulations concerning state subsidiaries should not be allowed to be violated, and support of the economy in one member state should not be allowed to have negative affects on other member states. Furthermore, the government stresses that the Lisbon process should be continued, since the only cure for the economic crisis is structural change and investments in research and science.⁶⁴⁰

The Economy is one of three priority areas for the Czech Presidency, the others being *energy* and *Europe in the world*. Regarding the economy, the presidency will primarily stress the removal of all barriers that still stand in the

way of the internal market freedoms (the primary stress being on the removal of barriers for workers from the new member states), reforms that will reduce the administrative burden of small and middle enterprises and increased fair trade on the global level. These are issues where there is a consensus among Czech political actors.⁶⁴¹ Yet, the Czech priorities regarding the economy have been criticized for being one sided while only emphasising deregulations and a more market economy as solutions for a crisis caused by deregulations.⁶⁴²

President Klaus has, unsurprisingly, despite doubting the seriousness of the crisis, advocated a more radical recipe for the solution of the economic crisis. In general, however, he agrees with the government and has expressed his satisfaction with what the government does to handle the situation. They largely share the view that improvised political solutions might be more dangerous than the crisis itself.⁶⁴³ Yet, Klaus suggests radical reforms towards the economic downturn that would, during a limited period, violate some individual rights – for instance, concerning the possibility of challenging, and thus delaying, the planned highways in the Czech Republic.⁶⁴⁴ Klaus put it in more general terms in an article published in the Financial Times, where he argued: "The best thing to do now would be temporarily to weaken, if not repeal, various labour, environmental, social, health and other 'standards', because they block rational human activity more than anything else."⁶⁴⁵ This formulation was criticized on the

⁶³⁸ Balanced deficit defined as being less than one percent of GDP. See Kalousek: EU by se měla vrátit ke konsolidaci rozpočtů (Kalousek: the EU should return to consolidated budgets), 20 January 2009, available at: <http://www.ceskenoviny.cz/eu/zpravy/kalousek-eu-by-se-mela-vratit-ke-konsolidaci-rozpocetu/355812> (last access: 21 January 2009); see also Alexandr Vondra: Předsednictví se může podobat italskému catenacciu (Alexandr Vondra: The Presidency could resemble an Italian catenacciu), 8 December 2008, available at: <http://www.e15.cz/predsednictvi/alexandr-vondra-predsednictvi-se-muze-podobat-italskemu-catenacciu-64904/> (last access: 21 January 2009).

⁶³⁹ Miroslav Kalousek: Presentation of the Czech Presidency's Priorities concerning Financial and Economic Affairs to the European Parliament, 21 January 2009, available at: http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/en_45152.html (last access: 21 January 2009).

⁶⁴⁰ Mirek Topolánek: Neuhnu ani o milimetr. Mám plnou odpovědnost a dostojím jí (I won't back away even a millimeter. I have full responsibility and I intend to fulfil it), 7 January 2009, available at: <http://www.ods.cz/media/clanek.php?ID=8828> (last access: 21 January 2009).

⁶⁴¹ Jan Hřích: Vnitřní trh a ekonomické politiky (The internal market and economic policies), in: Jan Karlas (ed.): Jak předsedat Evropské unii? Návrh priorit předsednictví ČR v Radě EU v roce 2009 (How to chair the European Union? Proposed priorities of the Czech Presidency of the EU Council in 2009), Institute of International Relations, Prague, 2009.

⁶⁴² See, e.g., Jaques Rupnik: Bojme bariéry. Ale jen ty, co existují (Let us remove barriers, but only the existing ones), 7 January 2009, available at: http://vyhledavani.ihned.cz/109-32334760-on-ekonomick%E1+krise+eu-M00000_d-9a (last access: 21 January 2009).

⁶⁴³ Utrácejte, utrácejte, poradil byznysmenům v krizi Klaus ("Spend, spend" was Klaus' advice to businessmen), 16 December 2008, available at: <http://video.ihned.cz/c1-31760190-video-tahle-krize-neni-nejvetsi-od-20-let-odmita-klaus> (last access 21 January 2009).

⁶⁴⁴ Václav Klaus: Čím já koho štvu? Že mám pravdu? (Václav Klaus: Why do I upset people? Because I am right?), 2 January 2009, available at: http://vyhledavani.ihned.cz/109-32087290-on-ekonomick%E1+krise+eu-M00000_d-6a (last access: 21 January 2009).

⁶⁴⁵ Václav Klaus: Do not tie the markets – free them, 7 January 2009, available at:

European level by leading European socialists, e.g. Martin Schulz. Klaus' statements should not be entitled to too much importance since his office is largely representative. Yet, there have been speculations that Klaus wants to destabilise the governing coalition with his medial appearances.⁶⁴⁶

Regarding the solutions to the crisis on the domestic level, the Czech government has been criticised by some economists for not completely realising how serious the situation is. For instance, the economist and former candidate for Czech president Jan Švejnar has argued that the government's prediction of a slowdown of economic growth is too optimistic,⁶⁴⁷ a more realistic assumption would be zero growth, given, among others, the heavy dependence of the Czech economy on the car industry.⁶⁴⁸

The biggest opposition party, the Social Democrats (ČSSD), have suggested a more impressive list of 52 proposals to combat the economic crisis. What is striking is that many of these proposals relate to European integration. The first proposal on the list is the Czech ratification of the Lisbon Treaty, which, in the view of the party, would improve the chances of the Czech Presidency to successfully moderate the debates on the economic crisis. The ČSSD also welcomes an increased role for the EU in regulating the European financial sectors and calls for a plan for the introduction of the Euro in the Czech Republic.⁶⁴⁹ The party has also accused the government of passivity and called for greater action and involvement with the economy.⁶⁵⁰

<http://www.klaus.cz/klaus2/asp/clanek.asp?id=W12AQIqHr3Yk> (last access: 21 January 2009).

⁶⁴⁶ Evropskí socialisté ostře kritizovali Klause za výroky k EU (European Socialists criticized Klaus for his statements on the EU), Czech News Agency, 7 January 2009.

⁶⁴⁷ According to the expectations of the government, the Czech Republic will have a growth of above two percent of the GDP during 2009, and unemployment will increase only by one percent to 6.3 percent. C.f. Kalousek: Hospodářský růst příští rok neklesne pod 2 procenta (Kalousek: Economic growth will not go below two percent), 27 December 2008, available at: http://vyhledavani.ihned.cz/109-31863190-on-ekonomick%E1+krise+eu-M00000_d-85 (last access: 21 January 2009).

⁶⁴⁸ Jan Macháček: Interview with Jan Švejnar, Respekt, 2, 2009.

⁶⁴⁹ PŘEHLEDNĚ: 52 receptů ČSSD proti krizi (Overview: 52 recipes of ČSSD against the crisis) available at: http://ihned.cz/c3-31716380-000000_d-prehledne-52-receptu-cssd-proti-krizi (last access: 21 January 2009).

⁶⁵⁰ Jiří Paroubek: Česko v čele EU – úspěch nebo otázníky? (The Czech Republic as EU leader – success or question marks?), 26 January 2009, available at:

In order to handle the slowdown of the economy on the domestic level, the government has established a special national economic council, consisting of 10 leading economists, who should discuss and propose solutions to the current crisis. In addition Kalousek has declared that government action will be necessary if the growth rate drops below two percent of the GDP. One possibility is a reduction of VAT on some services with high added value, such as restaurant services, etc. What is necessary, however, is an agreement on the EU level. Other possibilities include increased investments in infrastructure.⁶⁵¹

Financial crisis and global governance

Denmark*

Has the time come to join the Eurozone?

The global financial crisis has been of particular importance in Denmark because of its small, open economy and its exposure to global trade and investment. Related to this, Denmark's economy, like that of the UK, tends to be further ahead in the economic cycle compared to the rest of the EU. Denmark was the first EU economy to enter technical recession in the 2nd quarter of 2008 and spent much of 2008 in recession.⁶⁵² The vulnerability of the Danish economy, based on global exposure and inflated housing sector, had been identified in 2007 as one of the three most fragile housing markets in the world, with similar vulnerabilities in its banking sector – in mid-2008 the official foreign reserves of the Danish National Bank as a percent of GDP were only about 10 percent (less than Iceland's).⁶⁵³

The banking crisis hit Denmark with Roskilde Bank's collapse in August 2008 – during 2008 nine small Danish banks were merged or

<http://paroubek.blog.idnes.cz/c/67190/Cesko-v-cele-EU-uspech-nebo-otazniky.html> (last access: 30 January 2009).

⁶⁵¹ Kalousek uvažuje o snížení DPH za některé služby (Kalousek considers reduction of VAT on some services), 20 January 2009, available at:

<http://www.financniny.cz/os-finance/dane-a-mzda/zpravy/kalousek-uvazuje-o-snizeni-dph-za-nektere-sluzby/355795> (last access: 30 January 2009).

* **Danish Institute for International Studies.**

⁶⁵² Robert Anderson: 'Denmark heads towards recession', *Financial Times*, 1 December 2008.

⁶⁵³ Copenhagen Post: 'Denmark is one of the top three most fragile housing markets in the world', 1 August 2007; Willem Buiter and Anne Sibert: *The Icelandic banking crisis and what to do about it*, Centre for Economic Policy Research, CEPR Policy Insight No. 26, October 2008.

wound up as liquidity tightened.⁶⁵⁴ During 2008 the Danish National Bank was forced to repeatedly increase interest rates to support the Danish fixed exchange rate policy – by November 2008 the difference between the European Central Bank (ECB) and Danish interest rates were at an all-time high of 1.75 percent.⁶⁵⁵ The Danish economic problems, downturn in housing market and consumer spending, and the relatively high interest rates have contributed to increased difficulties for domestic shop owners and Danish exporters with 2009 expected to be a particularly tough year for exports.⁶⁵⁶

Probably all small countries should join

The stagnating Danish economy, high interest rates, and banking risks all contributed to the attempts by the Danish Prime Minister, Anders Fogh Rasmussen, and the majority of parties in the Danish Parliament to move from a fixed exchange rate policy to full membership of the Euro. Mounting economic evidence reinforce the arguments for the Euro in Denmark, in particular the risks of being outside the Eurozone, the costs of maintaining the Krone, and the trade losses outside the Euro.⁶⁵⁷ Paul Krugman, the Nobel Prize winner for economics, had commented in an interview that “the lesson of the crisis is that one should join the Euro [...]. For good or evil should probably all the small European countries join”.⁶⁵⁸ Sydbank’s Chief Economist, Jacob Graven commented that the financial crisis had “made it less attractive for investors to hold Danish Kroner rather than Euros”.⁶⁵⁹ Niels Bernstein, the Danish National Bank Governor argued that “over a longer horizon, adopting the Euro will have a certain positive effect on growth in Denmark”.⁶⁶⁰ The most comprehensive economic evidence came in

January 2009 with the publishing of the SNS Economic Policy Group Report 2009 – *EMU at Ten: Should Denmark, Sweden and the UK Join?* which argued that Euro effect on exports (and analogously on imports) for Denmark joining can be calculated roughly as a 35 percent increase in trade.⁶⁶¹ The Report concluded that “Denmark is well positioned in terms of public finances, fiscal policy-making, labour market flexibility and the level of unemployment to participate in the monetary union. It has little or no monetary policy independence since it has tied the Krone to the euro. It would therefore clearly gain by joining the monetary union”.⁶⁶²

Beyond the discussion of Denmark fully joining the Euro, there has been relatively little Danish discussion of the EU response to the financial crisis and challenges of global governance, possibly reflecting Danish non-participation in EMU politics.⁶⁶³ Prime Minister Rasmussen has argued that both the global finance and climate problems have the “same solution” – requiring “creating farsighted, long-term, sustainable green growth”, but without reference to the EU in this radical transformation already advocated in Brussels.⁶⁶⁴

Financial crisis and global governance

Estonia*

Strengthening the market rules without enforcing protectionist measures

Among all EU member states, the Baltic countries have been hit particularly hard by the financial and economic crisis. While the Estonian economy expanded 10.4 percent in 2006 and 6.3 percent in 2007, it stopped growing in 2008, and the GDP is forecasted to decline by 5.5 per cent in 2009. The government has decided to implement massive budget cuts in order to reduce the budget deficit for 2009. The gloomy outlook has not changed the fundamental principles of the government’s economic policy: i.e.

⁶⁵⁴ Lex: ‘Bank failures: Roskilde’, *Financial Times*, 25 August 2008; Robert Anderson: ‘Denmark unveils bank loan package’, *Financial Times*, 19 January 2009.

⁶⁵⁵ Copenhagen Post: ‘Central bank opts for interest rate rise’, 22 May 2008; Robert Anderson: ‘Danish PM seeks backing for euro referendum’, *Financial Times*, 4 November 2008.

⁶⁵⁶ Politiken: ‘Shop owners want out’, 20 January 2009; Julian Isherwood: ‘Markets drop Danish goods’, 27 January 2009.

⁶⁵⁷ Ian Manners: *Small, open Euro economies*, Danish Institute for International Studies, DIIS Brief, January 2009.

⁶⁵⁸ Johan Anderberg: ‘Paul Krugman – Nobelpristagaren – nästan som en svensk betongsosse’, *Sydsvenskan*, 16 November 2008.

⁶⁵⁹ Copenhagen Post: ‘Central bank opts for interest rate rise’, 22 May 2008.

⁶⁶⁰ Joel Sherwood: ‘Danish Central Bank Reinforces Euro Adoption Support’, *Dow Jones Newswire*, 22 January 2009.

⁶⁶¹ SNS Economic Policy Group Report 2009: *EMU at Ten: Should Denmark, Sweden and the UK Join?* (Stockholm: SNS Förlag, 2009), pp. 86-87.

⁶⁶² SNS Economic Policy Group Report 2009: *EMU at Ten: Should Denmark, Sweden and the UK Join?* (Stockholm: SNS Förlag, 2009), p. 16.

⁶⁶³ Berlingske Tidende: ‘Krisen bringer det bedste frem i EU’, 12 December 2008.

⁶⁶⁴ Copenhagen Post: ‘PM: Finance and climate problems have ‘same solution’’, 27 January 2009.

* University of Tartu.

commitment to liberal markets and accession to the Eurozone at first opportunity.

In the government's view, the international crisis of financial markets has "proven the need for a common monetary policy in Europe".⁶⁶⁵ The Euro is seen as "an irreplaceable promoter of market stability and guarantee of long-term economic growth".⁶⁶⁶ Joining the Eurozone is the Estonian government's number one priority in the coming years. The government is determined to carry out the painful budget cuts at any cost in order to retain Euro-eligibility. The slowing economy has helped curb the high inflation rates, making accession to the Eurozone in 2011 a realistic prospect, provided that the budget deficit can be kept within limits. According to recent public opinion polls, about half of the population of Estonia supports changeover to the Euro, while 40 percent are against it.⁶⁶⁷

Maintaining an open economic space

In line with its long-term liberal market policies, the Estonian government rejects protectionist solutions to the global crisis, arguing that "calls to protect markets, for increased state intervention into the economy and the need to protect so-called 'key sectors'" do not constitute the correct response to the crisis. An open economic space based on even competition rules should be maintained, expanded and strengthened. According to Prime Minister Ansip, "economic interdependence that goes along with openness helps alleviate the effects of the economic downturn and creates opportunities for new growth".⁶⁶⁸ The freedoms of the internal market should be extended and deepened, and reform of the Common Agricultural Policy should be sped up. The EU budget must give greater priority to innovation and development, both of which are the basis for the growth of economic competitiveness. The EU must "stand firm against attempts to build barriers in international trade" and the crisis should not be used as "an excuse to backtrack on attempts to liberalise the world

economy".⁶⁶⁹ In particular, trade between the USA and the EU should be developed further. While partial "strengthening of market rules" (including regulation and control of financial institutions) might be necessary, such rules should not "cripple the market's ability for self-regulation" or "create an environment in which market players do not feel their own responsibility".⁶⁷⁰

Financial crisis and global governance

Finland*

Mixed opinions about European Union's ability to tackle the financial crisis

The financial crisis has not hit Finland as hard as some of the other European Union members. The Finnish Government has granted loans to some other member states and has also promised to finance Finnish banks.⁶⁷¹ Measures taken by the Union to tackle the crisis are in general seen as good although some consider them not sufficient enough.⁶⁷²

Remarkable or slow and cautious?

The EU was criticised in October for being disintegrated in responding to the financial crisis. First, the bank deposit guarantees were increased randomly in member states, and later the financial summit between larger member states instigated further disintegration between member states.⁶⁷³ Finland's Minister of Finance, Jyrki Katainen, disapproved of the larger member states making decisions between themselves.⁶⁷⁴ Katainen also called for a joint decision on the bank deposit guarantees.⁶⁷⁵ The Finnish Prime Minister, Matti Vanhanen, shared Katainen's view and demanded more coordination between the

⁶⁶⁹ Ibid.

⁶⁷⁰ Ibid.

* Finnish Institute of International Affairs.

⁶⁷¹ "Suomen pankkitukipaketille ei vielä hintaa", Helsingin Sanomat, 14 October 2008.

⁶⁷² "Jaakonsaari: Elvytyksessä vahva liioittelun maku", The Finnish Social Democratic Party webpage, available at: <http://www.sdp.fi/fi/ajankohtaista/?a=viewItem&itemid=1194> (last access: 29 January 2009).

⁶⁷³ "Finanssikriisi säilyttelee EU-maiden katraan hajalleen", Helsingin Sanomat, 7 October 2008.

⁶⁷⁴ "Suuret EU-maat ratkoivat finanssikriisiä keskenään – pienet jäsenmaat suuttuivat", Helsingin Sanomat, 5 October 2008.

⁶⁷⁵ "Euroryhmä: Talletussuoja yhtenäistyy Euroopan Unionissa", Helsingin Sanomat, 7 October 2008.

⁶⁶⁵ Speech by Prime Minister Andrus Ansip on the Government's European Union policy in the Riigikogu, 9 December 2008, available at: <http://www.valitsus.ee/?id=8809> (last access: 26 January 2009).

⁶⁶⁶ Ibid.

⁶⁶⁷ Government Press Release, "Eestis toetab eurole üleminekut pool elanikkonnast," 18 December 2008, available at: <http://www.valitsus.ee/?id=8854> (last access: 26 January 2009).

⁶⁶⁸ Ibid.

member states after the debacle with the bank deposit guarantees.⁶⁷⁶

The Finnish Financial Minister, Jyrki Katainen,⁶⁷⁷ and the Director of the board of the Finnish Central Bank, Erkki Liikanen,⁶⁷⁸ both found the cooperation between the European and US central banks in lowering the interest rates as "remarkable".

The resuscitation package that was resolved in December's summit was seen mostly as positive. The Head of the forecasting group of "The Research Institute of the Finnish Economy", Pasi Sorjonen, considered the resuscitation package successful⁶⁷⁹ and Financial Minister Katainen thought the actions might boost the EU's internal commerce and therefore improve Finnish export.⁶⁸⁰ In some NGOs, however, the decisions made in the December's summit have been accused of being watered down.⁶⁸¹

The Commissioner for enlargement, Olli Rehn, claimed that the credibility of the EU is on the line after the summit in December. Rehn hoped that the member states will take the Commission's suggestions seriously and act on them swiftly. According to Rehn, the common currency has really shown its worth during the crisis. It has brought a lot of stability to households in the Euro area, for example, the situation in Finland is a lot better now than during the recession in 1990s. The allure of Euro has not gone unnoticed in the countries outside the Euro area either,⁶⁸² and Finland is very interested to see if Iceland will apply to the EU⁶⁸³ and how Sweden's and Denmark's relationship with the Euro will evolve.⁶⁸⁴ The officials in Finland consider Finland lucky to be a part of the Eurozone,⁶⁸⁵ but the Finnish anti-EU NGO, "Vaihtoehto EU:lle" (VEU,

"Alternative for the EU"), claims the countries outside the Eurozone are actually better off. In their newsletter they say that Sweden actually benefits from not belonging to the Euro area.⁶⁸⁶

Esko Antola, the director of "Centrum Balticum", thinks that the financial crisis has in no way integrated the Union further, contrary to what the leaders of the member states keep insisting. The director of the "Helsinki Center of Economic Research", Otto Toivanen, believes that the uncertainty caused by the crisis has paved the way for those who wish to exercise national politics.⁶⁸⁷ Jorma Ollila, the chairman of the board of "Nokia" and vice-chair of the EU reflection group, in a speech at the 90th Anniversary of the "Finnish Chamber of Commerce", also criticised the European Central Bank (ECB) of acting too slowly and cautiously with lowering its interest rate. He also pointed out how the situation is even more difficult with regard to fiscal policy, as no heavier instruments than coordination between the member states exist.⁶⁸⁸ Ollila also claimed that the Finnish Government's resuscitation actions are not sufficient.⁶⁸⁹

Finns have faith in the EU

As a small and open economy, Finland is very dependent on the decisions of larger countries and the ECB. For Finland, the most relevant step the ECB should take is to defend free trade by keeping the nationalist and protectionist pressures at bay. Also, a substantial lightening of monetary policy in Europe is called for.⁶⁹⁰ The CEO of the "Research Institute of the Finnish Economy", Sixten Korkman, puts the blame on the European Central Bank for not reacting to the financial crisis quickly enough. Korkman praises the way the US has handled the crisis in resuscitating vigorously, and says the EU has not got the institutional prerequisites for joint actions.⁶⁹¹ Jyrki Katainen, Minister of Finance, takes a different view. He said that

⁶⁷⁶ "Britannia tarjoaa omaa malliaan Euroopalle kriisin ratkaisuksi", Helsingin Sanomat, 10 October 2008.

⁶⁷⁷ "Keskuspankit pistivät kaiken peliin estääkseen täyden talouskatastrofin", Helsingin Sanomat, 9 October 2008.

⁶⁷⁸ Erkki Liikanen, Governor of the Bank of Finland: Presentation at FIIA seminar, 11 December 2008, Helsinki.

⁶⁷⁹ "Etlan Sorjonen: Aika nerokasta", Helsingin Sanomat, 27 November 2008.

⁶⁸⁰ "Saksa ja Suomi kitsastelevat", Suomen Kuvalehti, 5 December 2008.

⁶⁸¹ "Talven keskellä kylmenevää", Suomen Kuvalehti, 22 December 2008.

⁶⁸² "EU:n uskottavuus koetuksella", Suomen Kuvalehti, 12 December 2008.

⁶⁸³ "Islannilta voi tulla EU-hakemus jo keväällä", Helsingin Sanomat, 26 November 2008.

⁶⁸⁴ "Euro houkuttelee", Suomen Kuvalehti, 7 November 2008.

⁶⁸⁵ "Kriisi muovaa Euroopan unionia", Helsingin Sanomat, 21 October 2008.

⁶⁸⁶ "Mediakin jo myöntää: Ruotsi hyötyy kruunustaan", Vaihtoehto EU:lle 3-4/2008.

⁶⁸⁷ "Kansallinen itsekkyyks nousee EU:ssa finanssikriisin myötä", Helsingin Sanomat, 25 October 2008.

⁶⁸⁸ Jorma Ollila, chairman of the board of "Nokia": "Mikä on järkevää talouspolitiikkaa syvän taantuman kynnyksellä?", speech at the 90th Anniversary of the Finnish Chamber of Commerce, 19 November 2008, Helsinki.

⁶⁸⁹ "Ollila: Suomi tarvitsee voimakkaampaa elvytystä", Helsingin Sanomat, 20 November 2008.

⁶⁹⁰ "Finanssikriisi: Miten maailma on muuttunut?", newsletter, The Research Institute of the Finnish Economy (ETLA), 29 October 2008.

⁶⁹¹ "Etla: Eurooppa juuttuu pitkään ja sitkeään taantumasaan", Helsingin Sanomat, 25 November 2008.

the EU's actions have proved the Union's ability to act – even if things have not worked out in a perfectly smooth way. If the EU is compared to the US as regards to consistency and effects of the decisions made, many of those who have criticized the Union need to now rethink their views.⁶⁹² According to him, the coordinated actions of the EU member states also support the Finnish exporting sectors.⁶⁹³

The Finnish public has a quite positive view of the EU's ability to pull the Union out of the slump. In a survey, 72 percent of Finnish citizens were of the opinion that the Union is able to positively influence economic stability and growth – thus placing these issues as the most commonly mentioned area of positive influence. Actually, more respondents mentioned economic stability and growth as an issue which the Union is well positioned to influence than as an issue which they themselves were concerned about.⁶⁹⁴

Jyrki Katainen agreed with the European Commissioner for Economic and Monetary Affairs, Joaquín Almunia, that the most important thing now is to improve the availability of funding. According to him, resuscitation on its own is not enough to turn the economic trend. So far, Finland has done a lot better than some of the other member states. Katainen, however, warns about false optimism, Finland is running fast into debt and Katainen stresses that this is a genuine risk.⁶⁹⁵

Rising star G20, otherwise a foggy vision

Though it was generally stressed that it was too early to predict what the long-term effects of the crisis will be,⁶⁹⁶ some assessments were nevertheless made.

Jorma Ollila, chairman of the board at “Nokia” and vice-chair of the EU reflection group, has high hopes of the role the G20 is taking, as well as of the policies G20 recommended in its Washington meeting, such as ensuring that demand keeps production from decreasing and refraining from protectionism.⁶⁹⁷ Erkki Liikanen, director of the board of the Finnish Central Bank, and Raimo Väyrynen, director of the “Finnish Institute of International Affairs” (FIIA), agreed about the importance of the G20 and that it will endure in the future. Väyrynen⁶⁹⁸ emphasised that the G20 meeting may have been an indicator of future institutional and regime changes, which will take the importance of the emerging economies more into account.⁶⁹⁹

With regard to the US, opinions were more mixed. While many Finns held the opinion that the position of the US will weaken,⁷⁰⁰ Jorma Ollila said that the US may in the end recover from the financial crisis faster than the EU. The US has two assets: a growing population and growing productivity, which give it room for manoeuvre.⁷⁰¹

Generally, China was seen as one of those power poles which will be least harmed by the crisis. Prime Minister Matti Vanhanen pointed out that demand is increasing in rising economies in the east while dwindling elsewhere. These economies will be able to change the parameters of comparison completely over the next decades. He even felt that the global economic developments will lead states into a competition between economic models.⁷⁰² Researchers, Matti Nojonen (the Finnish Institute of International

⁶⁹² Jyrki Katainen, Minister of Finance: “Talouden ja talouspolitiikan näkymät”, speech to the Finnish Economic Association, 25 November 2008, Helsinki.

⁶⁹³ Jyrki Katainen, Minister of Finance: “Talouden ja talouspolitiikan näkymät”, speech to the Finnish Economic Association, 25 November 2008, Helsinki.

⁶⁹⁴ Survey conducted between 1-11 January 2009 by TNS Gallup Oy on behalf of the European Parliament's Information Office in Helsinki and MTV3, available at: http://www.europarl.fi/ressource/static/files/dokumenttipankki/EU-2009-RAPORTTI_1.pdf (last access: 10 March 2009).

⁶⁹⁵ “Rajusta velkaantumisesta tuli EU-maiden uusin pelko”, Helsingin Sanomat, 21 January 2009.

⁶⁹⁶ See e.g. Jyrki Katainen, Minister of Finance: “Talouden ja talouspolitiikan näkymät”, speech to the Finnish Economic Association, 25 November 2008, available at: http://www.vm.fi/vm/fi/03_tiedotteet_ja_puheet/02_puheet/20081126Taloud/name.jsp (last access: 30 January 2009).

⁶⁹⁷ Jorma Ollila, chairman of the board of “Nokia”: “Mikä on järkevää talouspolitiikkaa syvän taantuman kynnyksellä?”, speech at the 90th Anniversary of the Finnish Chamber of Commerce, 19 November 2008, available at: http://www.kokoomus.fi/jyrkin_sivut/paivakirja/?x206056=209800 (last access: 30 January 2009).

⁶⁹⁸ Erkki Liikanen, governor of the Bank of Finland: presentation at FIIA seminar “Obaman valinnat”, 11 December 2008.

⁶⁹⁹ Raimo Väyrynen, researcher: Speech at FIIA seminar “Obaman valinnat”, 11 December 2008.

⁷⁰⁰ See e.g. Matti Nojonen/Mikael Mattlin, researchers: “Kiinalle kasautuu yhä suurempi vastuu maailman vakaudesta”, Helsingin Sanomat, 13 November 2008.

⁷⁰¹ Jorma Ollila, chairman of the board of “Nokia”: “Mikä on järkevää talouspolitiikkaa syvän taantuman kynnyksellä?”, speech at the 90th Anniversary of the Finnish Chamber of Commerce, 19 November 2008, available at: http://www.kokoomus.fi/jyrkin_sivut/paivakirja/?x206056=209800 (last access: 30 January 2009).

⁷⁰² Matti Vanhanen, Prime Minister: Speech at a Nordic summit, Helsinki, 28 October 2008, available at: <http://www.vnk.fi/ajankohtaista/puheet/puhe/fi.jsp?oid=242699> (last access: 30 January 2009).

Affairs), and Mikael Mattlin (University of Helsinki), predict that the financial crisis will increase the pressure on China to take a more responsible/leading role with regard to the international financial system faster than without a financial crisis. However, China is likely to remain somewhat reluctant to accept that role.⁷⁰³

Foreign Minister Alexander Stubb described the combined effect of the financial and Georgian crises as one of the three major turning points during the post-Cold War era. There are developments strengthening realism and power politics and yet the situation calls for multilateralism. The world can become either more multipolar or more multilateral, depending on how we let it develop. Of these two, multilateralism would be a much more benevolent environment; hence the current existing international institutions, should be strengthened.⁷⁰⁴

With regard to the EU, commentators were clearly less eager to say anything. However, one possible future consequence became debated very lively, namely the possibility that Iceland apply for the Union membership.⁷⁰⁵

Financial crisis and global governance

France*

EU needs to play a determinant role

All political and economical actors, as well as observers in France, strongly underlined the determinant role that the European Union needs to play in the regulation of financial capitalism. The French Presidency announced its willingness to strengthen and increase the EU prerogatives in terms of financial regulation, especially on financial institutions.⁷⁰⁶ Nicolas Sarkozy underlined the necessity of reinforcing the rules of

governance and internal control within these institutions, and of a better control of rating agencies. The report elaborated by French 'Commissaire aux Comptes', René Ricol, on the financial crisis draws conclusions leading to this direction. Among them, it suggests to allow the European Parliament to tackle the issue of the recent increase of raw material's prices.⁷⁰⁷ As for French Trade Unions, they are largely advocating for a strong role of the EU in regulating the economic and financial system. As the major Trade Union CFDT points out, "the positive role of tense periods is to rediscover the role of the EU and its institutions [...] Managing these difficulties imposed urgent and coordinated initiatives with undreamt success, even regarding the financial crisis".⁷⁰⁸

Unity prevailed throughout the crisis

From a general point of view, the way EU member states managed to deal with the financial crisis are quite well evaluated in France. The unity that prevailed between the member states is the first point underlined by political actors. The Minister for Foreign Affairs, Bernard Kouchner, was proud to announce the good understanding among the European member states. He also highlighted the fact that France stands firmly in favour of a new international regulation system, which should be transparent and well controlled.⁷⁰⁹ French MEP Alain Lamassoure also underlined the fact that the EU managed to stand united to deal with the financial crisis, qualifying the October European Council, in which the Action Plan has been unanimously approved by the 27 member states, as "exceptional".⁷¹⁰ Even if the tense relations between the French and German Heads of State have been emphasised, the final compromise, very important for the success of the Eurogroup meetings, is considered as a political victory.⁷¹¹ The Action Plan adopted by the 15 members of the Eurogroup is seen as a good way to preserve the financial system stability.

⁷⁰³ See e.g. Matti Nojonen/Mikael Mattlin, researchers: "Kiinälle kasautuu yhä suurempi vastuu maailman vakaudesta", Helsingin Sanomat, 13 November 2008.

⁷⁰⁴ Alexander Stubb, Minister for Foreign Affairs: Speech at the FIIA seminar "Europe's Declining Power? Assessing the EU's performance at the United Nations", 16 December 2008; Alexander Stubb, Minister for Foreign Affairs: Opening speech at the Annual Meeting of Heads of Missions, 25 August 2008, available at: <http://www.forin.fi/public/default.aspx?contentid=135322&nodeid=15149&contentlan=2&culture=en-US> (last access: 27 January 2009).

⁷⁰⁵ "Islannilta voi tulla EU-hakemus jo keväällä", Helsingin Sanomat, 26 November 2008.

* Centre européen de Sciences Po.

⁷⁰⁶ La Tribune, 02 September 2008.

⁷⁰⁷ Ricol R., *Rapport sur la crise financière*, Septembre 2008, available at: <http://lesrapports.ladocumentationfrancaise.fr/BRP/084000587/0000.pdf> (last access: 26 February 2009).

⁷⁰⁸ CFDT, "L'Europe active, utile et efficace", 15 December 2008, Communiqué de presse, available at: <http://www.cfdt-retraites.fr/spip.php?article1023> (last access: 26 February 2009).

⁷⁰⁹ Gestion internationale de la crise financière. Réponse du Ministre des Affaires Etrangères et Européennes, M. Bernard Kouchner, à une question d'actualité au Sénat, Paris, 30 October 2008.

⁷¹⁰ L'Express, 17 October 2008.

⁷¹¹ Le Point, 10 October 2008.

All political, social and economical actors, as well as experts and observers, are advocating for more regulation on the international stage. However, the G20 Summit, held in November 2008 in Washington, in which the EU advocated for a complete revision of the International Monetary Fund (IMF), has been considered with some scepticism in France. Even the President of the IMF, French economist Dominique Strauss Kahn, underlined the fact that changes in the international system will not be easy to reach. "Things are not going to change from one day to another. It took two years to prepare Bretton Woods. A lot of people are talking about a Bretton Woods II. It sounds good but we are not going to create a new international Treaty", he said.⁷¹²

Financial crisis and global governance

Germany*

United in economic diversity?

Before giving an overview of the German debate about the European Union's role in the current economic and financial crisis and the implications the crisis has for the global economic and political power constellation a short remark on the prominence of these topics in the general German discourse about the crisis has to be made. The topics touched here are less prominent in the public debate in Germany. Three other questions are far more prevailing: 1) Is it necessary to bail out bankrupt financial institutions? 2) Should the same be done for companies active in the real economy? 3) How is the money to support the economy efficiently spent and who receives which shares?

The evaluation of the EU's performance is often just a side aspect, but a general trend can be identified among these statements. Most people participating take an intergovernmentalist view of the European Union in the debate. The debate about long-term implications is even more restricted to expert circles. Most participants agree that multipolarisation will be the major effect of the current crisis.

⁷¹² Interview, LCI, 08 November 2008.

* Institute for European Politics.

Europe – a continent petrified by the crisis?

Reviewing the French Council Presidency the German Chancellor, Angela Merkel (Christian Democrats⁷¹³), concluded that Europe has shown that a common set of instruments and coordinated national approaches brought the financial crisis partly under control.⁷¹⁴ Furthermore, she argued that to cope with the economic crisis a common approach is even more necessary than in the case of the financial crisis. This common approach has to be coordinated among all member states and not in any type of a European subgroup, she said in a parliamentary debate. Thus, the European Council could be regarded as an "economic government of Europe".⁷¹⁵ Merkel and outspokenly the whole German federal government support the European Commission's "European Economic Recovery Plan"⁷¹⁶ as going into the right direction. But in the same debate Merkel called for level-headedness. The German federal government would take measures adequate to the development of the economic crisis, but in a mid-term perspective all states had to comply with the rules of the Stability and Growth Pact.⁷¹⁷ This policy of deficit spending which keeps Peer Steinbrück's, Social Democratic⁷¹⁸ Federal Minister of Finance, mid-term goal of having a balanced budget in mind, brought her soon criticism from many member states being "Germany's Frau Nein".⁷¹⁹

Frank-Walter Steinmeier, Social Democratic Federal Minister for Foreign Affairs, as a member of the German federal government

⁷¹³ Christlich Demokratische Union Deutschlands (CDU).

⁷¹⁴ Angela Merkel in the parliamentary debate on the European Council on 11 and 12 December 2008, in: Bundestagsplenarprotokoll 16/193, pp. 20683 (C)-20687 (C), here p. 20684 (A), available at: <http://dip21.bundestag.de/dip21/btp/16/16193.pdf> (last access: 25 February 2009).

⁷¹⁵ Ibid., p. 20684 (B).

⁷¹⁶ European Commission: Communication from the Commission to the European Council. A European Economic Recovery Plan, COM (2008) 800, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0800:FIN:EN:PDF> (last access: 25 February 2009).

⁷¹⁷ Angela Merkel in the parliamentary debate on European Council on 11 and 12 December 2008, in: Bundestagsplenarprotokoll 16/193, pp. 20683 (C)-20687 (C), here p. 20684 (B), available at: <http://dip21.bundestag.de/dip21/btp/16/16193.pdf> (last access: 25 February 2009).

⁷¹⁸ Sozialdemokratische Partei Deutschlands (SPD).

⁷¹⁹ Stefan Theil: Germany's Frau Nein. The world's policymakers say big spending packages will spur growth. But the leader of Europe's biggest economy says she's done enough already, in: Newsweek, 15 December 2008, available at: <http://www.newsweek.com/id/172619> (last access: 25 February 2009).

supports Chancellor Merkel's view, and argues that a 'one size fits all' approach would not be appropriate to stimulate the European economies with their different structures.⁷²⁰ In his role as the Social Democratic front runner in the federal parliamentary election in September 2009 Steinmeier emphasises other aspects.⁷²¹ In a strategy paper titled "European future pact for employment"⁷²² published on 13 November 2008 Steinmeier stresses that the citizens of the European Union, and the world, expect the Union to not only generate new legislation, but also to act. The paper lists nine proposals from an intensified social dialog to the claim that Europe should play a leading role in restructuring the global financial market.⁷²³

Steinbrück agrees with Chancellor Merkel on the German economic stimuli package and the general positive evaluation of the European Union's performance. He does not see any deficits in European coordination of fiscal and economic policy. The Council for Economic and Financial Affairs would come close to a 'European economic government' and the European Council could act in this role if necessary. He is strongly against the idea of the French President Nicolas Sarkozy to install an economic government of the Eurozone. That would divide the European Union in two classes of member states.⁷²⁴ Regarding the European Union as a whole, Steinbrück is more critical and identifies a "leadership problem" because "27 different members [...] have still not decided on how to work with each other".⁷²⁵

⁷²⁰ Frank-Walter Steinmeier in the parliamentary debate on the European Council on 11 and 12 December 2008, in: Bundestagsplenarprotokoll 16/196, pp. 21128 (B)-21132 (A), here p. 21129 (D), available at: <http://dip21.bundestag.de/dip21/btp/16/16196.pdf> (last access: 25 February 2009).

⁷²¹ Carsten Volkery: EU-Wirtschaftspakt: Kanzlerkandidat treibt Kanzlerin, Spiegel Online, 13 November 2008, available at: http://www.spiegel.de/politik/deutschland/0,1518,590293,0_0.html (last access: 25 February 2009).

⁷²² „Europäischer Zukunftspakt für Arbeit“, available at: http://www.spd.de/de/pdf/material/131108_EU_Zukunftspakt.pdf (last access: 25 February 2009).

⁷²³ Ibid.

⁷²⁴ Peer Steinbrück, Federal Minister of Finance, in an interview with Reinhold Beckmann, in: ARD: beckmann, 27 October 2008, minute 41:25-42:40, available at: http://www.daserste.de/beckmann/sendung_dyn~uid.exe47b6c7qbesrghz7jx7z77~cm.asp (last access: 25 February 2009).

⁷²⁵ Stefan Thiel: 'It Doesn't Exist!'. Germany's outspoken finance minister on the hopeless search for 'the Great Rescue Plan.', Newsweek, 15 December 2008, available at: <http://www.newsweek.com/id/172613> (last access: 25 February 2009).

The opposition in the German federal parliament tries to stress much more its criticism concerning the performance of the European Union and the federal government. But its general perception of the European Union is not so far away from the government's point of view. Werner Hoyer, Liberal⁷²⁶ MP, doubts that the European Union will be able to act effectively in 2009 due to the European elections, the decision about the new European Commission and a, according to Hoyer, weak Czech Presidency. Thus, he concludes that the national governments will be the crucial actors in the coming months. Meanwhile the German Federal Minister of Finance weakened due to, according to Hoyer, Germany's stance on the European level by criticising his colleagues from other member states. However, he especially agrees with the question whether the Stability and Growth Pact should be applied in a strict or loose manner with the federal government's European policy.⁷²⁷ Oskar Lafontaine from the Left Party⁷²⁸ evaluates the performance of the French Presidency very positively. He agrees with the French President Sarkozy that the current challenges the European Union is facing cannot be dealt with on a national level; a European-wide answer had to be found. But according to him the German federal government did everything it could to block a common European approach, but luckily did not succeed. A second point of disagreement with position of the German federal government, concerns the question of a 'European economic government'. The Left Party strongly favours this proposal of the French Presidency.⁷²⁹ According to Renate Künast, from the Green Party,⁷³⁰ the name "Madame Non" is an appropriate description of Chancellor Merkel's policy on the European level, which lacks any initiative. The conclusions of the European Council are, from her point of view, a non sufficient response to the economic crisis. One cause for the inappropriateness of the measures she

⁷²⁶ Freie Demokratische Partei (FDP).

⁷²⁷ Werner Hoyer in the parliamentary debate on the European Council on 11 and 12 December 2008, in: Bundestagsplenarprotokoll 16/196, pp. 21132 (B)-21133 (D), here p. 21132 (C-D), available at: <http://dip21.bundestag.de/dip21/btp/16/16196.pdf> (last access: 25 February 2009).

⁷²⁸ Die Linke.

⁷²⁹ Oskar Lafontaine in the parliamentary debate on the European Council on 11 and 12 December 2008, in: Bundestagsplenarprotokoll 16/196, pp. 21135 (C)-21137 (C), here p. 21135 (C)-21136 (A), available at: <http://dip21.bundestag.de/dip21/btp/16/16196.pdf> (last access: 25 February 2009).

⁷³⁰ Bündnis 90/Die Grünen.

identifies is the fact that ten ministers from different European member states have eight different opinions.⁷³¹

While politicians in Germany underline the reached or still necessary common European approach, scientists draw a more differentiated picture. Martin Koopmann, from the CDU-near the “Konrad-Adenauer-Foundation” agrees with the politicians that the common crisis management was efficient at last.⁷³² But first the governments underwent a ‘trial-and-error-process’ to find a common position, which especially between the French and German government, disagreements existed. Jutta Frasch, guest researcher at the “Stiftung Wissenschaft und Politik”, attributes these disagreements to the fact that the German government was caught by surprise and was not able to define its own strategy at first.⁷³³ This period of inefficient talk and action ended, according to Koopmann, with a period in which the positions of the European national governments converged. The nucleus of this process sees Koopmann⁷³⁴ in the meeting of the four European G8 member states on 4 October 2008.⁷³⁵ The following steps of this coordination process were the meeting of the Economic and Financial Affairs Council on 7 October 2008,⁷³⁶ the first meeting of the heads

of state and government of the Eurozone member states on 12 October 2008,⁷³⁷ and finally the European Council on 15 and 16 October 2008 on which the member states agreed on number of common measures to cope with the financial crisis.⁷³⁸ The role of the European Commission describes Koopmann in these times as a mere supporting one. Regarding the fact that the governments of the Eurozone member states played a crucial role in finding a common position on measures to solve the financial crisis Frasch remarks that establishing a economic government of the Eurozone, as proposed by French President Sarkozy, might be counterproductive. The informal character of the Eurogroup, according to Frasch, made it especially flexible enough to react efficiently.⁷³⁹

The well-suited reaction of the European Central Bank (ECB) is regarded as an example of efficient crisis management.⁷⁴⁰ According to Werner Becker, researcher at “Deutsche Bank Research”, the ECB fulfils three crucial functions during the crisis: It provides as a

⁷³¹ Renate Künast in the parliamentary debate on the European Council on 11 and 12 December 2008, in: Bundestagsplenarprotokoll 16/196, pp. 21139 (B)-21141 (A), here pp. 21140 (C)-21141 (A), available at: <http://dip21.bundestag.de/dip21/btp/16/16196.pdf> (last access: 25 February 2009).

⁷³² Martin Koopmann: Die Europäische Union in der Finanzmarktkrise. Gelungenes Krisenmanagement – strategische Defizite, in: Konrad-Adenauer-Stiftung e.V. (ed.): Analysen und Argumente No. 56, 3 December 2008, available at: http://www.kas.de/wf/doc/kas_15245-544-1-30.pdf (last access: 25 February 2009).

⁷³³ Jutta Frasch: Die Finanzkrise: Ein Weckruf für die EU, in: Hanns Günther Hilpert/Stormy Mildner (eds.): Globale Ordnungspolitik am Scheideweg. Eine Analyse der aktuellen Finanzmarktkrise, SWP-Studie 4/2009, pp. 21-26, here p. 21, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5758 (last access: 25 February 2009).

⁷³⁴ Martin Koopmann: Die Europäische Union in der Finanzmarktkrise. Gelungenes Krisenmanagement – strategische Defizite, in: Konrad-Adenauer-Stiftung e.V. (ed.): Analysen und Argumente No. 56, 3 December 2008, p. 4, available at: http://www.kas.de/wf/doc/kas_15245-544-1-30.pdf (last access: 25 February 2009).

⁷³⁵ See French Council Presidency: Summit on the international financial crisis, 4 October 2008, available at: http://www.eu2008.fr/PFUE/lang/en/accueil/PFUE-10_2008/PFUE-04.10.2008/sommet_crise_financiere_internationale (last access: 25 February 2009).

⁷³⁶ See Council of the European Union: 2894th Council meeting Economic and Financial Affairs, press release, Doc. 13784/08 (Presse 279), 7 October 2008, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pre

<ssdata/en/ecofin/103250.pdf> (last access: 25 February 2009).

⁷³⁷ See French Council Presidency: Summit of the euro area countries: declaration on a concerted European action plan of the euro area countries, 12 October 2008, available at:

http://www.eu2008.fr/PFUE/lang/en/accueil/PFUE-10_2008/PFUE-12.10.2008/sommet_pays_zone_euro_declaration_plan_action_concertee (last access: 25 February 2009); Council of the European Union: Summit of the Euro Area countries – Declaration on a concerted European Action Plan of the Euro Area countries, Doc. 14239/08, 14 October 2008, available at:

http://register.consilium.europa.eu/pdf/en/08/st14/st14239_en08.pdf (last access: 25 February 2009).

⁷³⁸ Council of the European Union: Brussels European Council 15 and 16 October 2008. Presidency Conclusions, Doc. 14368/08, 16 October 2008, available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/103441.pdf (last access: 25 February 2009).

⁷³⁹ Jutta Frasch: Die Finanzkrise: Ein Weckruf für die EU, in: Hanns Günther Hilpert/Stormy Mildner (eds.): Globale Ordnungspolitik am Scheideweg. Eine Analyse der aktuellen Finanzmarktkrise, SWP-Studie 4/2009, pp. 21-26, here p. 21, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5758 (last access: 25 February 2009). See as well: Daniela Schwarzer: Zehn Jahre Governance der Eurozone: ökonomische Bilanz und institutionelle Dynamiken jenseits der Vertragsrevisionen, in: *integration* 1/2009, pp. 17-32, here pp. 27-28, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/integration_2009/volltext/schwarzer1-09.pdf (last access: 25 February 2009).

⁷⁴⁰ Martin Koopmann: Die Europäische Union in der Finanzmarktkrise. Gelungenes Krisenmanagement – strategische Defizite, in: Konrad-Adenauer-Stiftung e.V. (ed.): Analysen und Argumente No. 56, 3 December 2008, p. 3, available at: http://www.kas.de/wf/doc/kas_15245-544-1-30.pdf (last access: 25 February 2009).

“lender of last liquidity”⁷⁴¹ not just the markets of the Eurozone with liquidity since the crisis emerged. Its monetary policy is internationally coordinated with the Federal Reserve in the United States. Finally, the ECB acts as a mediator between the national governments.⁷⁴² Politicians share the view that the common currency is a factor of stability during the economic and financial crisis as well.⁷⁴³

As a first critique Koopmann argues, supported by Heribert Dieter from the “Stiftung Wissenschaft und Politik”,⁷⁴⁴ that the crisis did not reach the European Union unexpectedly, but Europe did not prepare itself while the crisis crossed the Atlantic. Hans-Werner Sinn, economist at the “ifo Institute”, disagrees with this argument by saying that neither intensity nor the schedule of the current crisis could have been predicted.⁷⁴⁵ European governments had hoped that the financial crisis would remain in America; however, when the “Lehman Brothers” filed for bankruptcy, the seriousness of the financial crisis and its broadening effects could no longer be ignored.⁷⁴⁶

The second, and even more severe critique Koopmann expresses is the European Union’s insufficient equipment with institutional features to allow an immediate response to sudden

crises.⁷⁴⁷ The crisis put the lengthy debated question, whether an integrated market and common monetary policy can be efficient without a common fiscal policy, back on the agenda. Koopmann concludes that, due to this institutional ‘feature’ of the EU the European Commission can hardly be blamed for its inactivity during the crisis.⁷⁴⁸ Furthermore, Daniela Schwarzer, researcher at the “Stiftung Wissenschaft und Politik”, points out that the structure and size of the EU budget restrict the EU’s ability to stimulate the economy on its own.⁷⁴⁹ Frasch agrees that the loose coordination of the economic and fiscal policies of the member states under the framework of the ‘open method of coordination’ is causing problems, but points out that the “European Economic Recovery Plan”⁷⁵⁰ might be a sign for a revision on positions held by the national governments.⁷⁵¹ Schwarzer reminds here that a precondition is still a consensus between the member states’ governments on the fiscal policy measures.⁷⁵²

⁷⁴¹ Werner Becker: Die Währungsunion im Reifetest der Finanzkrise, Deutsche Bank Research (ed.): Aktueller Kommentar, 29 October 2008, p. 1, available at: http://www.dbresearch.de/PROD/DBR_INTERNET_DE-PROD/PROD000000000233153.pdf (last access 25 February 2009).

⁷⁴² Ibid., p. 1-2.

⁷⁴³ Norbert Röttgen: Europa in der Finanzkrise dank des Euro gut gerüstet, press release, 15 February 2008, available at: http://www.cducsu.de/Titel_Thema_des_Tages_Europa_in_der_Finanzkrise_dank_des_Euros_gut_geruestet/TabID_1/SubTabID_5/InhaltTypID_4/InhaltID_8904/Inhalte.aspx (last access: 25 February 2009).

⁷⁴⁴ Heribert Dieter: Managing the Financial Crisis – Is Europe Getting It Right?, SWP Comment 6/2009, pp. 1-2, available at: http://www.swp-berlin.org/en/common/get_document.php?asset_id=5774 (last access: 25 February 2009).

⁷⁴⁵ Hans-Werner Sinn in an interview, in: FAZ.NET: “Wir sollten uns nicht verrückt machen lassen”, 12 October 2008, available at: <http://www.faz.net/s/Rub58241E4DF1B149538ABC24D0E82A6266/Doc-E494F421C10D94F9C9E45520367479B7E~ATpl~Ecommon~Scontent.html> (last access: 25 February 2009).

⁷⁴⁶ Jutta Frasch: Die Finanzkrise: Ein Weckruf für die EU, in: Hanns Günther Hilpert/Stormy Mildner (eds.): Globale Ordnungspolitik am Scheideweg. Eine Analyse der aktuellen Finanzmarktkrise, SWP-Studie 4/2009, pp. 21-26, here p. 21, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5758 (last access: 25 February 2009).

⁷⁴⁷ Martin Koopmann: Die Europäische Union in der Finanzmarktkrise. Gelungenes Krisenmanagement – strategische Defizite, in: Konrad-Adenauer-Stiftung e.V. (ed.): Analysen und Argumente No. 56, 3 December 2008, p. 3, available at: http://www.kas.de/wf/doc/kas_15245-544-1-30.pdf (last access: 25 February 2009).

⁷⁴⁸ Ibid., p. 4; Nicolaus Heinen: Wirtschaftspolitische Koordinierung in der EU hat ihre Belastungsprobe bestanden, Deutsche Bank Research (ed.): Aktueller Kommentar, 17 October 2008, available at: [http://www.dbresearch.de/servlet/reweb2.ReWEB?addmenu=false&document=PROD000000000233065&rdLeftMargin=10&rdShowArchivedDocu=true&rwdspl=0&rwnode=DBR_INTERNET_DE-PROD\\$WIPO&rwobj=ReDisplay.Start.class&rwsite=DBR_INTERNET_DE-PROD](http://www.dbresearch.de/servlet/reweb2.ReWEB?addmenu=false&document=PROD000000000233065&rdLeftMargin=10&rdShowArchivedDocu=true&rwdspl=0&rwnode=DBR_INTERNET_DE-PROD$WIPO&rwobj=ReDisplay.Start.class&rwsite=DBR_INTERNET_DE-PROD) (last access: 25 February 2009).

⁷⁴⁹ Daniela Schwarzer: Zehn Jahre Governance der Eurozone: ökonomische Bilanz und institutionelle Dynamiken jenseits der Vertragsrevisionen, in: *integration* 1/2009, pp. 17-32, here pp. 29, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/integration_2_009/volltext/schwarzer1-09.pdf (last access: 25 February 2009).

⁷⁵⁰ European Commission: Communication from the Commission to the European Council. A European Economic Recovery Plan, COM (2008) 800, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0800:FIN:EN:PDF> (last access: 25 February 2009); Council of the European Union: Brussels European Council 11 and 12 December 2008. Presidency Conclusions, Doc. 17271/1/08, 13 February 2009, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/104692.pdf (last access: 25 February 2009).

⁷⁵¹ Jutta Frasch: Die Finanzkrise: Ein Weckruf für die EU, in: Hanns Günther Hilpert/Stormy Mildner (eds.): Globale Ordnungspolitik am Scheideweg. Eine Analyse der aktuellen Finanzmarktkrise, SWP-Studie 4/2009, pp. 21-26, here p. 22, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5758 (last access: 25 February 2009).

⁷⁵² Daniela Schwarzer: Zehn Jahre Governance der Eurozone: ökonomische Bilanz und institutionelle

Werner Abelshauser, professor for economic history, is more critical and criticises the performance of the European Commission as being not good. The member states remain the dominant actors, what is, according to him, not a disadvantage. He recognises the value of the European Union, especially in the current crisis, as an instrument that increases the nation states' ability to act.⁷⁵³ Going even further Joscha Schmierer, former adviser of Federal Minister for Foreign Affairs Steinmeier and former Federal Minister for Foreign Affairs Joschka Fischer, explicitly agrees in his column for the "Heinrich Böll Foundation. The Green Political Foundation" in a somehow unusual coalition with Sinn's following point of view.⁷⁵⁴ Sinn points out that according to their national economic structures each member state has different interests concerning the question how the crisis should be solved.⁷⁵⁵ Thus a common European approach to cope with the crisis is unlikely, as each government had to justify these measures before its national electorate.⁷⁵⁶ Sinn asks: Would the Brits pay for a bankrupt German industry? He doesn't think so.⁷⁵⁷

Evaluating the European crisis management is just one side of the debate. Most participants already think about lessons that should be drawn from the current crisis. Federal Minister

of Finance, Steinbrück, envisions the funding of a European financial authority in a long, but not in a short-term perspective, as a measure to prevent future financial crises.⁷⁵⁸ His secretary of state, Jörg Asmussen, pointed out in an article, on which role the European Union should play in short-term measures.⁷⁵⁹ According to him, the best way to reduce the probability of future financial crises is to implement the roadmap the Council for Economic and Financial Affairs agreed on in October 2007.⁷⁶⁰ But this had to be complemented by the implementation of the recommendations the "Financial Stability Forum" made in April 2008.⁷⁶¹ Dieter is much more pessimistic in his analysis: "A common European proposal for reforming international financial policy is increasingly unlikely [...]."⁷⁶² Especially the British interest in the 'city of London's' competitiveness on the global financial market is, according to him, a major obstacle for a common European position.⁷⁶³ But without a common position and a significant contribution to the stimulation of the economy, Europe will not play a significant role in restructuring the global financial market.⁷⁶⁴

Dynamiken jenseits der Vertragsrevisionen, in: *integration* 1/2009, pp. 17-32, here pp. 29, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/integration_2009/volltext/schwarzer1-09.pdf (last access: 25 February 2009).

⁷⁵³ Werner Abelshauser: Geschichte wiederholt sich nicht. Oder doch? Szenarien der Finanzmarktkrise, in: *Zeitschrift für Staats- und Europawissenschaft* 4/2008, pp. 565-576, here p. 575.

⁷⁵⁴ Joscha Schmierer: Die globale Finanzkrise prüft die Gemeinschaft. EU in der Bewährungsprobe, Zwischenruf zur Aussenpolitik, without date, available at: <http://www.boell.de/internationalepolitik/aussensicherheit/wirtschaft-5206.html> (last access: 25 February 2009).

⁷⁵⁵ Hans-Werner Sinn in an interview, in: FAZ.NET: "Wir sollten uns nicht verrückt machen lassen", 12 October 2008, available at: <http://www.faz.net/s/Rub58241E4DF1B149538ABC24D0E82A6266/Doc~E494F421C10D94F9C9E45520367479B7E~ATpl~Ecommon~Scontent.html> (last access: 25 February 2009).

⁷⁵⁶ Joscha Schmierer: Die globale Finanzkrise prüft die Gemeinschaft. EU in der Bewährungsprobe, Zwischenruf zur Aussenpolitik, without date, available at: <http://www.boell.de/internationalepolitik/aussensicherheit/wirtschaft-5206.html> (last access: 25 February 2009).

⁷⁵⁷ Hans-Werner Sinn in an interview, in: FAZ.NET: "Wir sollten uns nicht verrückt machen lassen", 12 October 2008, available at: <http://www.faz.net/s/Rub58241E4DF1B149538ABC24D0E82A6266/Doc~E494F421C10D94F9C9E45520367479B7E~ATpl~Ecommon~Scontent.html> (last access: 25 February 2009).

⁷⁵⁸ Peer Steinbrück, Federal Minister of Finance, in an interview with Reinhold Beckmann, in: ARD: beckmann, 27 October 2008, minute 18:20-18:50, available at: http://www.daserste.de/beckmann/sendung_dyn-uid_exe47b6c7qbesrghz7ix7z77~cm.asp (last access: 25 February 2009).

⁷⁵⁹ Jörg Asmussen: Politische Antworten auf die Finanzmarktkrise, in: *Neue Gesellschaft – Frankfurter Hefte* 11/2008, pp. 12-15, here p. 15.

⁷⁶⁰ Council of the European Union: 2822nd Council meeting Economic and Financial Affairs, press release, Doc. 13571/07 (Presse 217), 9 October 2008, pp. 22-29, available at: http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ecofin/96375.pdf (last access: 25 February 2009); for an updated version see: Council of the European Union: Financial Markets Stability Roadmaps, Doc. 9056/1/08, 15 May 2008, available at: <http://register.consilium.europa.eu/pdf/en/08/st09/st09056-re01.en08.pdf> (last access: 25 February 2009).

⁷⁶¹ Financial Stability Forum: Report of the Financial Stability Forum on Enhancing Market and Institutional Resilience, 7 April 2008, available at: http://www.fsforum.org/publications/r_0804.pdf (last access: 25 February 2009); for the progress in the implementation see Financial Stability Forum: Report of the Financial Stability Forum on Enhancing Market and Institutional Resilience. Follow-up on Implementation, 10 October 2008, available at: http://www.fsforum.org/press/pr_081009f.pdf (last access: 25 February 2009).

⁷⁶² Heribert Dieter: Managing the Financial Crisis – Is Europe Getting It Right?, SWP Comment 6/2009, pp. 1-2, available at: http://www.swp-berlin.org/en/common/get_document.php?asset_id=5774 (last access: 25 February 2009).

⁷⁶³ Ibid., p. 2.

⁷⁶⁴ Ibid.

“The world is clearly searching for a new order”⁷⁶⁵

“[N]ew players and Powers that still have to find their places in the international order are seeking to enter the global stage.”⁷⁶⁶ According to Steinmeier, Federal Minister for Foreign Affairs, the financial crisis is one factor among several contributing to this development. He is “certain that the painful tremors on the world financial markets will accelerate the multipolarization of the international financial system.”⁷⁶⁷ His fellow party member and Federal Minister of Finance, Steinbrück, does not “expect any immediate, visible shifts”⁷⁶⁸, but agrees with Steinmeier on the direction of the shift. According to him, within a decade, the importance of ‘wall street’ and the ‘city of London’ will not diminish but more financial centres will gain influence. He names China, Russia, the United Arab Emirates and Europe. This influence he does not just see in terms of economic power but also in political influence on regulatory frameworks and on the prevailing market philosophy.⁷⁶⁹ As a short-term result, Assmussen, secretary of state in the German Federal Ministry of Finance, expects that the financial sector’s share of world economy will decrease.⁷⁷⁰

The envisioned reform of the group of eight (G8) to a group of 20 (G20) is centrally discussed as a reaction to shifts in the international economic power constellation. Steinbrück regards it as an anticipation of future economic realities. While he does not believe that shifts in the economic power structure will go as far as a loss of the United

States’ leading role.⁷⁷¹ But after the G20 Summit on 15 November 2008 in Washington, he doubts that it will ever be possible to return to a G7 format.⁷⁷² In the leadership question, the German Federal Minister for Foreign Affairs, Steinmeier, is more sceptical: “no single player will be able to lay down those rules [regulating the financial markets]. It will no longer be possible for any one country to act as if it were immune to undesirable developments.”⁷⁷³ Scientists see as well the formation of the G20 as an indicator for the reevaluation of the political role of the ‘emerging markets’ as a long-lasting result of the current crisis.⁷⁷⁴

The evaluation of the G20’s future role is ambivalent: Abelshauser regards the open leadership question in the G20 as a problem. According to him in the G20 format, it is still unclear who will decide what.⁷⁷⁵ And he reminds that the goal of regulating the financial market has already been put on the agenda of the then G7 by the former German Chancellor Helmut Schmidt in 1980 and remained there unresolved since then. In a comparative perspective Hanns Günther Hilpert and Stormy Mildner conclude as well, that the increased number of actors make compromises on financial market regulations more difficult.⁷⁷⁶

⁷⁶⁵ Frank-Walter Steinmeier in his speech at the UN General Assembly, in: UN General Assembly: official records, 63rd session, 12th plenary meeting, 26 September 2008, Doc. A/63/PV.12, p. 47, available at: <http://daccessdds.un.org/doc/UNDOC/GEN/N08/522/65/P/DF/N0852265.pdf?OpenElement> (last access: 25 February 2009).

⁷⁶⁶ Ibid.

⁷⁶⁷ Ibid., p. 48.

⁷⁶⁸ Stefan Thiel: ‘It Doesn’t Exist!’. Germany’s outspoken finance minister on the hopeless search for ‘the Great Rescue Plan.’, Newsweek, 15 December 2008, available at: <http://www.newsweek.com/id/172613> (last access: 25 February 2009).

⁷⁶⁹ Peer Steinbrück: “Wie viel Vertrauen verdienen die Finanzmärkte?”, press release, 13 November 2008, available at:

http://www.bundesfinanzministerium.de/DE/Presse/Reden_20und_20Interviews/102_RedeGDV_13112008.html (last access: 25 February 2009).

⁷⁷⁰ Jörg Assmussen, secretary of state in the German Federal Ministry of Finance, in the discussion “Ansätze zur Finanzmarktregulierung” organised by the “Managerkreis der Friedrich-Ebert-Stiftung” on 4 December 2008 in Berlin.

⁷⁷¹ Peer Steinbrück: “Wie viel Vertrauen verdienen die Finanzmärkte?”, press release, 13 November 2008, available at:

http://www.bundesfinanzministerium.de/DE/Presse/Reden_20und_20Interviews/102_RedeGDV_13112008.html (last access: 25 February 2009).

⁷⁷² Stefan Thiel: ‘It Doesn’t Exist!’. Germany’s outspoken finance minister on the hopeless search for ‘the Great Rescue Plan.’, Newsweek, 15 December 2008, available at: <http://www.newsweek.com/id/172613> (last access: 25 February 2009).

⁷⁷³ Frank-Walter Steinmeier in his speech at the UN General Assembly, in: UN General Assembly: official records, 63rd session, 12th plenary meeting, 26 September 2008, Doc. A/63/PV.12, p. 48, available at: <http://daccessdds.un.org/doc/UNDOC/GEN/N08/522/65/P/DF/N0852265.pdf?OpenElement> (last access: 25 February 2008).

⁷⁷⁴ Hanns Günther Hilpert/Stormy Mildner: Einleitung, in: Hanns Günther Hilpert/Stormy Mildner (eds.): Globale Ordnungspolitik am Scheideweg. Eine Analyse der aktuellen Finanzmarktkrise, SWP-Studie 4/2009, pp. 7-12, here p. 12, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5758 (last access: 25 February 2009).

⁷⁷⁵ Werner Abelshauser: Geschichte wiederholt sich nicht. Oder doch? Szenarien der Finanzmarktkrise, in: Zeitschrift für Staats- und Europawissenschaft 4/2008, pp. 565-576, here p. 570.

⁷⁷⁶ Problemstellung und Schlussfolgerungen, in: Hanns Günther Hilpert/Stormy Mildner (eds.): Globale Ordnungspolitik am Scheideweg. Eine Analyse der aktuellen Finanzmarktkrise, SWP-Studie 4/2009, pp. 5-6, here p. 6, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5758

Instead, Steinmeier regards this increased number as a chance for the European Union. "Europe, with its tried-and-tested policy of mediation and reconciliation of interests, could play a key role in this."⁷⁷⁷

Financial crisis and global governance

Greece*

Once more surpassing the threshold of the Stability Pact

The severe financial crisis, as it has evolved, captured the attention of public opinion as well as of the political system in Greece. Initially the interest was more of a theoretical kind, since the Greek banking system was thought to be less exposed to 'toxic' sub-primes and the like; the first major indication that 'something dangerous was happening' came when the (then) Greek Minister of Economy and Finance took the lead in Europe (just after the Irish) to call for an increase to the legal bank deposits insurance (to 100,000 Euro) and to a 'political' blanket coverage of all deposits. Soon afterwards, a 28 billion Euro salvage package (+/- 10 percent of GDP) was voted in Greek Parliament to support the banking system – exposed as it was discovered to be to Southeastern Europe emerging markets, to Turkey and even Black Sea countries risk. As the days passed, the real economy also started to flinch and in early 2009 the refinancing of Greece's public debt (which according to 2007 data stood at 93.4 percent of GDP) was discovered to be quite a problem, while the spread between Greek government paper and German bonds widened to more than 250 basis points. Thus, all complacency vanished and Greece really 'discovered' the financial crisis in a scary way.

The awakening was rude for the political system; with a budget deficit once more surpassing the threshold of the Stability Pact, Greece seated a situation of 'excessive deficit' with all negative consequences associated to it. But at the same time, the strict EU/Eurozone

berlin.org/common/get_document.php?asset_id=5758 (last access: 25 February 2009).

⁷⁷⁷ Frank-Walter Steinmeier in his speech at the UN General Assembly, in: UN General Assembly: official records, 63rd session, 12th plenary meeting, 26 September 2008, Doc. A/63/PV.12, p. 48, available at: <http://daccessdds.un.org/doc/UNDOC/GEN/N08/522/65/P/DF/N0852265.pdf?OpenElement> (last access: 25 February 2008).

* Greek Centre of European Studies and Research.

discipline looming, appeared to constitute the only available safety net. In a book devoted to this awakening, former Prime Minister Costas Simitis described exactly how this "new age" financial crisis constitutes both for the EU and for Greece the proof that "an intergovernmental approach is problematic while some sort of economic governance must be established [...]. The problem of one country can become a problem for all. Economic governance that until now has not been acceptable will be imposed by reality – be it through existing institutions or with new forms of cooperation".⁷⁷⁸

Financial crisis and global governance

Hungary*

Global crisis – fragmented answers

The financial crisis hit the EU member states in different ways therefore the reactions to it have not been uniform either. In fact, a joint supranational approach could not be applied due to the fact that economic policies belong to national competences – only their coordination is effectuated at the EU level. These are the reasons why the EU does not have a single strategy to fight the crisis. The European Economic and Recovery Plan of 200 billion Euros proves this fact very well: 170 billion is originating in the national budgets, while 15 billion would be set aside from the EU budget and 15 billion could come from the European Investment Bank. Such a significant amount of money injected into the troubled economies of Europe may quickly entail the increase of budget deficits in the Eurozone countries threatening the Euro's stability and also showing a bad example to the member states still outside the single currency area. So all in all, this is far from a genuine European response to the problem – and this criticism is shared by many Hungarian experts.⁷⁷⁹

In regards to the international power constellations, significant changes must be reckoned with in the near future. Obvious signs for this are the transformation of G7 to G20, reflecting the growing weight of great and dynamic economies such as China, India or Brazil. In expert circles a kind of

⁷⁷⁸ Costas Simitis: "The Crisis" (in Greek), Polis Publishing, Athens 2008, p. 118.

* Institute for World Economics of the Hungarian Academy of Sciences.

⁷⁷⁹ Based on round table conferences at the Institute for World Economics in January and February 2009.

rearrangement of the international financial institutional system is also expected. As there was Basel II there should also be a Bretton Woods II.⁷⁸⁰ The present institutional set up should be revised (e.g. giving the International Monetary Fund (IMF) a greater controlling role, and even envisaging the merger of the Bank of International Settlements, the World Bank and the IMF, etc.). In the reformed international institutional system yielding greater voice to emerging economies seems to be inevitable. Within these developments, the EU (and especially the Eurozone) should play a more coherent role but this would require greater competences for the Union in terms of both tackling such crisis situations within the EU and being able to represent a single coordinated position on such issues in the global reform processes.

Hungary actually also made its important contribution to the crisis management efforts at the European level. At the occasion of the EU summit in October 2008, the Hungarian Prime Minister tabled four proposals in this regard.⁷⁸¹ The first one was about refocusing the EU's cohesion policy in favour of the small and medium sized enterprises. The second one suggested to temporarily suspend the budget deficit limit of 3 percent of GDP in crisis times. The third one referred to widening the intervention scope of the European Central Bank to the whole of the EU, and finally, Mr. Ferenc Gyurcsány also proposed to have a joint financial supervision system at European level. These proposals were actually backed by the Hungarian opposition as well. The chairman of Fidesz – Hungarian Civic Alliance, Mr. Viktor Orbán, reacted positively to these points and ensured the Prime Minister that these issues will also be supported by the Hungarian EPP-ED members.⁷⁸²

⁷⁸⁰ Based on round table conferences at the Institute for World Economics in January and February 2009.

⁷⁸¹ Gyurcsány négy javaslattal érkezett Brüsszelbe, EurActiv.hu, available at: <http://www.euractiv.hu/gazdasag/hirek/gyurcsany-negy-javaslattal-erkezett-brusszelbe> (last access: 27 February 2009).

⁷⁸² Ibid.

Financial crisis and global governance

Ireland*

The performance of the EU in the financial crisis

Membership of the European Union is perceived to have had a positive effect on Ireland in helping to limit the damage that the country is currently suffering as a result of the financial crisis. In particular there is a perception that membership of the Eurozone and strong support from the ECB is crucial to the survival of the Irish economy, which on its own is relatively small and very open.⁷⁸³

Coverage has also been given to positive moves by the ECB, for example the doubling of loan aid available to governments⁷⁸⁴ and the December 2008 European Council's agreement on a pan-EU Economic Recovery plan⁷⁸⁵ and joint action over toxic debt and the establishment of 'bad banks'.⁷⁸⁶

Expected shifts in the international power constellation

The most significant expected shift in international power affecting Ireland is the relative weakening of US diplomacy following the global financial crisis⁷⁸⁷ and the country's military intervention in Iraq and Afghanistan.

As part of a speech delivered at Keio University on 15 January 2009, the Taoiseach highlighted the limits of US power evident in the Iraq war, and the fresh opportunities for co-operation with an America which needs partners and with emerging powers in Asia and a resurgent Russia.⁷⁸⁸

* Institute of International and European Affairs.

⁷⁸³ See <http://www.irishtimes.net/newspaper/world/2008/1014/1223921127150.html> and <http://www.taoiseach.gov.ie/index.asp?locID=605&docID=4188> (last access: 23 March 2009).

⁷⁸⁴ See <http://www.independent.ie/business/european/eu-to-double-aid-for-governments-1513099.html> (last access: 23 March 2009).

⁷⁸⁵ See <http://193.178.1.117/index.asp?locID=582&docID=4139> (last access: 23 March 2009).

⁷⁸⁶ See <http://www.herald.ie/world-news/eu-ministers-look-to-cure-the-banks-of-toxic-assets-1634450.html> (last access: 23 March 2009).

⁷⁸⁷ See <http://www.irishtimes.com/newspaper/breaking/2009/0130/breaking47.htm> for example (last access: 23 March 2009).

⁷⁸⁸ See <http://www.taoiseach.gov.ie/index.asp?locID=605&docID=4188> (last access: 23 March 2009).

In his address to the Joint Committee on European Affairs on 20 January 2009, the Minister for Foreign Affairs, Micheál Martin, echoed these sentiments, and also gave considerable attention to the impact on the EU of a resurgent Russia and its energy dispute with the Ukraine, though admitting that this did not affect the gas supplies of Ireland itself.⁷⁸⁹

Financial crisis and global governance

Italy*

A year of uncertainties brings the need to connect with the new dynamic areas of the world

In the last months, many opinions have been expressed in Italy on the way the European Union intervened in reaction to the financial crisis. In this context, the expectations towards the EU are quite high, since it is common opinion that nowadays “the globalised market is too complex to be managed at a domestic and national level”⁷⁹⁰ and therefore there is great confidence in the role that Europe can play in the hard times we are going through. In this regard, it has been noted that, after the initiatives undertaken by the European institutions to face the financial crisis, “the public opinion may have a different perception, a more positive one, of the role that the Union can play”⁷⁹¹.

The confidence in the European Union is due to the fact that the EU has some advantages that can be usefully exploited in this situation. Tommaso Padoa-Schioppa, former Italian Minister for the Economy, said that Europe is strong for different reasons: its balance of payments is in equilibrium and there is monetary stability; the idea that the market is always efficient is less deep-rooted than in the United States; the welfare state in Europe is more developed than in other parts of the world and it makes it easier to face this kind of

crisis.⁷⁹² The Italian shadow foreign minister Piero Fassino said that there is a contradiction in the economy nowadays: while the production systems and consumer demand are globalised, these processes are still managed by many small national governments and by weak international organisations. In his opinion, the only possible answer to this discrepancy is to increase the power of regional organisations, of which the European Union is surely the most developed.⁷⁹³

Coordination of the interventions promoted in Europe after the Ecofin meeting in October 2008 has been judged positively by both Italian experts and politicians. However, in the opinion of some of them, there is still a lot of work to be done, because the European answer to the financial crisis has several inherent ‘costs’: the suspension of some fundamental principles of the common market, such as the prohibition of state aid; the softening of some fiscal and budgetary rules; the temporary renunciation of a higher level of financial integration in Europe; the marginalisation of the European Commission in favour of the intergovernmental approach.⁷⁹⁴ In particular, some journalists highlighted that, during the financial crisis, the intergovernmental approach has come out again as a result of the will of different EU member states to pursue their own domestic interests and to safeguard national actors as much as possible.⁷⁹⁵ This is why these analysts fear that the crisis “will act as a detonator [...] and put the *acquis communautaire* under discussion again”⁷⁹⁶, affirming that Europe will have to beware of not losing the progress achieved in the field of economic

⁷⁸⁹ See <http://foreignaffairs.gov.ie/home/index.aspx?id=80889> (last access: 23 March 2009).

* Istituto Affari Internazionali.

⁷⁹⁰ M. De Andreis/M. Marè: La crisi finanziaria e l'Unione Europea: quali insegnamenti per la governance europea?, 28 October 2008, available at: http://www.astrid-online.it/rassegna/28-10-2008/MARE-DE-ANDREIS_governance-ue_23_10_08.pdf (last access: 25 January 2009).

⁷⁹¹ M. T. Salvemini: Tre opzioni per una risposta europea alla crisi finanziaria, Affari Internazionali, 8 novembre 2008, available at: <http://www.affariinternazionali.it/> (last access: 25 January 2009).

⁷⁹² Interview to Tommaso Padoa-Schioppa, in: Il Regno 18/2008, available at: http://www.ilregno.it/it/rivista_articolo.php?RID=0&CODICE=49211 (last access: 25 January 2009).

⁷⁹³ See: L'Unione Europea e questa lunga crisi, Extrait du Euros du Village, available at: http://www.glieuros.eu/IMG/article_PDF/L-Unione-Europea-e-questa-lunga.2052.pdf (last access: 25 January 2009).

⁷⁹⁴ M. De Andreis/M. Marè: La crisi finanziaria e l'Unione Europea: quali insegnamenti per la governance europea?, 28 October 2008, available at: http://www.astrid-online.it/rassegna/28-10-2008/MARE-DE-ANDREIS_governance-ue_23_10_08.pdf (last access: 25 January 2009).

⁷⁹⁵ M. Marchi: L'Europa di fronte alla crisi finanziaria prova a salvare la faccia, L'Occidentale, 3 October 2008, available at: <http://www.loccidentale.it/> (last access: 25 January 2009).

⁷⁹⁶ M. De Andreis/M. Marè: La crisi finanziaria e l'Unione Europea: quali insegnamenti per la governance europea?, 28 October 2008, available at: http://www.astrid-online.it/rassegna/28-10-2008/MARE-DE-ANDREIS_governance-ue_23_10_08.pdf (last access: 25 January 2009).

integration and productivity.⁷⁹⁷ However, not all Italian commentators consider the use of the intergovernmental approach negative. Some of them believe that in this situation the European Union has successfully used the 'vanguard approach', already applied in other circumstances in the past: the need for a quick answer to the international economic crisis has led the major EU member states to work together to prepare a plan to face the challenge.⁷⁹⁸ Moreover, for once Europe has been a model for the United States and not vice versa.⁷⁹⁹

Some Italian analysts also believe that the present situation could be an opportunity for Europe to show its great potential. Maria Teresa Salvemini suggested three possible 'European' solutions to the current crisis. First of all, it would be useful to make the limits imposed by the Stability and Growth Pact less strict, allowing temporary budget deficits in situations of economic crisis. Secondly, she proposed establishing a 'European plan' that would make use of European financial resources, gained by issuing EU bonds ('Eurobonds'). Finally, she proposed an agreement within the Eurogroup aimed at harmonizing the budgetary policies by using the same instruments and rules. According to Salvemini, these proposals would be even more efficient if they were all undertaken together.⁸⁰⁰ As she wrote in her article, "the time for Europe in this field has come: now it has to make the best possible use of it"⁸⁰¹.

To conclude, the Italian public opinion has perceived the performance of the EU in the financial crisis positively, even if some questions still remain unsolved and some aspects of the European approach may need to be revised. Anyway, as the Italian journalist and historian Sergio Romano noted, even if the European answer to the crisis was not as coordinated as expected, at least Sarkozy's initiatives and the anti-crisis plan have made

Europe "more visible and more efficient". Therefore, in a certain sense, it may be affirmed that the crisis has not had only negative effects on the European Union.⁸⁰²

Expected shifts in the international power constellation

The year 2009 is expected to be a year of change in the international environment as the result of many factors that will surely influence the present power constellation.

The first factor that will inevitably affect the future balance of power is the election of Barack Obama as President of the United States. The new US administration's multilateral approach to foreign policy implies that it will look for reliable partners to intervene wherever it is necessary in the world. For this reason, many Italian commentators consider 2009 the year in which the European Union will have the possibility to play a key role on the international scene. For the United States, the Europeans are "the only allies who can seriously contribute to the stabilisation of crisis areas where American soldiers are engaged"⁸⁰³. Of course this is the case of Afghanistan and the tribal provinces of Pakistan, but there are also other areas of the world in which the EU can use its diplomatic, economic and even military power to act as a stabilising factor.

The first area of intervention should of course be the Middle East. The European Union is expected to play an important mediating role in the Gaza conflict; here the EU member states could have "a higher level of engagement", proportionate to the financial support that in the last years they have spent on stabilising the region, which is of the highest interest for them.⁸⁰⁴

Secondly, the EU will be a fundamental partner for the United States in the definition of a new relationship with Russia. It is common opinion that Russia is one of the pivotal elements of the future international power constellation. Especially after the crisis in Georgia, there are many reasons to re-establish communications with President Medvedev and his entourage. First of all, in the last months Russia has been

⁷⁹⁷ C. Altomonte/M. Nava: Bruxelles salva Wall Street? La governance dell'economia europea e la crisi finanziaria, ISPI Policy Brief No. 99, October 2008, available at: http://www.ispionline.it/it/documents/PB_99_2008.pdf (last access: 25 January 2009).

⁷⁹⁸ See: La crisi finanziaria e i nuovi equilibri mondiali, in: ISPI – Relazioni internazionali 30/2008, available at: <http://www.ispionline.it/it/pubblicazioni.php> (last access: 25 January 2009).

⁷⁹⁹ Ibid.

⁸⁰⁰ M. T. Salvemini: Tre opzioni per una risposta europea alla crisi finanziaria, Affari Internazionali, 8tNovembre 2008, available at: <http://www.affariinternazionali.it/> (last access: 25 January 2009).

⁸⁰¹ Ibid.

⁸⁰² S. Romano: L'Europa nella crisi. Un passo verso l'unione, Corriere della Sera, 3 November 2008.

⁸⁰³ L. Caracciolo: Il nuovo ruolo dell'Europa, Limes online 22 January 2009, available at: <http://temi.repubblica.it/limes/il-nuovo-ruolo-delleuropa/> (last access: 25 January 2009).

⁸⁰⁴ Ibid.

a factor of division both inside the European Union and in the transatlantic framework.⁸⁰⁵ Secondly, it will be impossible for the European Union to re-stabilise the Caucasus region and to implement its Neighbourhood Policy without a cooperative approach towards Russia.⁸⁰⁶ Thirdly, it is desirable to have better relations with a country that is one of the most important energy providers for the West. For all these reasons, it would be important for the EU to start an open dialogue with Russia in order to soften the tensions between this power and western countries.⁸⁰⁷

The other uncertain issue is the role that the so-called 'rising powers' will play. In particular, especially after the problems brought on by the financial crisis, it will be fundamental both for the US and the EU to promote an open and stable relationship with China. In the last months, there has been great concern in Italy for the future of EU-China relations. The deferment of the EU-China Summit planned for the beginning of December 2008 has been considered by Italian commentators as just "the tip of the iceberg of the deterioration of Sino-European relations that has occurred in the last years"⁸⁰⁸. Considering that China is one of the most powerful emerging economies and that its market is strongly linked to that of Europe – the EU is China's first trade partner and China is the EU's second trade partner after the United States – Italian analysts affirm that it is necessary for both China and the EU to cooperate to establish a good relationship again.⁸⁰⁹ In their opinion, "it is fundamental for both Italy and Europe to get connected with the most dynamic areas of the world", among which, China.⁸¹⁰ At present, the visit of Chinese Prime Minister, Wen Jiabao, to

Europe seems to be the first step towards a renewed partnership. This is even more important when considering that this trip, planned several months ago, will take place before any official Chinese visit to the new American President Obama.⁸¹¹ In this sense, the European Union could be the first to build the foundation for stronger links between China and western countries, the United States included.

The year 2009 will surely be characterised by uncertainty: many different changes are expected to occur and it is not easy to forecast how they will interact with each other. However, for the same reason, 2009 will also be a year of opportunities: the present financial crisis will probably provide the stimulus for a general reform of the global governance and of international institutions; the conflicts that occurred in the last months (Tibet, Georgia, Gaza) are likely to bring about deeper engagement of the main international actors and deeper cooperation among them; the multilateral approach of the new US President will probably be the platform for a more equal and balanced transatlantic partnership. Many analysts believe that the time has come for Europe to seize these opportunities. However, to make it happen, the EU will have to be more cohesive and ready to intervene in those areas where it can make a difference; it will have to show the other global powers, especially the new US administration, that it has the will to get involved in defining a new international balance.

Financial crisis and global governance

Latvia*

Response to global challenges should not be decided by a select few

Latvia expects the EU to react energetically to the challenge of overcoming the global economic decline and restoring growth and that in order to achieve this, a new architecture and new mechanisms are needed for the global financial system. The response to this global challenge should also include pursuing actively the Doha Round of discussions on liberalising world trade to their logical

⁸⁰⁵ M. Massari: Obama di fronte alla sfida russa, Affari internazionali, 5 November 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=980> (last access: 25 January 2009).

⁸⁰⁶ E. Greco: Il rapporto tra la Russia e l'Unione Europea: come rilanciare la cooperazione in vista del rinnovo dell'accordo di partenariato, Discorso tenuto in occasione della IX riunione della grande commissione Italia-Russia, in: camera dei Deputati, Documenti IAI 0830, Roma, 24/25 November 2008, available at: <http://www.iai.it/pdf/DocIAI/iai0830.pdf> (last access: 25 January 2009).

⁸⁰⁷ M. Massari: Obama di fronte alla sfida russa, Affari internazionali, 5 November 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=980> (last access: 25 January 2009).

⁸⁰⁸ N. Canarini: Un New Deal tra Europa e Cina, Affari Internazionali, 10 December 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=1022> (last access: 25 January 2009).

⁸⁰⁹ Ibid.

⁸¹⁰ S. Fagiolo: La paura della Cina, in: Aspenia, 41/2008, p. 233.

⁸¹¹ See: Usa-Ue-Cina, triangolo ad alta tensione, la Repubblica, 26 January 2009, available at: <http://www.repubblica.it/2008/06/rubriche/piazza-asiatica/cina-usa-ostili/cina-usa-ostili.html?rss> (last access: 25 January 2009).

* Latvian Institute of International Affairs.

conclusion and supporting consistently a policy of free and open trade.⁸¹² The resultant agreements and policies, Latvia feels, would present a wider window of opportunity for developing its own foreign trade relations.

More specifically, during the Czech Presidency of the EU, Latvia anticipates implementation of the steps agreed upon during the European Council of 11 and 12 December 2008. Likewise, Latvia anticipates simplification in the application procedure for, and speedier disbursement of, the various EU funds for assisting agriculture.

Latvia endorses the principles of the G20 declaration, announced in Washington on 15 November 2008, and would like to contribute to the discussions at the EU level of the follow-up G20 Summit in April 2009.

The performance of the EU in the financial crisis so far

Latvia tends to look at the performance of the EU in the worldwide financial crisis almost exclusively through the prism of its own set of problems and challenges, especially those deriving from its economic recession. Consequently, the view from Rīga can be summarised very quickly. Firstly, the government and the people are grateful for the Union's speedy decision to offer financial assistance. There is also much appreciation for allowing the recipient countries to choose the appropriate political instruments that they see as best suited for rejuvenating their economies. Thus, Latvians intend to follow closely how the assistance funds are spent so that the funds truly stimulate a solid economic recovery leading to renewed growth.

Expected shifts in the international power constellation

The response to this very broad question entails rather sophisticated prognostication and a global, rather than a national focus on current developments. As noted earlier, currently Latvia is most concerned with how best to resolve its own problems. Regarding the future, the ideas that have been aired so

far seem to reflect mainstream European thinking. One is that the response to global challenges should not be decided by a select few, but that the circle of discussants and decision-makers should be increased to include as many stakeholders as possible, even if arriving at an agreement becomes more time-consuming. This in turn could serve to revive the question of competences: when and where the EU should be represented as an organisation and when EU participation would be via the participation of individual EU member states? Without attempting to sort this question out – this has to be done by all the member states – one way that the EU can ensure its global relevance is by contributing visibly and effectively to a successful economic recovery of, and renewed growth, in its member states. This would also strengthen the Union's position in a multilateral world.

Financial crisis and global governance

Lithuania*

Attention is focused on the national level economic crisis

The issue of the financial crisis is widely discussed in Lithuania, both by the politicians and the public. Nevertheless, most of the discussions concentrate on the national level. The central issue in these discussions is the response of the new Lithuanian government to the crisis while the role of the EU in responding to the financial crisis is not widely deliberated.

There are only some remarks made publicly by the Lithuanian officials concerning the EU response to the financial crisis. In a press release published by the Lithuanian government, it is claimed that the Lithuanian government positively evaluates the European Council conclusion to form a group to coordinate the member states actions while dealing with the financial crisis.⁸¹³

⁸¹² The answers to this set of questions draw mainly on a document outlining Latvia's priorities during the Czech Presidency of the EU. See Latvian Ministry of Foreign Affairs: Latvijai būtiskākie jautājumi ārlietu jomā Čehijas ES prezidentūras laikā 2009. gada pirmajā pusē, available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/CehijaPrezidentura/> (last access: 25 January 2009).

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⁸¹³ Lithuanian government: Lietuva išsakys savo poziciją finansų krizės ir klimato kaitos klausimais (Lithuanian will deliver its position on the financial crisis and climate change), press release, 29 October 2008, available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6753 (last access: 25 January 2009).

European actions are congratulated, but individual measures should also be applied

Lithuania supports the European Commission objective to foster the recovery of the European economy and at the same time holds a position that it is important to coordinate the actions taken to fight the financial crisis among the countries, but every state should take in to account its own situation before choosing concrete actions for fighting the financial crisis.⁸¹⁴

An aspect which attracted most of Lithuanian officials' attention, speaking about the European Economic Recovery Plan, was a proposition in the following two years to give an additional fivebillion Euros from the EU budget to the priority projects of electricity interconnections and high speed internet, because it is expected that Lithuania would get a share of these money. Lithuanian President, Valdas Adamkus, claimed that "the adoption of the European Economic Recovery Plan, which foresees to mobilise five billion additional Euros for the development of the energy infrastructure, would be important to Lithuania. This money would be used for the strategic Lithuanian projects – electricity interconnections between Lithuania and Sweden and between Lithuanian and Poland.⁸¹⁵ The biggest Lithuanian daily, "Lietuvos rytas", wrote a similar remark that "it is the electricity connections in the Baltic region which are treated as the priority of EU projects, therefore it can be expected that a part of this money would go to these countries"⁸¹⁶.

Expected shifts in the international power

Speaking about the issue of the shifts of international power due to the financial crisis, it

⁸¹⁴ Lithuanian government: Premjeras A. Kubilius pristatys Lietuvos pozicijas Europos Vadovų Taryboje (Prime Minister A. Kubilius will present the Lithuanian positions in a European Council meeting), press release, 11 December 2008, available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6912 (last access: 25 January 2009).

⁸¹⁵ Lithuanian government: Prezidentas aptarė Lietuvos poziciją Europos vadovų tarybos susitikime Briuselyje (President has discussed Lithuanian position for the European Council meeting in Brussels), press release, December 9 2008, available at: <http://www.president.lt/lt/news.full/9947> (last access: 25 January 2009).

⁸¹⁶ Lietuvos rytas (newspaper): Derybos Briuselyje – be pralaimėjusių (Negotiations in Brussels – without the losers), 13 December 2008, available at: <http://www.urm.lt/index.php?-2146360448> (last access: 25 January 2009).

should be noted that the Lithuanian media tends to publish the articles and the comments of the foreign experts and there are little comments on the issue made by the Lithuanian officials or political scientists in the media. According to the member of the European Parliament from Lithuania, Justas Paleckis neither the USA, nor the rest of the world can fight separately with threats to the world. The only way for the USA and the EU to fight with these threats is to cooperate with China, Russia, India and the states of Latin America and Africa.⁸¹⁷

According to a Lithuanian political scientist, only two scenarios are possible due to the crisis

Speaking about the consequences of the financial crisis for the EU, an interesting remark has been made by one of the popular Lithuanian political scientists, Kęstutis Grinius. According to him, there are practically only two ways for the EU governments to deal with the crisis. One way would be a total nationalisation of all the economy, but Europe is not yet ready for that. Such actions could appear in the end of 2013. The other way would be a total monetisation of financial assets – any financial assets should be bought from the banks, corporations and inhabitants for the cash according to their par value.⁸¹⁸

Financial crisis and global governance

Luxembourg*

Common actions within the EU needed but no economic government

A European response to the financial crisis and challenges of global governance makes sense to all politically and economically relevant actors in Luxembourg. As a very small country,

⁸¹⁷ Bernardinai (news portal): Justas Paleckis. Naujasis JAV prezidentas gręžiasi į Europą ir pasaulį (Justas Paleckis. the new president of the USA looks back to Europe and the world), 9 December 2008, available at: <http://www.bernardinai.lt/index.php?url=articles/88743> (last access: 25 January 2009).

⁸¹⁸ See: Kęstutis Grinius. JAV krizės pasekmės ES: kitų variantų praktiškai nėra, išskyrus karinį komunizmą arba fašistinę diktatūrą (Consequences of the USA crisis to the EU: there are practically no other scenarios except for the military communism or fascist dictatorship), 15 December 2008, available at: <http://www.vartotojulyga.lt/lt/news/detail.php?ID=20050> (last access: 25 January 2009).

* Centre d'Etudes et de Recherches Européennes Robert Schuman.

whose economy is almost totally dependent on foreign trade relations and whose present prosperity is largely tributary to its financial services exports, Luxembourg is primarily hit by the financial crisis. But not for even one second can the Luxembourg government and parliament imagine reacting on their own behalf to the crisis. They can only act in cooperation with Luxembourg's neighbours, within the Euro group, or in all EU coordinated actions. As Luxembourg's Prime Minister and Minister of Finance, Jean-Claude Juncker is the current President of the Eurogroup, Luxembourg's voice in this matter is most audible through the declarations of its Prime Minister.

As President of the Eurozone and as Luxembourg's Minister of Finance, Jean-Claude Juncker wants a strong political message to be sent which should take in to account a global approach. The answer has to be decided on within a short term and must be limited in time. These measures must work within the framework of the Stability and Growth Pact decided during the Luxembourg Presidency in 2005.⁸¹⁹ But Juncker is well aware that "the new year is bringing serious tests to the economic framework of the European Union and the European currency zone".⁸²⁰ According to Juncker's personal predictions, positive growth will be seen again in 2011 only.⁸²¹

The French President, Nicolas Sarkozy, who was holding the EU-Presidency in the second half of 2008, pushed forward the proposition of an 'economic government' for the Eurozone: regular meetings of heads of state and government of the member states of the Eurozone – similar to those that had been hosted by the French President under the extraordinary circumstances of the financial crisis and that has pushed Europe's banking sector to the verge of total collapse. In the European Parliament, Sarkozy declared that this new forum could serve as a form of Eurozone 'economic government'. Luxembourg's Minister of Finance, Juncker, was not amused and declared that this idea was not new and that Sarkozy had argued in favour of it "on a number of occasions before" and "most members did not agree with that

idea" of an economic government.⁸²² Juncker's stand is supported not only by the German cabinet members, but also by the Czech government holding the EU-Presidency in the first half of 2009, which feels offended because of the fact that the Czech Republic is not a member of the Eurogroup.⁸²³

Juncker made several propositions within the framework of the European stability pact amended and reformed under the Luxembourg Council Presidency in 2005. This pact provides for flexible regulations for economic situations like the one "we are unfortunately in right now".⁸²⁴ Increasing deficits will be allowed temporarily. After an economic recovery it is essential, according to Juncker, to return to the strict course of budget consolidation. Countries now taking exaggerated austerity measures in order to fulfil some of the stability pact criteria would run the risk of suffocating their economies. Juncker argues that budget measures taken beyond the three percent deficit limit should be strictly confined to the area of public investment and specific tax cuts, where they seem to be appropriate: e.g. further spending on research and development. "At the end of the day we will see that the stability pact has reasonably adapted to the situation".⁸²⁵

Juncker called for EU treasury to bolster up the Eurozone. He could imagine the creation of a European agency able to emit 'Euro-bonds'. Of course Juncker knows very well that Germany would lose today's advantages under such an arrangement because it enjoys a higher level of confidence than that of other member states in the Eurozone. But in Juncker's view, this would not be the case after two or three years.⁸²⁶

Evaluation of EU's performance in the financial crisis so far

The role of the European Commission in the present financial crisis was criticised in Luxembourg, with the European Commission reacting too slow and timid. The 200-billion

⁸¹⁹ Luxemburger Wort: EU-Gipfel im Zeichen der Finanzkrise, 11 December 2008.

⁸²⁰ Dow Jones Newswires: Juncker on EU, 8 January 2009.

⁸²¹ Luxemburger Wort: Wirtschaftskrise dauert bis 2011, 10 December 2008.

⁸²² Euobserver.com: Juncker rejects Sarkozy's "economic government" for Eurozone, 4 November 2008.

⁸²³ Global Insight Daily Analysis: French government to hold Financial Summit after EU presidency, 20 November 2008.

⁸²⁴ Deutschlandfunk: Luxembourg premier on German role in European economic stimulus plans, radio interview, 9 December 2008.

⁸²⁵ Ibid.

⁸²⁶ The Daily Telegraph: Luxembourg calls for EU treasury to bolster Euro zone, 5 January 2009.

Euro package proposed by the President of the European Commission José Manuel Barroso to relaunch the European economy was not accepted by everybody. Juncker called it a guideline.⁸²⁷ Not every member state can really spend 1.5 percent of its Gross Domestic Product. Some will spend less. For Luxembourg's Communist newspaper "Zeitung vum Lëtzebuerger Vollek", those 200 billion Euros are merely taxpayers' gifts to the big European corporations.⁸²⁸ Even the independent newspaper "Quotidien" reflects a far-spread opinion: "The Barroso relaunch plan is not ambitious enough", whereas the Luxembourg-based European Investment Bank's idea of a 31 billions loan on a two-years basis for 2009 and 2010 finds strong support.⁸²⁹

Shifts in the international power constellation expected?

The shifts in the international power constellation caused by financial and economic crises are difficult to predict. They may have serious consequences on the internal cohesion of the EU according to Jean-Claude Juncker, because the Southern states of Eurozone and Ireland cause problems. Differences in the interest rates suggested by the different member states of the Eurozone may well lead to internal tensions. Juncker has already called for the emission of 'Euro-bonds'. The wages evolution and the fiscal policies of several Eurozone countries strive into opposite directions and cause rising problems to the European Central Bank.⁸³⁰

Financial crisis and global governance

Malta*

Praise for European leadership

Coordination of macroeconomic policies, one year after adoption of the Euro, is largely regarded as a blessing with the benefit of hindsight for some. The leadership shown during the financial crisis by the likes of British

⁸²⁷ Luxemburger Wort: Prognose von Premierminister Juncker vor dem EU-Gipfel, 10 December 2008.

⁸²⁸ Zeitung vum Lëtzebuerger Vollek: 1200 Milliarden Euro für die Konzerne de EU, 3 December 2008.

⁸²⁹ Le Quotidien: Le plan de relance soutenu timidement, 3 December 2008.

⁸³⁰ Süddeutsche Zeitung: Europa driftet auseinander, 21 January 2009.

* Mediterranean Academy of Diplomatic Studies, University of Malta.

Prime Minister Gordon Brown and French President Nicolas Sarkozy, has been very welcomed by Malta.

2009 to be met with challenges, rising economic powers and increased globalization

The year 2009 is therefore certain to be a very challenging year, a year that calls for true leadership on a global stage. Twenty years since the end of the Cold War, the post-Cold War contours are becoming more and more clear as the rise of China, India and other powers becomes more obvious and the relative decline of America more apparent. Turbulence in the economic sector and chaos in the political sector are signs of a changing world order where the west is surrendering centuries of economic and political hegemony. 2009 will witness a further ushering in of a globalization process where weakened nation states and international organizations are seeking to find their place in the emerging multipolar system by addressing the multitude of challenges they are facing.

Continuation of reform

In the transitory times we are experiencing, it is clear that the EU must continue with its process of reform aimed at making the EU more competitive. Ratification of the Lisbon Treaty will result in making the EU more coherent and allow it to play a more active role on the international stage.

Financial crisis and global governance

Netherlands*

The Netherlands and the financial crisis

Dutch public opinion concerning the EU response regarding the financial crisis shows a watershed between the period before and after the agreement on the EU economic recovery plan. Before the December European Council in Brussels, the Netherlands witnessed a strong national coherent sentiment to fight this crisis, which was perceived as being a legacy from foreign origin. Prime Minister Balkenende describes this attitude as typical Dutch: "when cycling against the wind, Dutchmen will only

* Netherlands Institute of International Relations 'Clingendael'.

pedal faster".⁸³¹ In this period, concerns on the absence of the EU in the financial crisis started to mushroom.

After the European Council, the public attention focussed more on the Dutch benefits of the single European market and the strong monetary system for the Netherlands. On the whole, the European approach to the financial crisis received relatively little attention in Dutch media. Most attention was awarded to Minister of Finance Wouter Bos, who received broad praise for his decisive approach in times of crisis. The Dutch government's policies of nationalising and supporting vital banks (Fortis, ABN Amro, ING), guaranteeing inter banker loans, and fiscally supporting small and medium enterprises, are aimed at securing capital flows within the national economy, and received national and international praise. Minister Bos was even voted politician, and more recently, Dutchman of the year by respectable media.

Since most of the national measures to address the economic crisis had already been taken before the European plan was agreed upon, the general Dutch expectations of the EU vis-à-vis the crisis were moderate. In the Netherlands, they are perceived as a 'toolbox' for national policies in the field, a guidebook listing the possibilities and actions for the member states' governments. The added value of the European recovery plan has to be found, according to Minister Bos, in the coordination of the 27 national policies.⁸³²

By the end of the year, however, Prime Minister Balkenende praised the European Union's response, and stated that the relatively small effects of the economic crisis within the Eurozone have demonstrated the benefits of European cooperation.⁸³³ The Euro, according to Balkenende, has demonstrated to be a protective wall against the monetary violence of the international financial crisis, which has to be seen as an opportunity to strengthen European cooperation. Most likely, the Prime Minister deemed this plea necessary, since the praise for the EU approach to the financial crisis had not been given as much coverage as

the negatives. These negatives consisted in particular of the lack of financial control also on the European level, and the constant quarrels between the capitals and Brussels, in the period leading up to the agreement on the European recovery plan at the European Council of December. Several national members of parliament, who deemed the EU recovery plan to be unnecessary, and a 'rubber stamping machine' for national plans, voiced these negative concerns.⁸³⁴ Also, the alleged leniency towards state aid and the stabilisation pact has received mixed reactions among Dutch parliamentarians.⁸³⁵

However, these diverse opinions can be explained when one considers the position the Netherlands took before and during the negotiations of the recovery plan. Balkenende openly stated just two weeks before the European Council, that the 1.5 percent contribution of the member states to the recovery plan was too high, and that the Netherlands had already taken enough measures to combat the crisis.⁸³⁶

Debate in the Netherlands on the international power constellation concentrated on the (economic) downfall of the US as a world power. In reaction, pleas to form a strong voice of the EU vis-à-vis international financial affairs have started to mushroom, with some ministers openly supporting the French offer to continue to lead Eurogroup, after the end of the French Presidency.⁸³⁷ However, this does not mean that the Netherlands is keen on having a single EU seat within the governing bodies of the International Monetary Fund (IMF) and the Worldbank, which would imply it to give up its own permanent seat. Instead, Minister Bos and Prime Minister Balkenende called for an increased mandate for improved capacities of the IMF in the international crisis,

⁸³¹ Jan Peter Balkenende: Op karakter (With character), Het Financieele Dagblad, 20 December 2008.

⁸³² Kredietcrisis. Iedere Europese regeringsleider heeft zijn eigen recept voor het bestrijden van de recessie (Credit crunch. Every European head of state has his own recipe to solve the recession), NRC Handelsblad, 11 December 2008.

⁸³³ Jan Peter Balkenende: Op karakter (With character), Het Financieele Dagblad, 20 December 2008.

⁸³⁴ Brussel had beter geen herstelplan kunnen maken (Brussels better had not made a recovery plan), Algemeen Nederlands Persbureau, 1 December 2008, available at: <http://www.nu.nl/economie/1865767/brussel-had-beter-geen-herstelplan-kunnen-maken.html> (last access: 26 February 2009).

⁸³⁵ Algemeen Dagblad: Kamer verdeeld over coulance met Europese regels (Parliament divided over leniency towards European rules), 26 November 2008.

⁸³⁶ Nederlands Dagblad: Premier bekritiseert EU-plan voor economie (Prime Minister criticises EU recovery plan), 26 November 2008.

⁸³⁷ Bos neemt voorstel Sarkozy over Eurogroep serieus (Bos takes Sarkozy's offer concerning the Eurogroup seriously), Algemeen Nederlands Persbureau, 24 October 2008.

strengthening its leading role in the world economy.⁸³⁸

Financial crisis and global governance

Poland*

The effects of the financial crisis on Poland

In the beginning of November 2008, some economists and bankers asked the government for the preparation and implementation of the anti-crisis packet. Most banks ceased to give enterprises loans that resulted in hampering further investments. According to Central Statistical Office data, the production value in November 2008 decreased by 13 percent in reference to October 2008 and by 9 percent in reference to the corresponding period of 2007.

On 30 November 2008, the government introduced the packet *The Stabilization and Development Plan*. The Prime Minister, Donald Tusk, stressed that the most important issue was to provide financial stabilization and to take actions supporting economic growth.⁸³⁹ The government's plan has the value of over 91.3 billion PLN. Among main actions there were: the increase of guarantees for banks, creation of additional credit schemes for SMEs with the value of 20 billion PLN, and accelerating the investments financed with EU structural funds estimated at 16.8 billion PLN. The key point for the government was to sustain the planned level of budget deficit and to implement changes in laws, enabling more efficient actions of credit institutions. *The Stabilization and Development Plan* foresees to establish *The Social Solidarity Reserve* of 1.14 billion PLN, which is meant for parts of society most affected by the crisis. Simultaneously, the Minister of Finance, Jacek Rostowski, presented the latest estimate of Polish economic growth that in 2009 was reduced from 4.8 percent to 3.7 percent. He added that it is compulsory to reduce some

budgetary expenses in order to sustain the deficit on an earlier estimated level.

The largest opposition party, *Law and Justice*, representatives presented a different attitude – Joachim Brudziński supported the Plan, Karol Karski estimated it as “the plan without any hard facts”.⁸⁴⁰ In the beginning of December 2008, the leader of the party, Jarosław Kaczyński, criticized *The Stabilization and Development Plan* and added that *Law and Justice* is preparing its own vision of economic policy, plainly different from the governmental one. Such a packet would be indeed an anti-crisis one, but in its idea it should support rapid economic growth.⁸⁴¹

Opinions of economists towards the governmental plan were divided. Krzysztof Rybicki – representative of “Ernst&Young” supported the idea of facilitating the access to EU structural funds and was opposed to the idea of creating the governmental guarantees for banks and the introduction of a 3-year tax allowance for firms. Both the former Minister of Finance and the former Minister of Economy – Mirosław Gronicki and Jerzy Hausner – backed up the guarantees for firms that reduce financial risk as well as acceleration of expenses from EU structural funds, and opposed the idea of guarantees for selected economic ventures as well as for export credits. Stefan Kawalec – former Minister of Finance – supported the idea of creating the credit program for SMEs and opposed to assign 5 billion PLN for guarantees for firms and the creation of some economic stimulus for emigrants in order to facilitate their return to Poland.⁸⁴² Jan Winięcki – Professor of Economics at the *University of Information Technology and Management* in Rzeszów commended the plan for its simplicity adapted to cyclical development of capitalistic economies. Marcin Peterlik, an expert at the “Institute for Market Economics”, also

⁸³⁸ Le Monde: La stabilité financière, bien public mondial, 4 November 2008.

* Foundation for European Studies - European Institute.

⁸³⁹ IAR Internetowa Agencja Radiowa [Internet Radio Agency], 30 November 2008, “PKB 3,7%, rezerwa solidarności społecznej – rząd przedstawił plan anty kryzysowy” [GDP 3,7 percent, the Social Solidarity Reserve – government presented anti-crisis packet], available at: <http://gospodarka.gazeta.pl/> (last access: 25 January 2009).

⁸⁴⁰ PAP, Polish Press Agency, 30 November 2008, Karski: plan rządu bez konkretów [Government plan without hard facts], available at: <http://www.pb.pl/> (last access: 25 January 2009).

⁸⁴¹ IAR, Internetowa Agencja Radiowa [Internet Radio Agency], 4 December 2008, J. Kaczyński krytycznie o rządowej walce z kryzysem [Jarosław Kaczyński criticizes government's anti-crisis measures], available at: <http://gospodarka.gazeta.pl/> (last access: 25 January 2009).

⁸⁴² Polski plan na kryzys, czyli eksperci sobie, rząd sobie, 28 November 2009 [Polish plan for crisis: government and experts – each going his own way], available at: <http://www.media.egospodarka.pl> (last access: 25 January 2009).

supported the plan and added that results of such actions might be seen in 2009.⁸⁴³

According to representatives of the "Polish Confederation of Private Employers Lewiatan", *The Stabilization and Development Plan* presented by the government is a chance for the SME's sector, but it is lacking a reduction of non-financial labour costs and simplifications in the fiscal policy system.⁸⁴⁴ "The All-Poland Alliance of Trade Unions" (OPZZ) assessed the plan as insufficient. According to the alliance, in crisis the government should support all citizens, not only enterprises, and the Cabinet should not allow changing the labour law which is adequate to second the anti-crisis actions, especially on the level of employing institutions.⁸⁴⁵

The head of the "Polish Bank Association", Krzysztof Pietraszkiewicz, claimed that the effects of the financial crisis may be greatly limited. In his opinion, more efficient cooperation between the National Bank of Poland and private banks is necessary. He added that loan and guarantee funds would be more significant, especially those that would provide additional financial resources for SMEs.⁸⁴⁶

According to a public opinion poll conducted by "TNS OBOP" in November 2008, 66 percent of the respondents do not claim to be directly affected by the financial crisis. 5 percent of households in Poland lost money due to the changes of shares value and in foreign currencies exchange rates, 16 percent were affected by the decrease of savings invested in pension funds, and 11 percent of respondents had to pay greater mortgage.⁸⁴⁷ A

⁸⁴³ IAR, Internetowa Agencja Radiowa [Internet Radio Agency], 30 November 2008, Kaźmierczak: Rząd próbuje walczyć z kryzysem, którego w Polsce de facto nie ma [Government attempt to fight crisis which is not existent in fact], available at: <http://gospodarka.gazeta.pl/> (last access: 25 January 2009).

⁸⁴⁴ IAR, Internetowa Agencja Radiowa [Internet Radio Agency], 4 December 2008, PKPP Lewiatan: "Plan Stabilności i Rozwoju" szansą dla MŚP [Stability and Development Plan: A chance for SMEs], available at: <http://www.egospodarka.pl> (last access: 25 January 2009).

⁸⁴⁵ PAP, Polish Press Agency, 29 December 2008, OPZZ: w działaniach antykryzysowych uwzględnić interesy pracownicze [Anti-crisis measures should take in account labour interests], available at: <http://praca.gazetaprawna.pl> (last access: 25 January 2009).

⁸⁴⁶ IAR, Internetowa Agencja Radiowa [Internet Radio Agency], 19 December 2008, Skutki kryzysu można ograniczyć [Cost of crisis can be brought down], available at: <http://gospodarka.gazeta.pl/> (last access: 25 January 2009).

⁸⁴⁷ PAP, Polish Press Agency, 26 November 2008, TNS OBOP: dwie trzecie badanych nie czuje się dotknięta

Eurobarometer survey, that took place in the same period of time showed that 39 percent of Poles evaluate the current economic situation in Poland as "good" (8 percentage points less than one year ago), and 55 percent as "bad" (6 percent more than one year ago). Further deterioration of the economic situation is foreseen by 31 percent of Poles, and 20 percent of Poles expect improvement.⁸⁴⁸

Financial crisis and global governance

Portugal*

EU initiatives seen as potentially a positive way to deal with financial crisis

The year 2009 is certainly a year of great uncertainties regarding the future of the EU after the Irish 'No', particularly when this will be coupled with the unknown impact of the current financial and economic crisis, that seems to many more structural than simply a cyclical recession. But it may also be a year of opportunities. It will certainly be a year of great expectations of change in transatlantic relations and even in global politics with the arrival of President Obama at the White House.⁸⁴⁹ The combination of these factors seems to point to 2009 as a year of both great opportunities and great challenges in terms of the future of the EU and of global governance.

The financial crisis may have demonstrated once more that the reality of globalisation in the shape of increased economic and social interdependence has its limitations in terms of governance, namely in providing effective regulations for globalised financial markets. The expectations regarding the EU in this context are very high in Portugal – European initiatives are largely seen as the only way to come up with effective answers to such an international and multidimensional crisis. Even if some will then use this starting point to criticise the EU difficulties and hesitations in

kryzysem [Two thirds of respondents affected by crisis], available at: <http://www.gazetaprawna.pl/> (last access: 25 January 2009).

⁸⁴⁸ PAP, Polish Press Agency, 18 December 2008, Eurobarometer: Na tle UE Polacy optymistycznie oceniają gospodarkę [Vis-à-vis EU Poles optimistically assess the economy], available at: <http://gospodarka.gazeta.pl/> (last access: 25 January 2009).

* Institute for Strategic and International Studies.

⁸⁴⁹ See e.g. SpiegelOnline International: The World President. Great Expectations for Project Obama, available at: <http://www.spiegel.de/international/world/0,1518,589816,0,0.html> (last access: 21 November 2008).

responding to the crisis, and question whether more effective different policies could not be pursued. Others still see in these difficulties primarily evidence of the need to reform the EU, either to strengthen it, or to change the mandate of the European Central Bank so as to make sure that due account is given to the need to balance growth and employment with price stability.⁸⁵⁰

Still, economic analysts tend to emphasise the harsh lessons of crisis for smaller countries outside of Euroland and of the EU, most notably Iceland. Icelandic difficulties are generally seen as evidence of what might have happened to a country like Portugal – even more so because it would not have been shielded for so long by prejudices regarding Northern Europe's fiscal responsibility and financial prudence, twice denied in the last few years by the banking crisis in Sweden and now in Iceland. In fact, criticism of the international rating firms was widespread, most notably pointing to the preconceptions that led to Iceland being awarded the highest possible ratings until the eve of its financial meltdown. Moreover, the belated urge of Iceland to join the EU and the Euro was seen as evidence that national sovereignty may not be as effective and as attractive now as it once were. The fact that Slovakia became the sixteenth state to join the Euro was generally seen as further proof of the attractiveness of the European currency in times of crisis. The fall of the British Pound has often been presented as further evidence of this. While at the same time causing some concern regarding the increased competitiveness of British exports vis-à-vis those of countries in Euroland, posing a renewed challenge to the principle of fair competition at the heart of the European internal market. The topic of the relative shield provided by the Euro and the wish of others to join has, in sum, been a relatively frequent theme in the Portuguese press.⁸⁵¹

One important economic commentator called attention to the tenth anniversary of the Euro, labelling it the most ambitious, complex and successful monetary experience in history. Still, even he called attention to some problems for the future, mainly derived from fiscal irresponsibility resulting in growing breaches of the stability pact as well as the enduring rigidity of markets, particularly the

labour markets.⁸⁵² Traditionally more eurosceptic commentators have emphasised arguments that Europe was perhaps once protective of the Portuguese economy – but in a negative way, because it shielded companies in need of reform – but now is no longer able, because of globalisation and the World Trade Organization's rules, to perform that role, making the Portuguese economic future even more gloomy.⁸⁵³

The role of the Portuguese President of the European Commission, José Manuel Barroso, in the development of the stimulus package against opposition from some countries, namely the traditionally Europhile but fiscally conservative German government, also deserved some attention and speculation as to its impact in his ability to be reappointed to that role later this year. The EU stimulus package was largely welcomed as an important sign that the EU would support and complement the effort being made by national governments to invest more, even if its size had been reduced as a result of pressure from a number of countries, notably Germany.⁸⁵⁴ Some commentators, particularly from the 'far left', have seen it as insufficient, advocating a much stronger presence of the state in the economy. While others worried about where the money would come from, and how effectively it would be spent by the states, with or without a clear strategy that would see spending in key sectors – like energy efficiency, and technological development, and not simply in building infrastructure.⁸⁵⁵

The more radical critique was evident in the Left Bloc appeal to a nationalisation of economically important sectors. This, in turn, caused the reaction of some analysts pointing to difficulties in setting boundaries to a nationalisation following that rationale – what would be the criteria for nationalising companies? Above all, the disastrous consequences of a kind of blind nationalisation of large sectors of the economy in 1975 was used to illustrate the point that this radical leftist strategy had a very negative impact in

⁸⁵² João César das Neves: O Nascimento do Euro, *Diário de Notícias*, 2 February 2009.

⁸⁵³ António Barreto: A Europa não é o que era, *Público*, 1 June 2008.

⁸⁵⁴ Isabel Arriaga e Cunha: Plano Barroso contra a recessão já só conta com 195 mil milhões, available at: <http://eurotalkiac.blogspot.com/> (last access: 2 December 2008).

⁸⁵⁵ Portuguese government: Protocolo para apoiar instalação de painéis solares em edifícios habitacionais, press release, available at: <http://www.portugal.gov.pt> (last access: 30 January 2008).

⁸⁵⁰ Luís Rego: Europa hesita na resposta à crise internacional, *Diário Económico*, 23 September 2008.

⁸⁵¹ Sérgio Aníbal: Ao fim de dez anos, o euro é mais desejado do que nunca, *Público*, 2 January 2009.

Portuguese economic performance in the past without any visible economic benefits for the country. Still, the fact that these proposals again emerged in the political debate – even if the possibility of such a strategy being victorious in the next elections is seen as very remote to say the least in all the polls so far – does show the radicalisation of debate on these matters as a consequence of the crisis. The government tried to show that it was indeed investing more with a vision, namely by announcing important fiscal benefits and direct subsidising of investment in solar power as well as in the improvement of energy efficiency in public buildings.⁸⁵⁶

There is the impression that hard times are ahead. However, some point to the fact that Portugal has the (unfortunate) advantage of being already used to this due to its relatively slow rate of economic growth in the past. The President of Republic, Aníbal Cavaco Silva, in his New Year address, labelled the past ten years as the “sad decade in Portuguese history” because there was almost no effective convergence with the rest of Europe in economic terms. Others talked of the ‘lost decade’, and perhaps strangely in a market economy, attributed most of the blame for the relative lack of economic growth, and modernisation of the economy, to failed government policies.⁸⁵⁷ In terms of the longer term impact of the more recent economic changes, there is not a great deal of discussion. But it is clear that while some predict a relatively early recovery within one or two years, and see this as an opportunity to modernise companies and make them more competitive without fundamentally altering the existing economic and international system; others fear (or wish for) a longer and more structural crisis of the market economy resulting in a much stronger role for states. Internationally, this would result also in a fundamental change in the balance of power, with stronger states emerging among resource rich countries and playing a much greater role in global politics.

Financial crisis and global governance

Romania*

Crisis report: more concern for the new member states

Daniel Dăianu, MEP for PNL⁸⁵⁸ and former Minister of Finance, addressed at the end of October 2008 a written question to the European Commission regarding the fate of emerging economies, i.e. those of the new EU member states, in the current and future context of the crisis. The main objection of the Romanian MEP is that “most talk about rescue packages in the financial industry, in the EU, concerns, basically, Eurozone member countries and other older EU member states. The EU new member states are hardly mentioned in this regard”⁸⁵⁹. The trouble with these member states is that their economies “do not benefit of the advantages of having a reserve currency of their own, have large current account deficits, and are feeling the pain of the flight to safe investments. All this is putting tremendous pressure on their currencies and is complicating immensely the tasks of local central banks”⁸⁶⁰. Facing such risks, the question asked by the Romanian MEP is obviously legitimate: “How does the Commission intend to address the specific problems of these economies against the backdrop of the international financial crisis and a spreading recession in Europe?”⁸⁶¹.

In this context, one journalist notices that the borderline between the ‘old’ and the ‘new Europe’, between the West and the East, is in force again, “and this time it relates to very real economic and financial aspects”⁸⁶². Furthermore, the media speaks about the illusion of a single European plan created to avert the effects of the financial crisis and the ensuing recession, a plan which the Union cannot force on the member states: “Even though the European banking system is more prudent than the American one, the gust of the crisis has long crossed past the ocean. But Europe cannot come up with a ‘federal’ type of

* European Institute of Romania.

⁸⁵⁸ National Liberal Party - Partidul Național Liberal (PNL).

⁸⁵⁹ See: http://www.daniel-daianu.eu/activities_in_the_ep-questions-95-do_not_leave_eu_emerging_economies_in_the_dark_.htm (last access 15 January 2009)

⁸⁶⁰ Ibid.

⁸⁶¹ Ibid.

⁸⁶² See Mircea Vasilescu: Noua și fragila Europă (“The new and fragile Europe”), Dilema Veche, 6-12 November 2008, available at: <http://www.dilemaveche.ro/index.php?nr=247&cmd=articol&id=9450> (last access: 17 January 2009).

⁸⁵⁶ Ana Taborda/Maria H. Espada: Apresento-vos o meu amigo Trotsky, Visão, 12 February 2009.

⁸⁵⁷ Helena Garrido: Décadas perdidas, Jornal de Negócios, 14 January 2009.

answer for the crisis, it can only put forward a 'coordinated' one. The EU has no political, technical and juridical means in order to implement a common plan. Each EU member state maintains its sovereignty in terms of budget, and the answer to the crisis remains a national one"⁸⁶³.

The coordinated response given at the community level, essentially a single European anti-crisis plan made up by a piecemeal approach at the level of member states, is meant to take effect in a highly interdependent economic world. Thus, going from a micro to a macro approach, the actors will continue to be interdependent but in order to restore confidence in the system, the system itself will have to undergo a series of changes in regulation. This is what the EU aimed at in November in Washington, at the G20 Summit, and the Union's performance in terms of the measures put forward and the way it was represented was interpreted as a strong achievement: "The image in Washington was that of a great success of the European Union, present in the summit both by means of its members in the G7 (the group of industrialised nations) and as a institutional body *per se*. [...] The European Union officially (not to mention subtext references) called for a fundamental restructuring of the international financial system, based on strong regulations and checks from states or international structures which have been delegated authority in this respect by the governments"⁸⁶⁴. The economic analyst and former Reform Minister, Ilie Șerbănescu, goes on to argue that the package of measures put forth by the Union is "coordinated, solid and very broad. There were virtually no problems resulted from the current crisis that the Union's plan did not address and for which a treatment proposal was not presented: transparency on the financial markets; risk prevention systems for high risk investment funds; central role of the International Monetary Fund in a more efficient financial architecture; holding in check rating agencies and off-shore territories."⁸⁶⁵

At the official level, Romanian President, Traian Băsescu, unveiled that the major directions of the Union's position at the G20 Summit were drawn up on the occasion of the informal reunion of the heads of state and government of the EU member states that took place at the beginning of November and that the EU opts for a reform of the international financial system. This structural vision that the Union has in addressing the crisis, which ultimately relates to a 'never again' type of philosophy, is welcomed by the Romanian President by virtue of the importance that he attaches to the EU position in the new global context: "By addressing the issue of the reform of the international financial system, the European Union – and I am making this statement in all responsibility – is openly taking on a leader vocation in global economy."⁸⁶⁶

The ripple effect of the financial crisis comes at a time of change in the global architecture. The world is turning increasingly multipolar as the rise of Brazil, Russia, India and China (the 'BRICs') has deep economic and geopolitical implications.⁸⁶⁷ In the opinion of the Romanian President, Traian Băsescu, the power of the emerging economies can under no circumstance be ignored: "It is clear that the current system, agreed in Bretton Woods, is a system that needs corrections that reckon both the strength that the EU has gained in time and the emerging markets. The international financial system cannot be frozen in its initial architecture, because of the economic realities of the European Union and those of the emerging economies like China, India and Brazil."⁸⁶⁸

In view of the realities of a multipolar world, and bearing in mind the European wish for a multilateralist approach in the international realm, the European Union has to stand ready to share the responsibilities derived from its increasingly important role in the global architecture. Objectively, this translates into a more efficient 'burden-sharing' in all aspects of global governance, from the commitment in Afghanistan to the challenges of global

⁸⁶³ See Rodica Palade: Autism romanesc in vreme de criza ("Romanian autism in times of crisis"), Revista 22, 15 October 2008, available at: <http://www.revista22.ro/autism-romanesc-in-vreme-de-criza-4876.html> (last access: 17 January 2009).

⁸⁶⁴ See Ilie Șerbănescu: G 20 – prima consecință majoră a crizei ("G20- the first major consequence of the crisis"), Jurnalul Național, 13 January 2009, available at: <http://www.jurnalul.ro/articole/142194/g-20--prima-consecinta-majora-a-crizei> (last access: 15 January 2009).

⁸⁶⁵ Ibid.

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See: http://www.presidency.ro/?_RID=det&tb=date&id=10474&PRID=ag (last access: 15 January 2009).

⁸⁶⁷ See Daniel Dăianu: Keynes, not Marx, is back, European Voice, 21 October 2008, available at: <http://www.europeanvoice.com/article/2008/10/keynes.-not-marx.-is-back/62757.aspx> (last access: 17 January 2009).

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See: http://www.presidency.ro/?_RID=det&tb=date&id=10474&PRID=ag (last access: 15 January 2009).

warming. As to what the future holds, Daniel Dăianu's comments may offer a glimpse at what comes next: "The EU and US will come out of this crisis with reshaped economies (with larger public sectors) and will continue to be, fundamentally, liberal democracies. But the financial crisis has already weakened them and will not halt the ascendancy of the new global powers. The future will be driven by a competition between liberal democracy and authoritarian forms of capitalism (principally exemplified by China and Russia). [...] Western countries will have to come to grips with their weakened relative status in the world economy and shed much of their hubris in dealing with the rest of the world, for their own sake"⁸⁶⁹.

Financial crisis and global governance

Slovakia*

Slovakia and the financial crisis

Slovakia experienced considerable economic growth in 2008 and first estimations did not expect very considerable influence of financial crisis on our financial sector. Generally, banks owned by foreign investors (mainly Austrian and Italian) in Slovakia are very conservative and considered as healthy but Prime Minister Fico promised Slovakia's citizens that the government would pay attention to any possible outflow of capital from Slovakia to a troubled mother bank⁸⁷⁰. Another factor that brought comparable stability to Slovakia's financial sector was the finalisation of Eurozone entry. In comparison with the weakening Czech, Hungarian, and Polish currencies, the Slovak Koruna in the latter half of 2008 recorded a stable rate vis-à-vis the Euro. As the National Bank governor expressed in an interview that – the Euro is already protecting our stability.⁸⁷¹ The National Bank analysis from December 2008 noted that the influence of the financial crisis was in decreasing profits mainly in insurance companies and in a reduction of the sector's activities. Clients' revenues are more

vulnerable and banks are expected to cut back in offering credit but financial institutions in Slovakia are stable. Banks' earnings from the beginning of 2008 actually rose by 10 percent.⁸⁷² Unlimited deposit guarantee was introduced in Slovakia immediately after the proposal by the European Commission. Several possibilities were discussed as alternatives to unlimited deposit guarantee, but the overpowering explanation for the unlimited deposit guarantee was a similar reaction of other EU countries and thus an attempt at sustaining Slovakia's competitive edge.⁸⁷³

The Ministry of Finance of the Slovak Republic counted during state budget preparations in the fall of 2008 with a prognosis of economic growth at 6.5 percent in 2009 but with the appearing impact of crisis, especially in car industry, its predicted growth was cut down to 4.5 percent in November 2008. In January 2009 the European Commission published new prognosis of GDP growth in Slovakia at 2.7 percent and the Finance Ministry after some previous reservations changed its prognosis to 2.4 percent and National Bank awaits even less growth of 2.1 percent.⁸⁷⁴ Though the Commission considers Slovakia's growth still the fastest in the EU, domestic bank analysts await further cut down in growth rate prognosis.⁸⁷⁵ The prognosis done by the economic think tank, "INEKO" from expert surveys suggest not less than 1.4 percent.⁸⁷⁶ Slovakia planned to continue reducing the budget deficit⁸⁷⁷ but the worsening growth prognosis and the rise in unemployment that brings increase of state expenditures, spells some difficulties with future commitment to sound fiscal policy.

More serious are indirect impacts of the financial crisis on the Slovak economy. The government has been monitoring the situation but the growth in unemployment occurred only lately. Government expectations in addressing this issue are mainly focused on a support from the European Globalisation Adjustment Fund and possibilities to spend early structural funds allocated for later periods. Slovakia's

⁸⁶⁹ See: Daniel Dăianu: Keynes, not Marx, is back, European Voice, 21 October 2008, available at: <http://www.europeanvoice.com/article/2008/10/keynes-not-marx-is-back/62757.aspx> (last access: 17 January 2009).

* Slovak Foreign Policy Association.

⁸⁷⁰ Government Office: "Tlačová konferencia po skončení 113. (mimoriadnej schôdze) vlády SR", 20 September 2008.

⁸⁷¹ SITA: "Šramko: Euro už tlmí dopad krízy na Slovensku", 26 January 2009.

⁸⁷² SME: "NBS: Finančná kríza sa už jednoznačne prejavila", 16 December 2008.

⁸⁷³ SME: "Garancia sú na papieri. Banky sú zdravé", 9 January 2009.

⁸⁷⁴ The precise analysis by the National Bank will be available in March 2009.

⁸⁷⁵ Webnoviny: "MF znížilo odhad tohtoročného rastu na 2,4 %, uviedol Počiatek", 4 February 2009.

⁸⁷⁶ ETrend: "Ekonomovia: Rast HDP spomalí na 1,4%", 4 February 2009.

⁸⁷⁷ Aktuálne.sk: "Fico: Výsledky summitu sú pre Slovensko úspechom", 12 December 2008.

plan to manage the impact of the crisis includes investing into infrastructure, especially motorways within public-private partnership schemes and therefore, the government has been negotiating cooperation with the "European Investment Bank" and the "European Bank for Reconstruction and Development".

In terms of a public discussion of the main long-term implications of the current economic and political situation, Slovakia's politicians have been keen to emphasise the importance of the EU-rules, especially in the area of competition policy and with respect to the Maastricht criteria.

Financial crisis and global governance Slovenia*

Belated and cautious steps

As for the expectations towards the EU in the context of the increased economic and social interdependence on a global scale demonstrated by the financial crisis, Slovenia expects the EU to provide for a common framework from which the EU member states could choose the measures best suited for the structure and specificity of their economies. But it is to take into consideration, that those economies that did not consolidate public finance in the 'good times', now do not have the abundance of room for measure-taking.

Regarding the performance of the EU in the financial crisis so far perceived, discussed and evaluated in Slovenia, two more roles of the EU have been emphasised:

1. to provide measures at the level of the EU policies (for example: the EU budget, the European Investment Bank, the common trade policy, etc.)
2. to provide equality and the respect of rules at the community level, especially the rules of: a) country aid and b) the Stability and Growth Pact.

Acknowledging the measures taken so far, the EU has set-up two crisis-response frameworks:

1. the framework for financial stability adopted by the European Council in October 2008, and

2. the framework for real economy stimulation adopted by the European Council in December 2008.

These two documents represent an adequate response in the eyes of Slovenia's government. The role of the European Central Bank has especially been assessed as positive. Both, the EU and the European Central Bank, might exit this crisis stronger. The appropriate response by the EU to the given circumstances can, in the opinion of the Slovenian Ministry of Finance, be confirmed also by the positive responses coming from the American administration.

As for the expected shifts in the international power constellation, the Slovenian official position is that the final outcome of the crisis will provide countries greater economic ability to adopt. As every crisis has demonstrated, the current one is also expected to change the aspects of international financial institutions. Slovenia believes it is reasonable to expect a greater role of the International Monetary Fund (IMF) due to its expertise, whereby in the future constellation the IMF would coordinate its activities better with the Financial Stability Forum. Considering other forums, it has been acknowledged (and accepted) that sessions at the G7 level are no longer sufficient and have therefore been extended to the G20 level on 15 November.⁸⁷⁸

The Slovenian response to the financial crisis was very much in line with Slovenia being an advocate of the respect of the Stability and Growth Pact. The Slovenian government carried out consultations with its social partners and experts before adopting a national measures-framework. There was also a debate about these measures held before the Slovenian parliament. The Slovenian government has determined the starting points for the rebalance of this year's budget which will be prepared for the parliamentary debate in the end of February 2009. The economic and financial crisis and its consequences, i. e. considerable decrease of tax-income and counter-crisis measures are the main reason for a governmental provision of this kind; for example, the most expensive counter-crisis measure of subsidising full-time working hours amounted up to 130 million Euros). The budgetary deficit is going to be higher than

⁸⁷⁸ Urška Štorman, head of office of the public relations office of the Slovenian Ministry of Finance: Written comments to the EU-27 Watch Questionnaire, 7 January 2009.

* Centre of International Relations.

planned, rising from 0.33 percent GDP to 2.7 percent GDP. The deficit of public finance will most likely exceed the Maastricht criteria for 0.5 percent and will amount to 3.4 percent GDP.⁸⁷⁹ Regarding the latter, the Bank of Slovenia has already expressed non-admissibility of the public finance deficit and the fact that the announced deficit could hinder possibilities of acquiring loans.

The danger of the announced public finance deficit was similarly exposed by academics, who uttered that restraint of public administration spending is urgent since the announcements of countries running into debt in the amount of 1,500 billion Euros do not promise favourable conditions on the world market.⁸⁸⁰

The government will continue with its policy of excising oil derivatives and increasing the excises on tobacco, cigarettes and alcohol products. The fall of economic growth should be eased by the preservation of the quantity of state investment expenditures. In comparison to 2008, and considering the funds of the EU budget, these expenditures will increase by around 30 percent. Prime Minister Borut Pahor has announced structural reforms, stressing that fiscal possibilities for measure-taking have already been exhausted. According to Pahor a "larger social consensus for the examination of the retirement, health and salary systems and the efficiency of public-funds expenditure" will be needed.⁸⁸¹

According to the Eurobarometer, a nation-wide public opinion survey, Slovenians are not over pessimistic about the current situation: 62 percent of the questioned assess the financial state of their households as good and 63 percent understand their personal position concerning employment as good. Slovenians are most pessimistic when questioned about the current situation of their life-expenses: 84

percent of the respondents assess the current position as bad. More than a half of the questioned (55 percent which amounts to +4 percent compared to 6 months ago) confirmed having problems with paying the bills at the end of the month. In contrast to trends in most EU member states, Slovenians are still convinced that things are currently moving in the right direction. Nevertheless, the financial crisis has taken its toll and raised pessimism among Slovenians about the future: the proportion of those, expecting deterioration in the next 12 months has generally risen: 25 percent (+12 percent) of the questioned expect their lives to worsen in the next year, 46 percent (+4 percent) await a downfall in Slovenia's economic performance, 44 percent expect an aggravation in the employment sector and 32 percent (+9 percent) anticipate a setback of the financial state of their households.⁸⁸²

Financial crisis and global governance

Spain*

Financial crisis and challenges of global governance

The global financial crisis that has pushed the EU, and particularly Spain, to economic recession during the second half of 2008 has demonstrated, more than ever, the deep interdependence that exists in Europe and the world. Spanish economists, like most international analysts, do not question any longer the fact that we are facing the greatest international financial crisis since the Great Depression.⁸⁸³ Since September 2008, the world has seen unprecedented events that are re-shaping the international financial system and challenging liberal economic orthodoxy. Now, governments are launching rescue packages – first for specific financial institutions and then for the banking system as

⁸⁷⁹ RTV SLO: Vlada predlagala spremembe proračuna (The government has proposed alterations to the budget), 23 January 2009, available at: <http://www.rtvsl.si/play/vlada-predlaga-spremembe-proracuna/ava2.26865317/> (last access: 23 January 2009).

⁸⁸⁰ MMC RTV SLO: Skupni primanjkljaj čez dovoljeni prag? (Entire deficit over the allowed threshold?), 19 January 2009, available at: http://www.rtvsl.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=191314&tokens=rebala%ns+prora%C4%8Duna (last access: 28 January 2009).

⁸⁸¹ RTV SLO: Vlada predlagala spremembe proračuna (The government has proposed alterations to the budget), 23 January 2009, available at: <http://www.rtvsl.si/play/vlada-predlaga-spremembe-proracuna/ava2.26865317/> (last access: 23 January 2009).

⁸⁸² European Commission Representation in Slovenia: Nacionalno poročilo Eurobarometer: Slovenci ostajajo med najbolj optimističnimi državljani Evropske unije (National report Eurobarometer: Slovenians remain among the most optimistic citizens of the EU), 21 January 2009, available at: http://ec.europa.eu/slovenija/hp/2009-0121-eurobarometer_sl.htm (last access: 23 January 2009).

* Elcano Royal Institute.

⁸⁸³ See Federico Steinberg, 2008, The Global Financial Crisis: Causes and Political Response (Elcano Royal Institute ARI, 126/2008), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=Elcano_in/Zonas_in/Internacional+Economy/ARI126-2008 (last access: 30 March 2009).

a whole although the Spanish financial sector had remained relatively safe from the turmoil in the markets, thanks to the policies enforced by the Bank of Spain. Central banks, including the ECB, have also opened up new channels for increasing a liquidity that still is lacking. And, what initially appeared to be a liquidity problem is also turning out to be a solvency problem that requires a hefty recapitalisation of the banking system in advanced countries. Fiscal stimulus packages have also been launched and, finally, and above all, decision makers and experts consider now necessary to improve regulation of the financial sector. In this context, the expectations towards the EU in Spain are ambiguous, since the performance of the ECB or the Commission has been perceived as technically correct (despite being less ambitious than the US response) but the real problem of the EU continues to be the difficulty to act with real political will and to generate the leadership that are indeed needed at times like these for restoring confidence to the markets. Although it is difficult to forge and consolidate strong political leadership at a time of crisis – and this is particularly true in Europe, where the Lisbon Treaty is not even into force after nearly a decade of institutional debate – there is no other recourse. In the face of panic, technical solutions are not enough to restore market confidence. For this reason, leadership can only be shared and must be based on cooperation among states. All in all, as of mid-autumn, the leadership emerging from Europe and concerted government action restored some degree of confidence. But capital continued to flee towards safer assets, the inter-bank market still had problems and the structural causes of the crisis had not been resolved.

Notwithstanding all this, the crisis will serve as well as an opportunity for the EU in general and for the Euro in particular as a global reserve currency. First, because it can be expected that the new international financial architecture that emerges after the crisis will have a greater similarity to that of continental Europe than to the Anglo-Saxon model. This will provide an opportunity for the Union to take on greater global leadership, if it is capable of speaking with one voice on the world stage. Secondly, because the crisis gives the Euro a chance to gain ground against the US dollar as an international reserve currency, a change which needs the political-institutional structure of the Eurozone to be sufficiently solid. All in all, the crisis marks an opportunity for the EU if

it is capable of using the current, difficult situation to strengthen itself and improve its internal economic governance.⁸⁸⁴ In this context, there is an open discussion in Spain as some analysts suggest that the performance of the EU would improve significantly by changing some aspects of the economic institutional governance in the EU⁸⁸⁵ and a single European Treasury has even been suggested.⁸⁸⁶

Indeed, the crisis will have major geopolitical consequences, which are difficult to predict. Nevertheless, this might accelerate reforms of institutions of global governance and make clear the need to strengthen the forums for multilateral cooperation beyond Brussels or the G7/G8, being probably the G20 the better arena for co-ordinating the international response. This means significant shift in the international power constellation – since now emerging powers such as China, India, or Brazil are included in the new global decision making. The Spanish government, which is not a member of the Group despite being the 8th-11th world economy⁸⁸⁷, re-acted to be invited to the international financial summit organised by George Bush in Washington last November 2008 in which initially only members of the group G20 could participate. Spain did intense lobbying to be invited to this crucial summit and, again, to the following one to be held in London in April 2009. Whereas it may be understandable that Spain is not part of the G8, it is arguable that Spain is not part of the G20 while much less rich countries such as Argentina, Indonesia, South Africa, or Turkey are. Spain finally was invited, thanks to the support of the French President Sarkozy, who left to the Prime Minister Zapatero one of his two chairs – one for France as such and the other for being the rotating EU Presidency – at the summit. However, Spain is not yet a formal member of the G20 but is doing a diplomatic

⁸⁸⁴ See Federico Steinberg, 2008 (ibidem).

⁸⁸⁵ See Carlos Mulas, 2009, Improving Economic Governance in the EU (Elcano Royal Institute ARI, 12/2009), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europa/ARI12-2009 (last access: 30 March 2009).

⁸⁸⁶ See Juan I. Crespo, 2009, A Tool for the Economic Crisis: A Single European Treasury (Elcano Royal Institute ARI, 31/2009), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/ARI31-2009 (last access: 30 March 2009).

⁸⁸⁷ It depends on measuring the Gross Domestic Product nominally (and, thus, Spain would be the 8th biggest economy of the world) or measuring the GDP derived from purchasing power parity (PPP) calculations, in which Spain places 11th.

effort which should conclude in the official admission of Spain and the subsequent enlargement of the G20.

Financial crisis and global governance

Sweden*

Financial crisis: unanimity and tension

The European Council of 16 October 2008 is commented on positively, Minister of Finance, Anders Borg, sees it to contain basic issues that Sweden sees as important, such as the national responsibility and national methods; the latter is seen as necessary because of the speed that is required in which there is no time for development of common ones. The third method is to support through governmental shareholders' contributions, rather than loans. A fourth important point is the need for openness.⁸⁸⁸

In the continued discussions during the autumn, Sweden has fought against industry support initiatives proposed by the French Presidency. As described by Prime Minister, Fredrik Reinfeldt, the Swedish preferred policy is to invest instead in increased competitive ability and support for people to get new jobs.⁸⁸⁹ The government fears that in times like these, some EU member states are tempted to support their own major companies and it also worries about protectionism among some member states of the EU. In this policy, the government gets wide support from other political parties.⁸⁹⁰

Sweden is positive to the background paper by the Czech Presidency and the EU Commission

* Stockholm International Peace Research Institute.

⁸⁸⁸ Anders Borg, Minister for Finance, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 31 October 2008, pp. 2-3., available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=8&dok_id=GW0A8 (last access: 25 January 2009).

⁸⁸⁹ Fredrik Reinfeldt, Prime Minister, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 7 November 2008, p. 6, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=9&dok_id=GW0A9 (last access: 25 January 2009).

⁸⁹⁰ Maud Olofsson, Minister for Enterprise and Energy: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 28 November 2008, pp. 1-12, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=12&dok_id=GW0A12 (last access: 25 January 2009).

in which they outline the dangers of protectionism in a situation of unemployment and argue for continued open markets.⁸⁹¹ Another common interest between Sweden and the Czech Republic, related to the financial crisis, is the interest for a budget reform. In order to be able to initiate this, the Czech government is waiting for a discussion paper from the Commission. The Swedish and Czech hope is to receive it very soon in order to start the discussions.⁸⁹²

On the global level, Sweden is eager to revive the Doha Development Round that failed in July 2008. In this, the Swedish government fully supports the director-general of WTO, Pascal Lamy, in his efforts to come to an agreement.⁸⁹³

Financial crisis and global governance

Turkey*

Turkish context; reflections from the government, business and trade unions

Starting as a credit crunch in the US sub-prime mortgage market, the economic crisis soon became a global phenomenon. Not only financial institutions, but also real sector corporations have been severely influenced by this crisis. What is more, global economic governance is now under serious scrutiny for the lack of transparency, regulation and co-ordination. Economists like Joseph E. Stiglitz, point out the need for "more global and more robust oversight" that would prevent excessive risk taking, myopic behavior in financial

⁸⁹¹ Ewa Björling, Minister for Trade, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 23 January 2009, p. 3, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=18&dok_id=GW0A18 (last access: 25 January 2009).

⁸⁹² Cecilia Malmström, Minister for EU Affairs, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 23 January 2009, p. 9, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=18&dok_id=GW0A18 (last access: 25 January 2009).

⁸⁹³ Ewa Björling, Minister for Trade, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden 5 December 2008, p. 19, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=13&dok_id=GW0A13 (last access: 25 January 2009).

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markets, bad accounting and lack of transparency.⁸⁹⁴ The hegemony of the USA in the world financial system has been challenged with the recent financial crisis so that the bipolar structure of the world system has reached its turning point.⁸⁹⁵ At this juncture, there emerged a search for a new 'Bretton Woods'. The European leaders aimed to lay down guidelines for co-ordinated action which was named by the President of France, Nicolas Sarkozy, as "the birth of a 'European economic government'".⁸⁹⁶

Existing within the global web of social and economic interconnectedness and in the economic hinterland of the EU, Turkey has deeply felt the effects of the financial crisis at a large scale, but at a later time compared to the member states of the EU. Prime Minister, Recep Tayyip Erdoğan, previously argued that the effect of the crisis was not very profound but psychologically exaggerated.⁸⁹⁷ President Abdullah Gül, warned about the potential harmful effects of the crisis, indicated the importance of both national and international solidarity and called for a coordinated action of all the parties such as business and trade unions.⁸⁹⁸ The Minister of State, Kürşat Tüzmen, stating the expectation of reduction in the exports of Turkey to the EU, encouraged Turkish exporters to seek for new markets such as the Middle East, Asia, Africa and declared provision of fresh credit opportunities.⁸⁹⁹

The Turkish business circles criticized the government for not being able to anticipate the financial crisis in advance. On the business side, such as "Turkish Industrialists' and Businessmen's Association" (TÜSİAD), "The Union of Chambers and Commodity Exchanges of Turkey" (TOBB), are highly supportive of Turkey's accession to the EU and share the same opinion that the encouraging developments in Turkey's EU accession process will have positive reflections for both sides in the disheartening atmosphere of the

financial crisis.⁹⁰⁰ Bahadır Kaleağası, TÜSİAD representative in Brussels, indicated that the financial crisis may create an opportunity for Turkey on the path to become a member state of the EU, should the EU overcome the crisis as a global actor with a global vision considering enlargement as one of the means of eliminating the anxieties in global competitiveness. He continued that Turkey ought to accelerate the political and economic reform process as these reforms are in line with the measures taken for the prevention of the financial crisis.⁹⁰¹ Likewise, Rifat Hisarcıkıoğlu, the president of TOBB, declared that just as the crisis of 2001 provided an opportunity to accomplish structural reforms, the current crisis could be a chance to speed up the reform process. In this respect, accelerating Turkey's accession to the EU could provide a significant anchor.⁹⁰²

The labour unions and trade associations hold a rather different position regarding Turkey-EU relations. Indeed, some trade unions such as the "Confederation of Progressive Trade Unions of Turkey" (DISK), and "Confederation of Public Employees' Trade Unions" (KESK), declared a programme titled "Social Solidarity and Democratisation" in which protectionist policies are proposed. To be more concrete, they recommended the suspension of customs union and called for limitations to the export of capital.⁹⁰³

Financial crisis and global governance

United Kingdom*

Greater emphasis on the roles of national governments

Although the European Union has been seen over the past six months in this country as a useful meeting-place of national governments, it could not be said that the institutions of the European Union have been perceived as figuring largely in the global financial crisis. Much greater emphasis has been placed in the public consciousness on the roles of national

⁸⁹⁴ J. E. Stiglitz: 'Markets Can't Rule Themselves', in: Newsweek Special Edition: Issues 2009, 31 December 2008.

⁸⁹⁵ Sabah: 'AB Zirvesi Ekonomik Kriz Gündemi ile Başladı', 15 October 2008.

⁸⁹⁶ The Economist.net: 'The European Summit, Seeking an End to the Madness', 16 October 2008.

⁸⁹⁷ Hurriyet: 'Erdoğan'ın kriz sözlüğüne şimdi de "psikolojik" girdi', 25 December 2008.

⁸⁹⁸ Nethaber: 'Cumhurbaşkanı Gül: 'Uzaklardan gelen büyük dalgalar Türkiye gemisini de sallamaya başladı', 19 December 2008.

⁸⁹⁹ Radikal: 'İnişe geçen krizden notlar', 3 December 2008.

⁹⁰⁰ Milliyet: 'Hisarcıkıoğlu "Türkiye-AB katılım müzakerelerinin yavaşlığı endişe verici"', 14 January 2009.

⁹⁰¹ EU-Turkey News Network: 'Kaleağası: Kriz Türkiye için AB fırsatı olabilir', 17 December 2008.

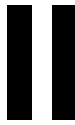
⁹⁰² The Union of Chambers and Commodity Exchanges of Turkey: 'Reform Sürecimizi Devam Ettirmemizin Gerekli Olduğunu Her Fırsatta Vurguluyoruz', 15 December 2008.

⁹⁰³ Evrensel: 'Krizle karşı program önerisi', 29 October 2008.

* Federal Trust for Education and Research.

governments, notably the British, French and German governments. Brown has been eager to present himself as working closely together with his European colleagues, despite Britain's continuing absence from the Euro. This absence from the Eurozone is unlikely to change in the foreseeable future. British opponents of the single European currency and British membership of it have claimed in recent months to discern economic and political strains within the Eurozone, which could put its stability under pressure. This is not a universally – held view in the United Kingdom. If anything, British public opinion has been impressed by the rising value of the Euro against the pound over the past six months. This has not led, however, to any apparent increase in the British public's desire to join the Euro. A "BBC" poll published in January 2009 found that 71 percent would vote against membership in a referendum.⁹⁰⁴

⁹⁰⁴ See: <http://news.bbc.co.uk/1/hi/uk/7806936.stm> (last access: 25 January 2009).



Looking back to the French Presidency

The French Presidency had to deal with many current events, like the Irish 'No', the financial crisis and the Georgian war.

- **In this regard, what is the general evaluation of achievements, failures or weaknesses of the French Presidency?**
- **What are the expectations in your country for the main priorities of the Czech Presidency?**

Looking back to the French Presidency

Austria*

Good Looking – Poor Substance

The Austrian newspaper “Die Presse” compared Nicolas Sarkozy to the fire brigades, which tried to extinguish one fire after the other. He was present everywhere, presented ideas, visions and riveted the audiences’ attention, but when he left a vacuum was left behind. Although Sarkozy was bustling and tried to tackle many issues, he seemed to forget other urgent questions as for instance the problems in the suburbs of Paris.

The peace agreement between Georgia and Russia leaves many questions and problems unsolved and could cause more confusion because of its inaccuracy. Sarkozy pressed too hard on a Mediterranean Union, which nobody wanted except him and his agrarian reform is rather seen as a step backwards than anything else.⁹⁰⁵ In brief, the French Presidency has shown Europe what can be done and how it could be done, but also how it should not be done. Sarkozy managed to put new dynamics into European politics, but his doings without taking care of consequences has left lots of confusion. Again the newspaper “Die Presse” put it very bluntly by saying that Sarkozy had raised so much dust, that on one side none could see where the European journey was going and on the other side the errors committed and the empty promises could be hidden quite well.⁹⁰⁶

The official Austria represented by Austria’s Minister for European and International Affairs Michael Spindelegger, drew a rather positive balance by saying that the French Presidency proved that Europe is able to stand united in times of crisis.⁹⁰⁷

The already mentioned oppositional Austrian Freedom Party valued – through their Member

* Austrian Institute of International Affairs.

⁹⁰⁵ “S wie Nicolas Sarkozy: Am Arm der schönen Carla, auf Distanz zur spröden Angela”, Die Presse, 30 December 2008, available at: <http://diepresse.com/home/jahresrueckblick/440929/print.do> (last access: 17 February 2009).

⁹⁰⁶ “Wirbelsturm aus dem Élysée”, Die Presse, 22 December 2008, available at: <http://diepresse.com/home/meinung/kommentare/leitartikel/439724/print.do> (last access: 17 February 2009).

⁹⁰⁷ “Sarkozy zog Bilanz der EU – Ratspräsidentschaft”, Die Presse, 16 December 2008, available at: <http://diepresse.com/home/politik/eu/438157/print.do> (last access: 17 February 2009).

of the European Parliament Andreas Mölzer – that the French Presidency had had no respect for the Irish ‘No’ and instead of correcting the – according to their point of view – undesired developments, the Presidency tried to force upon the member states the Lisbon Treaty. Mölzer said that Sarkozy could have used the Irish ‘No’ against the Lisbon Treaty to create a better Europe, where all sovereign nation-states could work on an equal level.⁹⁰⁸

Modest expectations – Many critics

The expectations in Austria for the Czech Presidency are rather low. The media has been criticizing Mirek Topolánek because of his non acknowledgement of the Lisbon Treaty and keeping the other member states in the dark concerning the question of the date for the ratification of the Lisbon Treaty by the Czech government.⁹⁰⁹

The Czech takeover of the EU-Presidency was highly criticised by the right wing Austrian Freedom Party. The main reasons were on the one side, the enduring dispute between Austria and the Czech Republic over the Benes Decrees and on the other side, the discussions in regard to the nuclear power plant of Temelin. Andreas Mölzer said the EU was making a fool of itself by still accepting that the Czech Republic was holding on to the Benes Decrees, which proved to be against the so called “community of values” of the European Union. He also accused the Czechs of still discriminating against the German minorities in daily life.⁹¹⁰

Ulrike Lunacek, foreign spokesman of the Greens, stated that she expected the Czech Presidency to become “positive” and highlighted the work of the Czech Green Party in the fields of climate change and the Lisbon Treaty.⁹¹¹

⁹⁰⁸ “Mölzer: Sarkozys Lobeshymnen auf Lissabon-Vertrag – Kein Respekt vor dem Nein der Iren”, press release, available at: http://www.fpoe.at/index.php?id=477&backPID=616&pS=1230767999&tt_news=23208 (last access: 17 February 2009).

⁹⁰⁹ “Europaparlament: Die Prager Sphinx”, Die Presse, 14 January 2009, available at: <http://diepresse.com/home/politik/eu/443875/print.do> (last access: 17 February 2009).

⁹¹⁰ “Mölzer: Mit Tschechien übernimmt Land mit Völkermorddekreten Vorsitz in EU – ‘Wertegemeinschaft’”, press release, available at: http://www.fpoe.at/index.php?id=477&backPID=616&tt_news=25472 (last access: 17 February 2009).

⁹¹¹ “Grüne hoffen auf positive tschechische EU-Präsidentschaft”, press release, available at:

Generally it is expected that under the Czech Presidency the Czechs will ratify the Lisbon Treaty.

Looking back to the French Presidency **Belgium***

A global success with a few weaknesses

The French Presidency was overwhelmingly considered a success, mainly because of the charismatic French President Sarkozy, who was largely covered by the press.⁹¹² The Czech Presidency in comparison is debated less and the expectations are generally rather low and ambiguous. The French Presidency was globally associated on the one hand with three major “dossier” and on the other hand, with the French President, Nicolas Sarkozy.

First of all, the three main “dossiers” highlighted during the semester were defense policy, climate and energy, and Congo. Concerning the *defense policy*, it was recognized as a priority for the French Presidency, but that was considered as far too ambitious.⁹¹³ Moreover, the Belgian political elite were rather divided on that area. Some parties, such as the Flemish-speaking socialists (SPA-VL.Pro) consider that defense is not a priority for many member states and certainly not a priority for Belgium.⁹¹⁴ While others, such as the French-speaking liberals (MR), claimed that the EU should progress in terms of a common defense policy.⁹¹⁵

Climate and energy package

Second, the *climate and energy package*, is very important for Belgium. During his bilateral talks with the French Prime Minister Fillon and the French President Sarkozy, the Belgian

Prime Minister Leterme highly stressed that an agreement in December was essential. He also stated that although Belgium agrees with the general objectives of the package, it should be balanced, and the effort should be equally shared among the member states. He also claimed that the package will cost 0.7 percent of Belgium gross domestic product (GDP), which is above the EU average (0.45 percent of the GDP), justifying thereby the preservation of the exoneration of the regime.⁹¹⁶ Before the European Council of December, the Prime Minister repeated the determination of Belgium to reach an agreement.⁹¹⁷ On the national scene, he faced some criticism from the Belgian Greens who think the principle and ambitions of Europe on that issue are welcomed, but the final agreement remains minimal to cope with the urgency of climate change.⁹¹⁸ The press stressed the difficulties and potential obstacles during the negotiations: the highly diverse positions of the 27 member states would make it harder to decide how to share the national efforts of the member states in order to fight climate change. Moreover, the final agreement was rather badly evaluated by the media, as the package was seen as weakened by the too numerous concessions.⁹¹⁹

Congo

The last issue was the *potential EU mission to the Democratic Republic of Congo*. It was extensively covered by the national media as Congo is a former colony, and has always been a sensitive question for Belgium. The alarming information on the situation of East Congo created a lot of political reactions and some of them concerned a more important involvement of the EU in the conflict as Belgium cannot solve the problem alone. The option of providing European troops, via the Battle groups structure, was debated in the Federal Parliament with Javier Solana, the EU High Representative for the Common Foreign

<http://www.gruene.at/aussenpolitik/artikel/lesen/39026/>
(last access: 17 February 2009).

* Centre d'étude de la vie politique, Université libre de Bruxelles.

⁹¹² See Le Soir, 17 December 2008, available at: www.lesoir.be (last access: 12 February 2009).

⁹¹³ See Le Soir, 16 December 2008, available at: www.lesoir.be (last access: 12 February 2009).

⁹¹⁴ Les priorités de la Présidence française de l'Union européenne, Report realized for the Federal Advice Committee in charge of European Affairs, 18 November 2008, Document 1593/001 (Chamber) and 4-984/1 (Senate).

⁹¹⁵ Document 1593/001 (Chamber) and 4-984/1 (Senate), «Les priorités de la Présidence française de l'Union européenne», Report realized for the Federal Advice Committee in charge of European Affairs, 18/11/08; Ibid.

⁹¹⁶ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report realized for the Federal Advice Committee in charge of European Affairs, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

⁹¹⁷ Ibid.

⁹¹⁸ Ibid.

⁹¹⁹ See De Standaard, 11 December 2008, available at: www.standaard.be (last access: 12 February 2009), Le Soir, 01 December 2008, 04 December 2008, 11 December 2008, 12 December 2008, 13 December 2008, available at: www.lesoir.be (last access: 12 February 2009); Le Vif l'Express, 11 December 2008, available at: www.levif.be (last access: 12 February 2009); La libre Belgique, 12 December 2008, 09 January 2009, available at: www.lalibre.be (last access: 12 February 2009).

and Security Policy.⁹²⁰ Moreover, the Belgian Minister of Foreign Affairs Karel De Gucht, insisted several times to send an EU mission to the region to support the United Nation's efforts. Finally, there was no consensus among EU member states, a situation that was "deplored" by Karel De Gucht who felt isolated among his EU colleagues.⁹²¹

Evaluation of the French Presidency

Concerning the overall evaluation of the French Presidency, it was largely considered as a success. The Prime Minister was deeply satisfied with the French Presidency, that he described as "of high quality", especially with the climate and energy package, the handling of the Russia-Ukraine crisis and the reaction during the financial crisis.⁹²² The journalists frequently referred to the "Sarko show" as an arrogant but efficient style of managing the EU.⁹²³ They stressed the many concrete achievements of the Presidency such as the management of the Georgia crisis, the climate and energy package, the progress towards a Union for the Mediterranean as well as in asylum and immigration policy, the revision of the Eurovignette (road charging) Directive, the Erika III package and the strengthening of the EU military capacities. They also emphasized the benefits of the French Presidency for the EU, its future and its institutions: the EU achieved to appear strong and united under 'Super Sarko' as he personalized the Presidency, was very active and demonstrated the importance of the EU as a diplomatic power.⁹²⁴

However, some weaknesses were also pointed out. The energy-climate package was seen as weakened by too many concessions; the French Presidency was considered as too tolerant and compromising with Ireland on the Lisbon treaty. There was no progress towards a reform of the Common Agricultural Policy and the bilateral relations with China deteriorated. Although some journalists can see the weaknesses as inherent in the search of any compromise, the Presidency was also judged on the basis of Nicolas Sarkozy's personality. He was considered as too imperial, omnipresent and the coordination with the other member states was insufficient. The excess of presidentialization of the EU regime was perceived as a major threat to the institutional equilibrium in the EU, through a potential weakening of the European Commission as a central political institution.⁹²⁵

Despite these few negative elements, the French Presidency was thus considered as a success.

Czech Presidency

After this positive presidency, the expectations for the Czech Republic are, in comparison, rather low. It is largely stressed that 2009 is a year of latency with the European Parliament elections and the composition of a new Commission.⁹²⁶

The three main priorities: economy, energy and Europe in the world (so-called 3 'E') were welcomed as they correspond to the 'news', i.e. the financial crisis, the relations between Ukraine and Russia and the conflict in the Middle East. Moreover, the theme of the Czech Presidency, "Europe without barriers", is seen as a good symbol to refer to two important European anniversaries (the 10th anniversary of the fall of the Berlin Wall and the 5th anniversary of the largest EU enlargement).⁹²⁷

But two main potential obstacles are pointed out: the size of the country and its President. Indeed, the Czech Republic is a small

⁹²⁰ Audition of Javier Solana in the Committee for External Relations and Defense and the Federal Advice Committee in charge of European Affairs", report realized for the Federal Advice Committee in charge of European Affairs, 25 November 2008, Report CRIV 52 COM 378 (Chamber).

⁹²¹ See Le Soir, 08 December 2008, available at: www.lesoir.be (last access: 12 February 2009); Knack, 07 December 2008, 08 December 2008, 12 December 2008, available at: www.knack.be (last access: 12 February 2009); Le vif l'Express, 31 October 2008, 10 December 2008, available at: www.levif.be (last access: 12 February 2009); De Standaard, 12 December 2008, available at: www.standaard.be (last access: 12 February 2009); De Morgen, 12 December 2008, available at: www.demorgen.be (last access: 12 February 2009).

⁹²² See Le Soir, 13 December 2008, available at: www.lesoir.be (last access: 12 February 2009).

⁹²³ See La libre Belgique, 13 December 2008, available at: www.lalibre.be (last access: 12 February 2009).

⁹²⁴ See La libre Belgique, 13 December 2008, 21 December 2008, 29 December 2008, available at: www.lalibre.be (last access: 12 February 2009); Le Soir, 04 November 2008, 16 December 2008, 17 December 2008, available at: www.lesoir.be (last access: 12 February 2009).

⁹²⁵ See Le Soir, 13 December 2008, 16 December 2008, available at: www.lesoir.be (last access: 12 February 2009); La libre Belgique, 29 December 2008, available at: www.lalibre.be (last access: 12 February 2009); Le vif l'Express, 06 January 2009, available at: www.levif.be (last access: 12 February 2009).

⁹²⁶ See Le Vif l'Express, 31 December 2008, available at: www.levif.be (last access: 12 February 2009).

⁹²⁷ La libre Belgique, 01 January 2009, 07 January 2009, available at: www.lalibre.be (last access: 12 February 2009); Le Vif l'Express, 31 December 2008, available at: www.levif.be (last access: 12 February 2009).

country,⁹²⁸ and some consider it can be a weakness in international negotiations, particularly with Russia.⁹²⁹ Second, the personality of Václav Klaus is seen as the main potential 'problem' for this Presidency. He is indeed presented as an ultra-liberal, eurosceptic who likes provocation which can affect the progress or evaluation of the Czech Presidency.⁹³⁰ Some journalists even stated that the Czech Republic will have to try to have a successful presidency despite its President.⁹³¹ However, it is worth noticing that the French Presidency made the task more difficult through a certain stigmatization of the following EU presidencies.⁹³²

Looking back to the French Presidency

Bulgaria*

Active and productive French Presidency, fear of too Eurosceptic Czech president

Assuming the EU rotation chair on 1 July 2008 in a complex situation related to the negative outcome of the Irish referendum on the Lisbon Treaty ratification, France held out hopes that Europe would emerge stronger at the end of the year, capable of dealing with pressing problems. Bulgaria also had high expectations for the French Presidency in the second half of 2008. Several publications emphasized that the two countries were united by common European interests and that the partnership between them is based on a reciprocal

confidence and respect. The French Parliament was the only one to have ratified Bulgaria's EU accession treaty unanimously. In Bulgaria, France as a whole is considered to be not just one of the founders of the European Community, but also a state with a long-term vision of the European project.

The visit of the Bulgarian Prime Minister Sergei Stanishev to Paris on 4 July 2008, was widely articulated in the media because this was the first meeting of Nicolas Sarkozy with a head of government in his two capacities – as President and as head of state of the EU's presiding country. Journalists stressed that Nicolas Sarkozy had lent a shoulder to Sergei Stanishev by saying he should be "the voice of reason and progress" in Central and Eastern Europe.⁹³³ The two signed an Agreement on a strategic partnership between Bulgaria and France. The document concerns the political and economic area, defence and armaments, security and migration issues; as well as culture, education and science. According to the Bulgarian Prime Minister, it is not a protocol agreement, because there is a concrete plan of action in all spheres.⁹³⁴ Another outcome of the visit was the deal for buying two French corvettes for the Bulgarian Navy. Prime Minister, Stanishev, also introduced the President to the work of the recently established State Agency for National Security. The two agreed that a French advisor would be appointed to assist the new structure.

The European Commission's report on Bulgaria's progress under six criteria in the sphere of Justice and Home Affairs, as well as on the appropriate absorption of EU funds was a central theme of the meeting. Prime Minister Stanishev informed Nicolas Sarkozy on what Bulgaria had accomplished in reforming the judiciary system and in cutting down corruption and organized crime.⁹³⁵ The French President highlighted that he would insist on a balanced European Commission report, rendering account of all achievements of the country. The statement kept up hopes that France would defend Bulgaria from the harsh criticism

⁹²⁸ The lack of adequate preparation and of professionalisation of political elites in the new member states were also pointed out. See Face à l'info, La Première (radio station), 06 January 2009, available at: http://old.rtbf.be/rtbf_2000/bin/view_something.cgi?id=0160995_sac&menu=default&pub=RTBF.PREM%2FPREM.FR.la_taille.HOME (last access: 12 February 2009).

⁹²⁹ See La libre Belgique, 30 December 2008, available at: www.lalibre.be (last access: 12 February 2009).

⁹³⁰ See Metro, 08 January 2009, available at: www.metrotime.be (last access: 12 February 2009); Le Vif l'Express, 26 November 2008, available at: www.levif.be (last access: 12 February 2009).

⁹³¹ See La libre Belgique, 22 December 2008, 31 December 2008, available at: www.lalibre.be (last access: 12 February 2009); Le Vif l'Express, 31 December 2008, available at: www.levif.be (last access: 12 February 2009); Face à l'info, La Première (radio station), 06 January 2009, available at: http://old.rtbf.be/rtbf_2000/bin/view_something.cgi?id=0160995_sac&menu=default&pub=RTBF.PREM%2FPREM.FR.la_taille.HOME (last access: 12 February 2009).

⁹³² Face à l'info, La Première (radio station), 6 January 2009, Knack, 17 December 2008, available at: www.knack.be (last access: 12 February 2009); Le Soir, 17 December 2008, available at: www.lesoir.be (last access: 12 February 2009).

* Bulgarian European Community Studies Association.

⁹³³ Standart News: President Sarkozy congratulates Stanishev, 5 July 2008, available at: <http://www.standartnews.com> (last access: 6 January 2009).

⁹³⁴ See Dir.bg: Prime Minister's visit to Paris, 5 July 2008, available at: <http://novini.dir.bg/2008/07/05/news3168493c.html> (last access: 6 January 2009).

⁹³⁵ See Radio Bulgaria: Stanishev meets Sarkozy on eve of EC Bulgaria Progress Report, 3 July 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

of Brussels.⁹³⁶ The Bulgarian Minister of European Affairs Gergana Grancharova even noticed that one of the key events, which the government expected to take place during the French Presidency, is to put frozen EU funds back on track.⁹³⁷

However, reality proved to be different and far more sombre. The progress report, published on 23 July 2008, indicated a clear lack of results in combating organized crime and high-level corruption. The second document on the management and utilization of EU funds by Bulgaria was in the same light of alarming signals of incapacity to absorb the grants. The commentaries on these sore topics dominated the press pages during the second half of 2008 and overshadowed the expectations for the French Presidency and its achievements. The evaluations of Bulgarian political analysts sounded in harmony with the words of France's ambassador to Bulgaria Etienne de Poncins that Bulgaria is not one of the problems for the EU, but for itself.

The critical tone of the European Commission was not met with disapproval by Bulgarians. The results of sociological surveys showed that around 45 percent of the polled approved the European Commission's hard stance towards the country expressed through the report and European pressure on the government via financial sanctions. Meanwhile, however, around 35-40 percent claimed that criticism is well deserved but the citizens should not be deprived of EU funds because such shortcomings exist in other countries, as well.⁹³⁸

Beside the financial crisis, another crisis confronting the French Presidency with the potential to shake the EU to its very foundations was also in the focus of media reflection. The institutional paralysis of the EU and the ratification process of the Lisbon Treaty attracted the attention in the context of the Irish referendum. The negative Irish vote overshadowed ambitious French plans. Bulgarian officials took the view that Ireland's 'No' should be regarded as a problem rather

than as a crisis. However, journalists and experts described the referendum in the light of its role in revealing the gap between public opinion and political elites. Besides, according to media reports, the blockage stimulates the voices who plead for the concept of a "two-speed" Europe, which is against the interests of Bulgaria.

Comments on the implications, messages and lessons from the Irish referendum were widely covered in the media. Numerous publications offered viewpoints on the future of the Treaty of Lisbon. Journalists and experts were divided on this issue. Many considered the Reform Treaty crucial for the functioning of the EU and questioned the admissibility of 1 percent of EU citizens to block a project concerning another 480 million Europeans. In this regard, analysts proposed that the principle of unanimity in taking decisions should be revised. Another group of experts criticized the position of the French President in defining the negative vote as an incident. In their opinion the Irish 'No' puts under question the building up of Europe because of the crisis of trust between citizens and leaders.

Bulgarian media noticed that Ireland, as a member of the EU for 35 years, has been among the poorest countries of the continent, but has benefited most from joining the Union. For that reason there is a high level of support in the country for EU membership. Currently, the financial crisis intensifies the need for access to the single market of 500 million consumers.

Several publications pointed at the possibility of holding a second referendum in Ireland as an acceptable solution.⁹³⁹ A similar approach was pursued with regard to the Treaty of Nice. However, according to sociological drills, many people oppose the idea. On the one hand, pressing Ireland to repeat the referendum may increase negative attitudes to the treaty. There is also a political problem: how to communicate that the people, who have made a democratic decision, have to vote again in order to give "the correct answer". The French Presidency proposed a practical formula with the hope that it will be sufficient to enable a positive result in a new referendum. As part of a compromise package, every country would have a Commissioner and Ireland would have

⁹³⁶ See Standart News: Paris defends Bulgaria from Harsh Criticism, 5 July 2008, available at: <http://www.standartnews.com> (last access: 6 January 2009).

⁹³⁷ See FOCUS News Agency: Minister Grancharova: We dared close down duty-free shops, 11 July 2008, available at: <http://www.focus-fen.net/> (last access: 6 January 2009).

⁹³⁸ See Radio Bulgaria: Bulgaria after the EC report, 30 July 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

⁹³⁹ See Europe.bg: Will Ireland put the Lisbon Treaty to the vote again?, 19 September 2008, available at: <http://www.europe.bg> (last access: 6 January 2009).

guarantees for its neutrality, fiscal independence and family law.

Experts assessing the French Presidency gave positive estimates of Nicolas Sarkozy's reaction to the crisis in Georgia while emphasizing his words that the main aim had been to take responsibility for the country at EU level and not to fall into the same trap as in Bosnia, where the USA had taken the lead and Europe followed. In the defence sphere, French efforts were described in the context of the country's reintegration into NATO.

Many analysts criticized the French Presidency for concessions on the climate change package. Their opponents noted that it had been a huge success because it was a product of consensus and had signaled that the EU would continue to take the lead on climate matters and to seek tangible commitments from the USA and other polluters worldwide.

Bulgaria and France cooperated in several spheres in the framework of the EU. They had similar stands on the Lisbon Treaty, the Common Agricultural Policy, the development of a single energy market, the future of nuclear power generation, and on the European Neighbourhood Policy. The two countries share the same views on preserving the current tools of assistance to the agricultural sector and rural development without losing the prospects for direct payments. As an external border of the EU, Bulgaria also had a positive attitude to the drafting of the European Pact on Immigration and Asylum.⁹⁴⁰

As a whole, the French Presidency was assessed as an active and productive one, which will be remembered because of the seriousness of the events of this half year. Three years after French voters rejected the constitutional project that plunged the EU into a long-lasting crisis, President Sarkozy fulfilled his promise to put his country "back in Europe". France faced the difficult issue of finding a way to resolve the EU institutional impasse and to continue the process of reforms in the bloc.

In complete contrast to the high expectations for the French Presidency, the ones for the Czech mandate are relatively low. Experts and politicians questioned how Prague would helm the EU with the Czech president being

Eurosceptic.⁹⁴¹ The media image of Vaclav Klaus is one of an outspoken critic of the EU and especially of the climate change legislation as a "silly luxury" that will aggravate the global financial crisis. According to Klaus, the Czech Presidency of the EU is an insignificant event. Journalists stressed that the President has refused to fly the EU flag over public buildings such as the Prague Castle.

Bulgarian media stressed that the Czech Presidency will be a crucial period for the EU with a view to such tasks as coping with the financial crisis, preparing summits with new US President Barack Obama, Russian and Chinese leaders, as well as holding elections for the European Parliament. Czech Prime Minister Mirek Topolanék should also tackle the issue with the ratification of the Lisbon Treaty in his country. However, a burning question remains: Would President Klaus exercise his veto? Observers commented that, in the eyes of the Prime Minister, the future of the Czech Republic fits into the Euro-Atlantic rather than in the European perspective and for that reason for him the American missile defence shield is more important than the ratification of the Reform Treaty.

The three big 'E's (economy, energy, external relations), which sum up the key priorities of the Czech Presidency, are of great importance for Bulgaria. This applies also to the plan for launching the Eastern Partnership initiative. Bulgarian media also shared the expectation that the Czech Presidency would reconsider the system of financing in the field of agriculture, seeking to reduce differences in payments to old and new members.

Looking back to the French Presidency

Croatia*

A mixed assessment of France and high expectations for the Czech Presidency

Continuation of the ratification process and the agreement on the new referendum in Ireland is regarded as a major success of the French Presidency in Croatia

Taking into account global challenges that occurred during the French Presidency, its pre-

⁹⁴⁰ See Bulgarian Ministry of Interior: Bulgaria supports European Pact on Immigration and Asylum, 8 July 2008, available at: <http://press.mvr.bg> (last access: 6 January 2009).

⁹⁴¹ See FOCUS News Agency: Next EU Presidency, 17 December 2008, available at: <http://www.focus-fen.net/> (last access: 6 January 2009).

* Institute for International Relations.

defined priorities and Croatian focus on accession negotiations, various segments of Croatian public evaluate differently the achievements of the French Presidency. Despite the fact that the enlargement process was not amongst the main priorities of the French Presidency, its results are viewed from the perspective of accession negotiations, which are amongst Croatia's top priorities.

The main priorities of the French Presidency (energy-climate package, European energy policy, migration, area of freedom, security and justice, Common Agricultural Policy and the Union for the Mediterranean) were officially presented by French Ambassador in Zagreb, François Saint-Paul and head of the delegation, Vincent Degert.⁹⁴² The presentation also outlined the Presidency's approach to one of the first challenges the Presidency had to deal with: Irish 'No'. The results of the Irish referendum were presented in the media as a serious threat to Croatian accession negotiations, despite the announcement of the French Ambassador that France had no intention of slowing down Croatian EU accession negotiations because of the Irish 'No'. The same view was supported by Prime Minister Sanader, who considered that it would have no implications on Croatia's accession process.⁹⁴³

In this context, continuation of the ratification process and the agreement on new referendum in Ireland is regarded as a success of the French Presidency.⁹⁴⁴

On the other hand, the activities of the presidency during the Russia-Georgia war were regarded as more critical, despite the fact that the French EU Presidency helped reach a cease-fire agreement.⁹⁴⁵ The EU summit held on this issue was regarded as rather rhetoric, without a strong common position on the

issue,⁹⁴⁶ because there were no sanctions for Russia.⁹⁴⁷

With regard to the financial crisis, initially a dominant view in Croatian media was that the role of the French Presidency was limited, while the other EU institutions, primarily the Commission⁹⁴⁸ or the European Central Bank and member states (primarily Great Britain and Germany) were more active.⁹⁴⁹ The perception changed later on as France actively facilitated the harmonisation of ideas; agreement on common EU approach at the G20 summit⁹⁵⁰ and adoption of recovery plan at December summit, acknowledged as major achievement of the Presidency.⁹⁵¹ The adoption of the Recovery Plan has also been considered important from Croatia's accession country perspective,⁹⁵² because enlargement fatigue might also be connected with the crisis.⁹⁵³

The pre-defined political priorities of the French Presidency received more attention at the sixth ministerial forum "Justice and Home Affairs – The EU and the Western Balkans", held in Zagreb 6-7 November 2008, where the French Presidency presented the European Pact on Immigration and Asylum, which had been adopted by the European Council on 16 October 2008.⁹⁵⁴

⁹⁴² Press conference on the priorities of the French Presidency, available at: <http://www.ambafrance.hr/spip.php?article950> (last access: 3 December 2008).

⁹⁴³ Statement of Prime Minister Sanader, 09 October 2008, government's web portal, available at: http://www.vlada.hr/hr/naslovnica/novosti_i_najave/2008/lis_topad/predsjednik_vlade_irske_referendum_ne_bi_trebao_biti_problem_za_hrvatsku (last access: 10 January 2009).

⁹⁴⁴ "Irska raspisuje novi referendum o EU", t-portal, 11 December 2008, available at: <http://www.tportal.hr/vijesti/svijet/2640/Irska-ide-na-novi-referendum-o-EU.html> (last access: 20 January 2009).

⁹⁴⁵ "Počeo EU monitoring u Južnoj Osetiji i Abhaziji", Vjesnik daily, 1 October 2008, available at: <http://www.vjesnik.hr/Html/2008/10/01/Clanak.asp?r=van&c=1> (last access: 20 January 2009).

⁹⁴⁶ A. Palokaj in Jutarnji list daily, 1 September 2009, available at: <http://www.jutarnji.hr/clanak/art-2008.9.1..131751.jl> (last access: 20 January 2009).

⁹⁴⁷ "Blokada pregovora EU i Rusije", Nacional weekly, 1 September 2009, available at: <http://www.nacional.hr/clanak/48334/blokada-pregovora-eu-i-rusije> (last access: 25 February 2009).

⁹⁴⁸ E.g. "Protiv recesije – potrošnjom", Slobodna Dalmacija, 28 November 2008, p. 15; Vjesnik, 27 November 2008, p. 11.

⁹⁴⁹ Vjesnik daily, 27 November 2008.

⁹⁵⁰ "EU se zalaže za novi financijski poredak", Deutsche Welle, 7 November 2008, available at: <http://www.dw-world.de/dw/article/0..3772908.00.html> (last access: 12 January 2009).

⁹⁵¹ "EU postigla povijesni sporazum o klimi", t-portal, 12 December 2008, available at: <http://www.tportal.hr/vijesti/svijet/2750/EU-postigla-povijesni-dogovor-o-klimi.html> (last access: 20 January 2009).

⁹⁵² "Plan EK za gospodarski oporavak odnosi se i na zapadni Balkan", Lider press, 27 November 2008, available at: <http://www.liderpress.hr/default.aspx?sid=61185> (last access: 20 January 2009).

⁹⁵³ Olli Rehn quoted in business.hr, available at: <http://business.hr/Default2.aspx?ArticleID=01bf9244-c85a-4674-aab8-dd5a18aa8d6e&ref=rss> (last access: 12 January 2009).

⁹⁵⁴ "Šesti ministarski Forum 'Pravosuđe i unutarnji poslovi – EU i Zapadni Balkan'", available at: <http://www.ambafrance.hr/spip.php?article1005> (last access: 3 December 2008).

The efforts towards an agreement on an Energy-Climate Package were closely monitored. The French initiative to allow free CO₂ allocation in new member states had been perceived as an attempt of the French Presidency to conclude “green revolution” talks.⁹⁵⁵ Media reported that adoption of the Climate-Energy Package is one of the major achievements of the presidency.⁹⁵⁶

The establishment of the Union for the Mediterranean also received significant media coverage.⁹⁵⁷ It is considered as an impetus for the development of transport routes and sea ports, environmental protection of the sea, and proposed establishment of solar fund.⁹⁵⁸ The Government considers that the Union for the Mediterranean is fully compatible with Croatian foreign policy goals.⁹⁵⁹

The challenges that occurred during the French Presidency could lead to a multi-speed Europe.⁹⁶⁰ Proposed measures for the Eurozone, including the establishment of an economic government, might lead there. A two-speed Europe was also identified by analysts as a possible outcome of the Irish ‘No’.⁹⁶¹ As it seems, the French Presidency managed to settle both issues, thus it appears to be rather successful.

Croatia’s main expectation was to open all or nearly all chapters during the presidency and to receive tentative dates for finalizing negotiations.⁹⁶²

Generally supportive of Croatia’s integration towards the EU, the French Presidency faced challenges related to Slovenia’s reluctance to separate bilateral issues from the accession process.⁹⁶³ The involvement of the French Presidency in this respect was very much

appreciated.⁹⁶⁴ An indicative road map for concluding accession negotiations by the end of 2009 is considered as “an important signal to Croatia and an unequivocal message”⁹⁶⁵ by the government.

The French Presidency was marked by major crises that might have long-term consequences for the internal cohesion of the EU and also on the speed and success of Croatia’s integration process. The French Presidency was able to manage the crises which might be regarded as the main strength of the presidency.

Croats have high expectations from the Czech Presidency

Croatia has very high expectations on the outcome of the Czech Presidency, although it is taking place in a period of a very intensive global economic crisis and deceleration of economic growth, institutional challenges linked to the ratification of the Lisbon Treaty and spring elections for the European Parliament.

The Czech Presidency’s priorities were discussed and presented in Croatia on two round table discussions. The first one was organised by the “Heinrich Böll Foundation”, which started recently a series of public debates entitled Eurotations in different Croatian towns, which focused on priorities of the upcoming presidency and its impacts on Croatia. The debate was introduced by the Czech and French ambassador to Croatia as well as by representatives from the academic society.⁹⁶⁶ Within the three priorities of the Czech presidency (economy, energy and the EU in the world), the continued development of negotiations between Croatia and the EU are highly positioned which is very much welcomed in Croatia, stressed Vesna Pusic, head of the National Committee for Monitoring the Negotiations. Croatia expects to focus on concluding negotiating chapters during the Czech Presidency, meaning that all the internal

⁹⁵⁵ “Neočekivani dar Europske unije novim članicama”, Poslovni, 26 November 2008.

⁹⁵⁶ “Povijesni summit EU-a s odlukama o Hrvatskoj”, Deutsche Welle, available at: <http://www.dw-world.de/dw/article/0,,3871335,00.html> (last access: 7 January 2009).

⁹⁵⁷ Vjesnik, 5 November 2008, p.11.

⁹⁵⁸ Vjesnik, 4 November 2008, p. 2.

⁹⁵⁹ Minister Jandroković according to Croatian News Agency, HINA; 14 July 2008.

⁹⁶⁰ Prof. Grubiša, in: Europa, Prilog, studeni 2008 (no 67, 4 December 2008), pp. 1, 6.

⁹⁶¹ Ibid., p. 6.

⁹⁶² Večernji list, 10 October 2008, p.9; Web portal Javno, available at:

<http://www.javno.com/en/croatia/clanak.php?id=162610> (last access: 12 January 2009).

⁹⁶³ Cf. “Slovenija i Hrvatska najbližije europske zemlje”, Novi List, 29 November 2008.

⁹⁶⁴ Gordan Jandroković, Minister of Foreign Affairs of Republic of Croatia, in an interview at Radio 101, 13 January 2009; Vjesnik, daily 22 and 23 November 2008, p. 1.

⁹⁶⁵ Ivo Sanader at the 6th EU-Western Balkans Ministerial conference, Zagreb, 6 November 2008, available at: http://www.vlada.hr/en/naslovnica/novosti_i_najave/2008/studen/predsjednik_vlade_na_forumu_ministara_pravosuđa_i_unutarnjih_poslova_eu_zapadni_balkan (last access 12 January 2009).

⁹⁶⁶ Visnja Samardžija from the Institute for International Relations and Damir Grubiša from the Faculty of Political Sciences gave introductions to the debate.

reforms should be completed by the end of the coming presidency. The message of the discussion expressed by Neven Šantić, journalist and moderator of the round table was that the Czech Republic will try to speed up the negotiation process, expecting required progress in reforms made by the Croatian government.⁹⁶⁷ However, as an obstacle to the future effectiveness of the Czech Presidency, Dr. Damir Grubisa mentioned the unstable majority of the Prime Minister Mirek Topolánek and the strong eurosceptic attitude of President Václav Klaus as well as the fact that the Czech Republic is among the very few countries which have not officially ratified the Lisbon Treaty.⁹⁶⁸

The Czech Presidency's priorities were also introduced in the Delegation of the European Commission in Zagreb. Among the Czech priorities are the further development of the negotiations with Croatia and finding a way to unblock it from the Slovenian side. The Czech Republic supports Croatian accession through the sharing of knowledge and experience gained in its own accession, said Mr. Karel Kühnl, Czech ambassador to Croatia.⁹⁶⁹ One of the tasks of the presidency is to provide neutral space for finding a solution to the blockade that Croatia has encountered in its negotiations with the EU, added Mr. Karel Kühnl. Since the border dispute between Croatia and Slovenia is not a part of the EU's *acquis communautaire*, the countries should find the solution and make a final decision themselves. There are no reasons for postponing Croatia's accession to the EU due to bilateral reasons and the Czech Presidency will try to create an opportunity and a position acceptable for both sides, said Czech ambassador to Croatia, Karel Kühnl.⁹⁷⁰

⁹⁶⁷ Neven Šantić: "Czech Republic for Croatia in the EU", *Novi list*, 28 November 2008.

⁹⁶⁸ Damir Grubiša: „Irish re-run and Czech presidency“, *Europe, Supplement for European integration*. No 68, December 2, 2008, pp 1 and 6.

⁹⁶⁹ Zeljko Trkanjec: "Croatia and economy are presidency priorities", *EU and Croatia, Special supplement to Jutarnji list*, 19 January 2009, p 30.

⁹⁷⁰ "Priorities of Czech presidency over EU introduced: Economy, energy and EU in the world", *Delegation of the European Commission to the Republic of Croatia*, available at: <http://delhrv.ec.europa.eu/en/content/news/id/1478> (last access: 25 February 2009).

Looking back to the French Presidency

Cyprus*

France did a difficult job – Czech task is not less ambitious

Cyprus is clearly an EU member state that encourages the further deepening of the European Union. In this respect, Nicosia perceives other member states, such as Germany and France, as the core states which promote EU deepening policies and could sacrifice their national interest for the collective European interest.

During the last semester of 2008, France holding the EU-presidency, managed to effectively promote a series of priorities and also take up immediate actions on unforeseen events (like the Irish rejection of the Lisbon Treaty, the Russo-Georgian conflict and the global financial crisis) which have dominated current affairs.

As soon as the French President, Nicolas Sarkozy, assumed duties, he announced four main priorities for the EU-presidency:⁹⁷¹ (1) tackling immigration with a view to adopting a European Pact on Immigration and Asylum; (2) reforming the Common Agriculture Policy (CAP); (3) making progress with the climate-energy package, with the aim of implementing the 2007 agreement to succeed by 2020 to reduce greenhouse gas emissions by 20 percent, increase the use of renewable energy by 20 percent and increase energy efficiency by 20 percent; and (4) reviving the European Security and Defence Policy (ESDP) by creating a commanding and planning unit for ESDP missions, revising the European Security Strategy and defining the rules governing permanent structured cooperation provided for in the Lisbon Treaty. A further fifth priority was later added, that of establishing the Union for the Mediterranean, which was launched in July.⁹⁷²

* Cyprus Institute for Mediterranean, European and International Studies.

⁹⁷¹ See the working programme of the French EU-Presidency, available at: <http://www.ue2008.fr/> (last access: 25 January 2009).

⁹⁷² Joint Declaration of the Paris Summit for the Mediterranean, Paris, 13 July 2008, available at: http://www.ue2008.fr/webdav/site/PFUE/shared/import/07/0713_declaration_de_paris/Joint_declaration_of_the_Paris_summit_for_the_Mediterranean-EN.pdf (last access: 25 January 2009).

As diplomats from the Cypriot Ministry of Foreign Affairs stated, the French priorities were more or less maintained and important agreements were achieved.⁹⁷³

In regards to immigration, upon the adoption of the European Pact on Immigration and Asylum in October, President Demetris Christofias commented that the approved text takes into consideration the needs of specific member states, including Cyprus' concerns.⁹⁷⁴ Christofias stressed that Cyprus faces a serious problem in that respect due to the occupation of the northern part of the Republic and the illegal immigration occurring from the areas not controlled by the Republic's government. He added that the problem will only be solved when the Cyprus problem is resolved.

The pact also engages member states to the establishment of a uniform asylum concession system by 2012 at the latest, something perceived by the Cypriot Ministry of Interior as a way to harmonise asylum laws throughout Europe so that asylum seekers cannot make simultaneous demands in a number of states.⁹⁷⁵ The principle of repatriation of illegal immigrants is also mentioned in the pact, an issue which troubles the Cypriot authorities, especially for the illegal immigrants arriving in the island via the non-government controlled territory. The Ministry of Interior has often called Brussels for assistance in this matter and also called for EU's intervention in calling the country from which the illegal immigrant has arrived to pay for his/her repatriation.⁹⁷⁶ In any case, political analysts have argued that the Pact did not specify the bases of this standardisation, being an agreement only politically, but not legally, binding. They added that neither juridical restrictions nor an explicit engagement were contained in the pact.

Regarding the reform of the CAP, while it is clear that the policy needs to be radically reformed, France did not make much headway in debates on the topic. Analysts expressed the estimation that it is highly likely that there will be a new clash between France and Britain on the CAP when new negotiations on EU financing get underway in 2009.

The climate-energy package was also considered a major success of the French Presidency. The '20-20-20' objectives were welcomed by the Cypriot government, which set up a national energy target for reducing energy consumption and promoting the use of alternative energy sources in accordance with the EU target.⁹⁷⁷ Nicosia's aim is to create a "competitive green economy" and, to this end, the Cypriot authorities will promote with various awareness campaigns and funding programmes the use of energy-friendly methods.⁹⁷⁸

The French Presidency's priority of reviving the ESDP was perceived by our interlocutors at the Ministry of Foreign Affairs as a means towards a strong Europe.⁹⁷⁹ The US need for a strong defence system in Europe, as explained by the American ambassador to NATO, Victoria Nuland, made 2008 a crucial year for Europe's defence policy. The French President, taking advantage of this unique opportunity and having decided to reintegrate in to NATO, attempted to revive the ESDP. Unfortunately, the presidency's objectives of establishing the commanding and planning unit, defining the criteria for permanent structured cooperation and revising the European Security Strategy, were not achieved. This was mainly due to opposition from the UK. Even though our interlocutors in the Ministry of Foreign Affairs believe that an ESDP is required to proceed towards "a more integrated, federal style European system", the Cypriot government under AKEL, a party of the left, believes that any integration towards the specific field must be independent of NATO and its infrastructures.⁹⁸⁰

Concerning the Union for the Mediterranean, our interlocutors at the Ministry of Foreign Affairs argued that the Paris Conference was certainly a success and provided President Sarkozy with the opportunity to be seen as the principal EU actor in the region.⁹⁸¹ And yet, regarding the long term results of the undertaking, as long as the EU is not a principal actor in the resolution of the

⁹⁷³ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, December 2008.

⁹⁷⁴ Demetris Christofias, President: Statements, Brussels, 16 October 2008.

⁹⁷⁵ Interviews conducted by Nicoleta Athanasiadou at the Cypriot Ministry of Interior, Nicosia, December 2008.

⁹⁷⁶ Ibid.

⁹⁷⁷ Antonis Paschalides, Minister of Commerce, Industry and Tourism: Speech delivered at the "Save Energy Seminar", Nicosia, 16 January 2009.

⁹⁷⁸ Solon Kassinis, head of the energy department, Ministry of Commerce, Industry and Tourism: Speech delivered at the "Save Energy Seminar", Nicosia, 16 January 2009.

⁹⁷⁹ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, December 2008.

⁹⁸⁰ Ibid.

⁹⁸¹ Ibid.

Mediterranean's regional problems – such as the Cyprus problem and the Arab-Israeli conflict – any real improvement in the area is highly improbable.⁹⁸² In regards to the Union for the Mediterranean Summit, upon his return from Paris, President Christofias stated that the summit had achieved its goals.⁹⁸³ The aim of the Union for the Mediterranean, Christofias said, is to promote peace and stability in the area by enhancing cooperation through joint programmes on climate change, alternative energy sources, sustainable development, and other fields. With the conclusion of the Paris Summit, all Cypriot political parties welcomed the French initiative for a Mediterranean Union.⁹⁸⁴ Media reports also commented that Nicolas Sarkozy appeared to act according to political considerations, such as the desire to offer Turkey an alternative to EU accession.⁹⁸⁵

The Irish rejection of the Lisbon Treaty put an obstacle in the works for the French action plan. In addition, the Russo-Georgian conflict in August and the economic and financial crisis which soon followed, also called for swift action on the part of the French Presidency.

As the Cypriot diplomats told us, the Irish rejection of the Lisbon Treaty blocked the institutional changes due to come into force in 2007; thus, the French Presidency was forced to assume the task of managing the crisis which ensued.⁹⁸⁶ During the December 2008 European Council, France's role holding the EU-presidency was considered catalytic as it managed to bridge Ireland's concerns in regards to controversial issues of the treaty, such as abortion, neutrality and fiscal policy, in exchange for a commitment on the part of the Irish government to hold a second referendum.

In regards to major issues like the Georgian crisis and the global recession, Cypriot political analysts expressed the belief that President Sarkozy's actions placed the EU back on the geopolitical map, confirming that the EU is not just a large economic machine. They also added that Sarkozy was able to turn the conclusion of the George W. Bush era to his advantage by affirming the EU's position on

the international scene. In times of crisis, there has never been more need for political leadership coming from the EU. The EU was able to act swiftly and powerfully, to respond to major issues like the Georgian conflict and the global financial crisis, especially due to Sarkozy's strong leadership at a time of difficulty. The French President's role was deeply appreciated and, as Cypriot diplomats conveyed to us, Nicolas Sarkozy's lead in the European Council was probably the most successful in the past two years.⁹⁸⁷ The French handling was exactly what was required, to be able to speak as often as possible as a single entity in an increasingly complex, and already multi-polar world.

The Czech Republic took over the EU-presidency at a time when the continent faces an economic crisis, Israel was attacking the Gaza Strip, and Russia and Ukraine were embroiled in the natural gas row. 'Europe without barriers' was presented as the slogan of the Czech EU-Presidency and its main priority is the enforcement of the freedom of movement, people, goods and services within the EU. As stated by many Czech officials, during their country's presidency the Lisbon Treaty would go into effect and efforts to strengthen EU's foreign policy toward the Western Balkans will be enhanced. Our interlocutors said that the Czech Republic has a very difficult task in its hands, adding that the Czech government's crisis management skills and mediation abilities will be tested to the full during its EU-presidency.⁹⁸⁸

The Republic of Cyprus, according to our interviewees at the Ministry of Foreign Affairs, is expecting from the Czech Presidency to call on Turkey to proceed with the immediate application of the Ankara Protocol and normalise its relations with the Republic.⁹⁸⁹ Moreover, Nicosia expects that the EU-presidency will call on Turkey to actively support negotiations in Cyprus, while underlining that any solution in Cyprus must respect "the principles on which the EU was founded" and according to which it operates.

The Czech ambassador in Cyprus Jan Bondy, speaking in Nicosia, said that Turkey is trying to avoid recognising the Republic of Cyprus and opening its ports and airports, by claiming that such actions need to be deferred until the

⁹⁸² Ibid.

⁹⁸³ Demetris Christofias, President: Statements, Larnaca, 14 July 2008.

⁹⁸⁴ Political parties statements, Nicosia, 13/14 July 2008 (as reported by the Cyprus News Agency).

⁹⁸⁵ CYBC TV, MEGA TV, ANT1 TV, SIGMA TV, PLUS TV: Main news bulletins, 13-15 July 2008.

⁹⁸⁶ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, December 2008.

⁹⁸⁷ Ibid.

⁹⁸⁸ Ibid.

⁹⁸⁹ Ibid.

Cyprus problem is resolved.⁹⁹⁰ Bondy expressed his country's support for Turkey's accession, provided it fulfils the necessary criteria. He further noted that the start of the direct negotiations procedure for the solution of the Cyprus problem is a positive step for the two communities and expressed the hope for a settlement this year. Turkey's next progress report, he added, will be produced under the Swedish Presidency, in the second half of 2009.

Looking back to the French Presidency Czech Republic*

Muted approval for France in the running up to the Czech Presidency

The French Presidency and its evaluation drew a lot of attention from the Czech media, the political scene and even the public sphere. The reasons were manifold. First, the institution of the presidency itself draws attention on its own thanks to the real and symbolic importance of the post. Secondly, the French administration stirred the still waters of European politics, and the waves have also reached the Czech Republic.

But importantly, the French Presidency preceded the Czech one. The Czech administration was in close contact with France already during the early phases of the preparation of the Czech Presidency and the common 18 month program. The Czech political scene as a whole and the media followed these negotiations closely. Once the French Presidency started, the eyes and ears of Czech politicians and the media were quite closely following it. The French Presidency influenced the fortunes of the Czech Presidency: it affected the agenda to be dealt with by the Czech Presidency. The French Presidency also provided an important reference point and a benchmark for the preparation of the Czech Presidency and its priorities. For example, when the Czech opposition (the Social Democrats) criticized the governmental preparations of the Czech Presidency, it pointed out the discrepancy between the French priorities on one side and the too liberal Czech priorities on the other. The assessment of the French activities (such

as the mediation between Russia and Georgia) by the Czech media (and opposition politicians) was sometimes accompanied by speculation about how the Czech government and the Prime Minister would act in such situations.

The expectations of the European media and some politicians about the upcoming Czech Presidency were formulated with the French Presidency in mind. The commendations of the French Presidency were sometimes supplemented with worries and mistrust of the upcoming Czech Presidency. Some European politicians voiced their worries that after the successful and vigorous French leadership, the EU is heading toward a crisis and a halt with the eurosceptic Czech Republic. The positive assessment of the French Presidency by various European actors was used as a tool to bash the upcoming Czech Presidency. In autumn, the widespread satisfaction with the French Presidency culminated in speculations that it may be extended into the year 2009. Speculations that France may "steal our presidency" were perceived sensitively in the Czech Republic.⁹⁹¹ The form of the Czech Presidency (as well as a division of authority between France and Czech Republic) was even discussed bilaterally between the French President and the Czech Prime Minister at the end of October 2008.⁹⁹² The Deputy Prime Minister for European Affairs Vondra felt that "It was indispensable for Sarkozy to tell us that France would not steal the presidency away from us."⁹⁹³

Within this context, it is quite understandable that the Czech political scene and media did not join the cheerful European mainstream (led by France itself), eulogizing the successes of the French Presidency. To be sure, the French Presidency was assessed positively by most actors in the Czech Republic. Our point is that the open and public approval was somehow muted because the successes of the French Presidency were used against the Czech one.

⁹⁹¹ „Ukradené“ předsednictví EU? (The "Stolen" EU presidency?), Lidové noviny, 10 October 2008.

⁹⁹² It should be noted that despite the past criticism of the Civic Democrats against the EU, the Czech government led by the Civic Democrats took the EU presidency very seriously. Its engagement in European issues (the EU presidency) is surprisingly high – it got fixated on the EU presidency as a unique opportunity to influence the EU, to sell 'Czech ideas' and 'the unique Czech experience' to Europe and to make the Czech Republic visible.

⁹⁹³ Evropa je Sarkozym trochu uhranutá (Europe is somewhat spellbound by Sarkozy), Hospodářské noviny, 11 November 2008.

⁹⁹⁰ Jan Bondy, Czech ambassador in Cyprus: Statements, Nicosia, 8 January 2009 (as reported by all Cypriot Media and the Cyprus News Agency).

* [Institute of International Relations](#).

The French EU Presidency was personified by the French President Sarkozy. Thus, the assessment of the French Presidency as such might have been distorted by the personal sympathies/antipathies of individual political actors towards Sarkozy. The positive commentaries about Sarkozy usually focus on HOW he coped with the challenges rather than WHAT was the result of the decisions and/or negotiations. Both the media and governmental and opposition politicians praise Sarkozy for devoting a lot of energy and time to the presidency.⁹⁹⁴ The reactions of Paris were swift and it was even tolerated that Sarkozy sometimes acted without an explicit mandate (e.g. during the Russia-Georgia crisis).⁹⁹⁵ The Deputy Prime Minister for European Affairs Vondra, for example, remarked that Sarkozy really “leads the European Council in a very dynamic way. He speaks without notes [...] He can make decisions, he knows compromise.”⁹⁹⁶ Similarly, the Prime Minister Topolánek commended Sarkozy’s style and praised him for being active and for “action”.⁹⁹⁷ According to one commentary, the French Presidency was characterized by “hyperactivity, an incessant piling up of ideas, voluntarism and pragmatism”⁹⁹⁸. Sarkozy’s glamour and energy seemed to overshadow occasional reports about logistical problems and organizational chaos during the French Presidency.

While both the representatives of the Czech government and the opposition politicians expressed their satisfaction with the way Sarkozy managed the EU presidency, President Klaus more or less openly criticized Sarkozy’s style and behaviour. At the end of December he suggested that people like Sarkozy harm Europe and trample the basic idea of Europe because they do not respect diversity and plurality of ideas.⁹⁹⁹ This attack, together with a skirmish about the EU flag over the Prague Castle, was part of a larger battle

⁹⁹⁴ Unijní předsednictví, jaké tu už dlouho nebylo (An EU chairmanship the likes of which we haven’t seen for a long time), Hospodářské noviny, December 12, 2008.

⁹⁹⁵ One commentary noted that Sarkozy was “wagging the dog”. See Supersarko se loučí (Supersarko says goodbye), Lidové noviny, December 27, 2008.

⁹⁹⁶ Alexandr Vondra in Evropa je Sarkozym trochu uhranutá (Europe is somewhat spellbound by Sarkozy), Hospodářské noviny, 11 November 2008.

⁹⁹⁷ Být akční? To mě naučil Sarkozy (Being active? Sarkozy taught me that), Lidové noviny, 13 December 2008.

⁹⁹⁸ Sarkozy září a úředníci zmatkují (Sarkozy shines and officials panic), Hospodářské noviny, 11 September 2008.

⁹⁹⁹ Sarkozy škodí Evropě, vzkázal Klaus na Štědrý den (Sarkozy harms Europe, as Klaus said on Christmas), Právo, 27 December 2008.

between Sarkozy and Klaus fought throughout the autumn and winter of 2008.

Positive assessment of the way Sarkozy managed the EU presidency prevails (with the exception of President Klaus). But media commentators and some politicians remain doubtful about the tangible results of Sarkozy’s decisions and mediations. For example, the Czech Foreign Minister and other officials appreciate that thanks to Sarkozy, Europe was at least able to act during the Russia-Georgia crisis. On the other side, observers remarked that the result – the ceasefire between Russia and Georgia mediated by Sarkozy – was too vague. Russia interprets the ceasefire in a way that is consistent with the current status quo, implemented by force.¹⁰⁰⁰

Looking back to the French Presidency

Denmark*

Energy and climate policy as top priority

The French Presidency has generally received very positive critics in the Danish media and has been praised for its solutions to the many unexpected crises the EU has been facing: the Russia-Georgia conflict, the Irish ‘No’ and the financial crisis.

The Danish Foreign Minister, Per Stig Møller, has on several occasions paid tribute to the French Presidency for its handling of the conflict in Georgia and its ability to disseminate between the two sides and put a hold to the fighting. Møller believes that the French Presidency secured a strong and cohesive EU.¹⁰⁰¹ The Danish government kept a low profile in the European debates about the financial crisis due to the Danish EMU opt-out.¹⁰⁰² Countries outside the Eurozone, except from the UK, were not invited to the extraordinary summit on 12 October 2008 in Paris where the first guidelines for a European rescue package were negotiated together with the European Central Bank and the European Commission.¹⁰⁰³ From a Danish perspective,

¹⁰⁰⁰ Unijní předsednictví, jaké tu už dlouho nebylo (An EU chairmanship the likes of which we haven’t seen for a long time), Hospodářské noviny, 12 December 2008.

* Danish Institute for International Studies.

¹⁰⁰¹ Erhvervsbladet: Kronik: Frankrig for bordenden, by Per Stig Møller, 12 September 2008.

¹⁰⁰² Berlingske: Fogh uden indflydelse ved EU-topmødet, 7 November 2008

¹⁰⁰³ Politiken: Nyhedsanalyse: Euroland træder i karakter-hvad gør Danmark?, 14 October 2008.

there is a wish for greater clarity and harmonization amongst the different national financial regulators.¹⁰⁰⁴ The Danish Prime Minister, Anders Fogh Rasmussen, therefore showed great satisfaction with the agenda of reforming the global financial system agreed by the EU heads of state and government prior to the G-20 meeting in Washington.¹⁰⁰⁵

Since Denmark is hosting the United Nations Climate Change Conference "COP15" in December 2009, an important matter has been to convince European leaders that a solution to the financial crisis must not prevent an ambitious climate policy.¹⁰⁰⁶ Getting an agreement on an energy and climate change package was a top priority for Denmark during the French Presidency as an EU climate deal would create the crucial basis for the further negotiations in Copenhagen. The Danish government therefore welcomed the energy and climate package after the European Council in December although many changes were made to the initial Commission proposal which Denmark strongly supported. Environmental organizations in Denmark strongly criticized the climate change package. The Danish "World Wide Fund For Nature" (WWF) regards the deal as a significant failure since strong concessions were made to the heavy industries by allowing a majority of emissions reductions to be offset by paying for projects outside Europe rather than making cuts at home. Furthermore, the Secretary General of the Danish WWF, Gitte Seeberg, criticized the Danish government for not using its political power momentum to tackle the climate problems in a more ambitious way.¹⁰⁰⁷

Low expectations for the Czech Presidency

There are low expectations in Denmark for the Czech Presidency because of the unstable Czech government with a very tiny majority and the eurosceptical President, Vaclav Klaus. Not much attention has been given to the main priorities of the presidency since the financial crisis is considered to overshadow other agendas.¹⁰⁰⁸ Concerns have been raised about

the Czech Presidency's ability to lead the negotiations with Ireland on a second referendum since the Czechs have not themselves ratified the Lisbon Treaty. Fears of a lack of action and authority to deal with the financial crisis have also been voiced.¹⁰⁰⁹

Looking back to the French Presidency

Estonia*

Satisfied with France, hopeful with regards to the Czech Presidency

The Estonian government considers the French Presidency to be a successful one, recognizing that it had to deal with many extraordinary events and managed to "address them very well".¹⁰¹⁰ In particular, Estonia appreciates the active role that the French Presidency took in mediating the Russian-Georgian crisis, and securing the cessation of military activities relatively quickly. At the same time, there was a wide-spread impression that France was too eager to normalize relations with Russia after the latter had withdrawn its troops from Abkhazia and South Ossetia.

Other French successes, according to Foreign Minister Urmas Paet, include the EU military operation off the Somalian coast in response to pirate attacks (Estonian sailors have repeatedly been held captive by pirates and their fate has been followed closely by the media) as well as rapid reaction to military conflict in the Gaza sector. Estonia also appreciated the fact that important agreements were reached in the field of energy and energy security during the French Presidency.¹⁰¹¹

Five shared priorities

According to Foreign Minister Paet, Estonia shares the objectives of the Czech Presidency and the positions of Estonia and the Czech Republic coincide "on all important issues".¹⁰¹² Estonia also regards the Czech Presidency as

¹⁰⁰⁴ Jyllands-Posten: Enighed gør stærk, 7 November 2008.

¹⁰⁰⁵ Jyllands-Posten: EU-drama før topmøde i Washington, 8 November 2008.

¹⁰⁰⁶ Berlingske Tidende: Euro-samarbejdet styrket efter finansindgreb, 15 October 2008.

¹⁰⁰⁷ WWF.dk: Klimaet tabte slaget i EU, available at: <http://www.wwf.dk/dk/Menu/Nyheder/Klimaet+tabte+slaget> (last access: 26 January 2009).

¹⁰⁰⁸ Jyllands-Posten: Ringe EU-tiltro til Tjekkiet, 31 December 2008.

¹⁰⁰⁹ Politiken: Tjekkerne vil vise, at de nye små også kan styre, 28 December 2008.

* University of Tartu.

¹⁰¹⁰ „Paet peab Prantsusmaa eesistumist edukaks”, Postimees, 2 January 2009, available at: <http://www.postimees.ee/?id=64255> (last access: 26 January 2009).

¹⁰¹¹ Ibid.

¹⁰¹² Ministry of Foreign Affairs Press Release, "Paet kohtus Euroopa Liidu järgmise eesistujaga," 4 December 2008, available at: http://www.vm.ee/est/kat_42/10424.html?arhiiv_kuup=kuup_2008_12 (last access: 26 January 2009).

a good opportunity "to reduce the still-persisting prejudices regarding the capacity of countries that joined the EU in the two recent rounds of enlargement".¹⁰¹³ Estonia's priorities for the Czech Presidency include the following:¹⁰¹⁴

1. Progress in accession to the Eurozone and better implementation of the structural funds: Estonia aims to fulfil conditions to adopt the single currency in 2010. During the Czech Presidency, Estonia seeks to secure a positive assessment of the government's renewed convergence program. Estonia has not been particularly effective in implementing the structural funds and needs to improve its performance in this respect.
2. Energy security: Estonia would like to see progress within the framework of Strategic Energy Review, European Economic Recovery Plan and Baltic Interconnection Plan. Estonia hopes to reach an agreement on the criteria on EU financing for energy infrastructure projects.
3. Development of the Baltic Sea strategy: Estonia looks forward to the Commission's communication on the issue, due in June 2009. Estonia supports the strategy that concentrates on development of the internal market both in the region and the EU, and promotes free movement of knowledge.
4. Development of a common IT-strategy in the field of Justice and Home Affairs. Estonia hopes that such a strategy will help strengthen the security of the Schengen area.
5. Further development and strengthening of implementation measures of the European Neighbourhood Policy and especially the Eastern Partnership.

¹⁰¹³ „Urmast Paet: tšehhid lõhuvad eelarvamusi, Postimees, 26 January 2009, available at: http://www.vm.ee/est/kat_45/10582.html?arhiiv_kuup=kuup_2009 (last access: 26 January 2009).

¹⁰¹⁴ „Estonia's priorities in the European Union during the Czech presidency“, approved on 22 January 2009, available at: http://www.riigikantselei.ee/failid/CZ_eesm_rgld_EN.pdf (last access: 26 January 2009).

In non-governmental circles, expectations for the Czech Presidency also include promoting the integration of the historical experience of Eastern Europe into the dominant pan-European historical narrative and making sure that the victims of all totalitarian regimes receive equal status, equal sympathy and solidarity. Tunne Kelam and Marianne Mikko, both Estonian Members of the European Parliament, have expressed hopes that Prague will be successful in condemning the crimes of communism. Kelam wants Czech Prime Minister Mirek Topolanek to achieve the recognition of 23 August (anniversary of the Molotov-Ribbentrop pact) as a memorial day of the victims of both communism and Nazism. He also calls on the Czech Presidency to initiate a process that would lead to "giving a pan-European moral and political assessment to crimes committed under totalitarian communist regimes".¹⁰¹⁵

Looking back to the French Presidency

Finland*

Praise for the French Presidency and doubt about the Czechs' ability to follow suite

In general, the French Presidency was assessed as a very successful one. Its ability to switch from the original emphasis on e.g. agriculture and defence, to Georgia and the financial crisis, has received well-earned praise in the EU and Finland alike. The final results and successfulness of the French Presidency remain to be seen.

Full speed ahead from the start

The Finnish Foreign Minister Alexander Stubb thanked the French Presidency for its activity in handling the financial crisis: "I am glad that the European Union took the lead in this debate. We should be thankful to the French Presidency for all the efforts it has put into solving this crisis. The worst thing a Presidency can do in times like these is to do nothing."¹⁰¹⁶ Minister of Migration and European Affairs, Astrid Thors, praised the

¹⁰¹⁵ „Kelam: Tšehhi peab saavutama 23. augusti ühise mälestuspäevana,“ Postimees, 14 January 2009, available at: <http://www.postimees.ee/?id=69359> (last access: 26 January 2009).

* Finnish Institute of International Affairs.

¹⁰¹⁶ Alexander Stubb, Minister for Foreign Affairs: "Who says world politics is boring?", speech at the London School of Economics and Political Science, 20 November 2008, London.

French Presidency for taking the small member states' special circumstances into account in the December European Council meeting. The French Presidency succeeded in strengthening cooperation and decision-making capacity of the Union. One of the most interesting things to follow up on, has and will be, the cooperation among the three biggest member states.¹⁰¹⁷ Commissioner Olli Rehn acknowledged France for handling the Georgian crisis. According to him, the EU was capable of joint foreign policy this time, unlike during the war in Bosnia.¹⁰¹⁸

In a survey held at the beginning of January 2009, Finnish citizens mentioned economic stability and growth, as well as climate change, as policy areas where the Union is best able to exert positive influence.¹⁰¹⁹ As these areas have been among those where the French Presidency was at its most active, it could be presumed that either the French Presidency has been successful according to the Finns' assessment, or that the French have successfully picked those subjects with which they are able to do the most.

In Finland the French Presidency was heavily criticised, both in the media and in the ministerial level, for inviting only the largest member countries to the emergency meeting on the financial crisis. It was said that the united front of the member states was shattered and integration failed its first major test. The mistake was made, even though later in Luxembourg, a joint line was found.¹⁰²⁰ In relation to the Georgian crisis, the French Presidency got blamed for the pact negotiated by Nicolas Sarkozy, allowing Russia the right to act on Georgian territory until international arrangements have been made, thus putting the pressure on the EU.¹⁰²¹

Halfway through the French Presidency, the evaluations on France's performance during the first part were mixed. Finns were mostly

bothered by the lack of organisation and uniformity. The critique passed by Finns says a lot about Finnish mentality and their fondness of well-laid plans. However, the French Presidency was characterised by the unexpected. The Georgian war and the financial crisis demanded and still do, leadership and speed, which France and Sarkozy clearly showed.¹⁰²²

The three crises

The French Presidency will definitely remain as a remarkable period of EU history. In the Georgian operation Sarkozy took on the leadership in peace negotiations. Russia preferred France as a mediator over the multinational organisations. Even though a satisfactory solution was not found for all, the operation can still be counted as a pro for France. Finland held the OSCE chairmanship in 2008. Thus, Finnish public attention concentrated initially on the actions of the OSCE and the Finnish chairmanship, with the EU largely overshadowed by this. Therefore Foreign Minister Stubb got most of the media attention in mediating the Georgian crisis and the work done by Sarkozy and the French Presidency was somewhat ignored. The financial crisis hit after Georgia. Sarkozy reacted quickly and hosted a summit to solve the situation. Albeit all did not go equally and ever so elegantly, the required activity was there. The decisions and events on the Frenchs' term have far-reaching consequences that can only be guessed upon at this time. If the Europe was in want of a visible leader, then it was found in the French President.¹⁰²³

The Czech Presidency is expected to build up the EU-Russia relationship, promote peace in the Middle East, get the Lisbon Treaty in effect and minimize the consequences of the financial crisis.¹⁰²⁴ It already had to deal with two major crises during its first few weeks as a president. Many have started to wonder if an internally weak Czech government is capable of handling major problems.¹⁰²⁵ In Finland, there has not been much speculation about the Czechs' future yet.

¹⁰¹⁷ Astrid Thors, Minister of Migration and European Affairs: speech at FIIA seminar, 16 December 2008, Helsinki.

¹⁰¹⁸ "Sarkozy: Eurooppa muutti minua", Helsingin Sanomat, 17 December 2008.

¹⁰¹⁹ Survey conducted between 1-11 January 2009 by TNS Gallup Oy on behalf of the European Parliament's Information Office in Helsinki and MTV3, available at: http://www.europarl.fi/ressource/static/files/dokumenttipankki/EU-2009-RAPORTTI_1.pdf (last access: 10 March 2009).

¹⁰²⁰ "Yhtenäisyys koetuksella", Suomen Kuvalehti, 10 October 2008.

¹⁰²¹ "Ranskaa moititaan kulissien takana", Helsingin Sanomat, 30 August 2008.

¹⁰²² "Nopeus ja kyky johtajuuteen Ranskan EU-johtajuuden valitit", Helsingin Sanomat, 21 October 2008.

¹⁰²³ "Ranskan EU-johtokauden tulokset mitataan jälkikäteen", Helsingin Sanomat, 31 December 2008.

¹⁰²⁴ "Tšekillä on monta EU-päähkinää ratkottavana", Helsingin Sanomat, 9 January 2009.

¹⁰²⁵ "EU-puheenjohtaja Tšekki joutui kovalle heti kautensa alussa", Helsingin Sanomat, 9 January 2009.

Looking back to the French Presidency France*

A presidency of crisis

The French Presidency's assessment is quite balanced, depending on the issues and the observers. The main success underlined is the ability showed by the French Presidency to deal with the two international crises that emerged during its term: the Georgian conflict and the financial and economic crisis. According to Jean-Dominique Giuliani, President of the Robert Schuman Foundation, the French President dealt with the different crisis in an absolutely brilliant way, "allowing ambitious decisions to be taken by the EU and materialised a European willingness that seemed to 'dissolve' into a discordance culture".¹⁰²⁶

The way it dealt with the Russo-Georgian crisis appears as one of the first and main successes of this Presidency, almost unanimously recognised by French media. According to "Les Echos", Sarkozy managed to present a well balanced proposition, preserving European interests, and helped Europe to mediate the conflict in a way it had never managed before.¹⁰²⁷ Thierry Chopin (Professor at the College of Europe) and Lukas Macek (Sciences Po) consider that France managed to play a good mediator role in this crisis allowing, for the first time, Europe to end a conflict on its own initiative.¹⁰²⁸

The management of the financial crisis has been assessed with more differentiated viewpoints. French economist Michel Aglietta underlines the fact that, even though the first G4 meeting has been a little chaotic, the French Presidency was able to convince all their partners – especially the Germans – and to propose a common toolbox for the Eurogroup.¹⁰²⁹ Former State Secretary for European Affairs Pierre Moscovici, however, considers this G4 not only as chaotic, but also artificial, not to mention useless.¹⁰³⁰ If Michel Aglietta welcomed the initiative of calling for a G20 meeting aiming at reforming the world finance sector, Pierre Moscovici remains

moderate considering that, "if the initiative is right, the results are uncertain".¹⁰³¹

The 'plan to relaunch Europe' has been criticised. According to "Libération", this plan is not that much European, however, it has more to do with dressing up a series of national plans.¹⁰³² French economist Jean-Hervé Lorenzi considers this 'European' plan as "politically interesting" but too weak. Not only because of the lack of coordination between member states, but also because of a lack in definition, and especially its inability to choose between a supply and demand orientation.¹⁰³³

A presidency of compromise

Apart from this crisis management, French media welcomed the fact that compromises have been found on many other issues: overcoming the Irish 'No', the diplomatic success of the Mediterranean Union, and the energy and climate package. Others tend to balance this overall success, highlighting the lack of concrete solution, and the fact that a number of matters have not progressed at all. According to Daniel Cohn-Bendit, MEP, the French Presidency has failed because the content of the compromises it reached did not level its declared activism.¹⁰³⁴ Moreover, some observers consider that the European project and institutional balance have undergone many changes. Information Website "Mediapart", assumes that "with the complicity of the European Commission's President José Manuel Barroso, Nicolas Sarkozy took the advantage of being head of the EU to unbalance a fragile equilibrium".¹⁰³⁵ Economic daily newspaper "Les Echos" even assumes that the French Presidency has weakened the Commission, which has been relegated to the role of technical assistant to the Council's presidency.¹⁰³⁶

French public opinion is divided regarding 'their' presidency. According to a recent poll, people seem to be generally satisfied: 44 percent consider it 'rather a success', and only 18 percent 'rather a failure'. The main reasons leading to its qualification as successful are: the fact that it has been 'strong'; its ability to work under pressure and to deal with the

* Centre européen de Sciences Po.

¹⁰²⁶ *Le Figaro*, 25 December 2008.

¹⁰²⁷ *Les Echos*, 23 December 2008.

¹⁰²⁸ *Le Monde*, 01 January 2009.

¹⁰²⁹ *Euractiv*, 23 December 2008.

¹⁰³⁰ Pierre Moscovici, online blog entry, 11 December 2008, available at: <http://moscovici.typepad.fr/blognational/2008/12/fin-de-présidence.html> (last access: 26 February 2009).

¹⁰³¹ Ibid.

¹⁰³² *Libération*, 25 November 2008.

¹⁰³³ *Le Figaro*, 29 September 2008.

¹⁰³⁴ *Euractiv*, 10 December 2008.

¹⁰³⁵ *Mediapart*, 29 December 2008.

¹⁰³⁶ *Les Echos*, 12 December 2008.

financial crisis and different conflicts.¹⁰³⁷ But taking a closer look on each particular issue, French public opinion is clearly torn in two groups. Considering the financial crisis question, 39 percent think that the French Presidency was able to propose concrete solutions whereas 40 percent think that it did not. On the Georgian crisis, the results are similar (35 percent consider that concrete solutions have been found, and 35 percent not). On the other hand, only 28 percent think the presidency has led to some progress concerning the Lisbon Treaty (34 percent no), and only 12 percent on the Common Agricultural Policy (53 percent no). A clear political cleavage can be noticed on all these questions (80 percent of right wing supporters consider the French Presidency as a success, and only 25 percent of left wing supporters – a similar division can be observed on almost all questions). But the most striking figure is the number of people without opinion: altogether, 38 percent of the interviewees. Such results show that one of the main failures of the French Presidency might be the announced reconciliation of the European Union with the French citizens.

Fears surrounding the eurosceptic Czech Presidency

Even though there are some disagreements on the French Presidency's achievements, the activism of President Nicolas Sarkozy and his ability to place the European Union back at the centre of the international scene is unanimously recognised. In this context, the fact that the Czech Presidency might put a stop to the activism that characterised its predecessor is feared by the majority of French observers.¹⁰³⁸ Thierry Chopin and Lukas Macek consider this transition as a real test and a high risk sequence for the EU.¹⁰³⁹ In this context, the pressure on the Czech Republic is quite high. According to the website "Touteurope", dedicated to European affairs, the Czech Republic "will have to level with the French Presidency, which managed to make important progresses on a number of important issues and to deal with unexpected crises, such as the Russo-Georgian conflict".¹⁰⁴⁰

¹⁰³⁷ Sondage Opinionway, "La présidence française de l'Union Européenne. Bilan", 12 January 2009, available at: http://www.touteurope.fr/fileadmin/CIEV2/article/Opinion_Way_Metro_Perception_de_la_PFUE_-_12_janv_09.pdf (last access: 26 February 2009).

¹⁰³⁸ *Libération*, 02 January 2009.

¹⁰³⁹ *Le Monde*, 01 January 2009.

¹⁰⁴⁰ Présidence tchèque du Conseil de l'Union européenne, *Touteurope.fr*, available

All media emphasise the euroscepticism of Vaclav Klaus, the Czech President. According to "Le Figaro", there is a real risk of the "EU plunging straight back into hibernation".¹⁰⁴¹ French daily newspaper also underlines the fact that it is a particularly bad moment to lose the impetus and ambitions triggered by the French semester. According to Christian Lequesne, there is a general lack of confidence in the Czech Presidency that is illustrated by Nicolas Sarkozy's presence in the Middle East even though a mission of the troika (including Commissar Ferrero-Waldner) has been sent there.¹⁰⁴²

French observers take note of the official top priorities for the Czech Priorities: 'the three E' (Economy, Energy, and Europe in the World). On these issues, Daniel Cohn-Bendit expects that the Czech Republic continues what could not be decided under the French Presidency. However, there are more general expectations. According to Christian Lequesne, this Presidency is an opportunity for the Czechs to "relax with history" and realise that Europe has changed since 1939 or 1968.¹⁰⁴³

Looking back to the French Presidency

Germany*

Looking back: evaluation of the French EU-Presidency's results

The German evaluation of the French EU-Presidency ranges from "extremely successful"¹⁰⁴⁴ or "breathless Presidency"¹⁰⁴⁵, to a rather strong criticism about the lack of a Franco-German cooperation. Most observers underline that the originally planned priorities could predominantly not be dealt with – apart from the Energy and Climate Package. Issues like the future of the CAP and the planned defense union¹⁰⁴⁶, were either not discussed in

at: <http://www.touteurope.fr/fr/actions/construction-europeenne/presidence-de-l-union-europeenne.html> (last access: 26 February 2009)

¹⁰⁴¹ *Le Figaro*, 30 December 2008.

¹⁰⁴² *Euractiv*, 07 January 2009.

¹⁰⁴³ Ibid.

* *Institute for European Politics*.

¹⁰⁴⁴ According to conference discussion: „Drei E's für Europa - EU-Briefing zur tschechischen Ratspräsidentschaft“, 16 January 2009, Embassy of the Czech Republic, Berlin.

¹⁰⁴⁵ Cf. Busse, Nikolas: Die Atemlospräsidentschaft, in: *Frankfurter Allgemeine Zeitung*, 15 December 2008.

¹⁰⁴⁶ Cf. Beer, Angelika, MEP: Ade Elysée!, 8 January 2009, available at: www.angelika-beer.de (last accessed: 20 January 2009).

Germany¹⁰⁴⁷ or of minor concern. Thus, unexpected events, such as the Georgian war and the global financial crisis, strongly attracted the attention of the French and then EU-President. Thus, the “political” French EU-Presidency that was announced by Nicolas Sarkozy finally became more relevant than it was to be expected.¹⁰⁴⁸ Without the institutional setting of the pending future of the Lisbon Treaty, which designates a permanent President for the European Council, the EU in these times of crisis was in need of political leadership. Then EU-President Nicolas Sarkozy knew how to step into this blank position – a “stroke of luck”¹⁰⁴⁹ as several politicians¹⁰⁵⁰ and German newspapers concluded.

The subsequent general evaluation of the French EU-Presidency by German politicians as well as scientists mainly focused on the role of President Sarkozy himself, as he was interpreted as being the main figure of 2008’s second term. Sarkozy additionally was estimated being a welcome change to his predecessor in office,¹⁰⁵¹ Jacques Chirac, who proved to be rather undedicated to solving European matters, after the French referendum on the European Constitutional Treaty had failed in 2005. Although Sarkozy, compared to Chirac, slightly modified some of the typical elements of French European policy (i.e. the former moderate esteem for the European Parliament that now was demonstratively raised) he also stuck to a couple of well-known French patterns,¹⁰⁵² such as, for instance, the disapproval of the position of Central-Eastern European member states in some important contexts: among these rank the Polish-Russian relationship in times of the Georgian crisis, marginal consultation in

matters of climate policy of those member states with carbon-based industries,¹⁰⁵³ and open criticism of the upcoming Czech EU-Presidency.¹⁰⁵⁴

The fact that the French President had troubles in handing over the leading role to the Czech Prime Minister, Mirek Topolánek, became obvious in January 2009, when Sarkozy – although no longer leading the EU – travelled to Israel and Syria in order to mediate in times of crisis. It seemed as if he aimed to prevent the change by either assuming the chair of the Eurogroup or, which is shown by this example of diplomatic travelling, by largely interpreting his responsibilities in the context of the French Mediterranean Union (MU) Co-Presidency. This behaviour was generally not endorsed by German actors. The German *Frankfurter Allgemeine Zeitung*, however, complimented the “creative interpretation”¹⁰⁵⁵ of France’s MU Co-Presidency as being an interesting strategy of prolonging the French leading role.

The achievements of the French EU-Presidency seen by German actors

Towards the end of the French EU-Presidency a German Parliamentary debate revealed the satisfaction with the French leading capabilities by most of Parliament members concerned with European matters.¹⁰⁵⁶ It becomes obvious that its main achievements are rather linked to crisis management than to the fulfilment of the set presidency agenda.¹⁰⁵⁷ Though, political actors stress the importance of the Energy and Climate Package.¹⁰⁵⁸ According to them, the European compromise of December 2008 paves the way for the Copenhagen summit in December 2009 and for the EU being a role model in climate policy.¹⁰⁵⁹

¹⁰⁴⁷ Cf. Institut für Europäische Politik (ed.): EU-27 Watch, No. 7, September 2008, Berlin, available at: <http://www.eu-consent.net/content.asp?contentid=522>, pp. 85-93.

¹⁰⁴⁸ Cf. Von Randow, Gero: Danke, Sarko!, in: Die Zeit, 4 December 2008.

¹⁰⁴⁹ Cf. ibid. and e.g. Schiltz, Christoph B.: Sarkozy sonnt sich im Schlussapplaus als EU-Ratspräsident, in: Die Welt, 30 December 2008.

¹⁰⁵⁰ Cf. e.g. member of the European Parliament Silvana Koch-Merlin: Sarko forever, 16 December 2008, available at: http://www.koch-mehrin.de/medial_blog_edit.php?id=381 (last accessed: 20 December 2008).

¹⁰⁵¹ Cf. Statement by EP member Martin Schulz (SPE): Rosen für Sarkozy – und Dornen wegen der Wirtschaftskrise, 18 December 2009, available at: <http://www.martin-schulz.info> (last accessed: 20 December 2008).

¹⁰⁵² Cf. Koopmann, Martin: Widersprüchliche Signale, Französische Europa-Politik zu Beginn der Pariser EU-Ratspräsidentschaft, in: DGAP Analyse Frankreich, Juli 2008.

¹⁰⁵³ Cf. Von Randow, Gero: Danke, Sarko!, in: Die Zeit, 4 December 2008.

¹⁰⁵⁴ Cf. Busse, Nikolas: Die Atemlospräsidentschaft, in: Frankfurter Allgemeine Zeitung, 15 December 2008.

¹⁰⁵⁵ Busse, Nikolas: Der Hansdampf vermittelt weiter, Frankfurter Allgemeine Zeitung, 3 January 2009, p. 6.

¹⁰⁵⁶ Cf. Deutscher Bundestag: Stenografischer Bericht, 193. Sitzung, Plenarprotokoll 16/193, 4 December 2008.

¹⁰⁵⁷ Cf. e.g. statement by Foreign Minister Frank-Walter Steinmeier, in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21128; Wöß, Christoph: Über Europa Frankreich aus den Augen verloren, in: tagesschau.de Kommentar, 19 December 2009.

¹⁰⁵⁸ Cf. e.g. statement by MP Michael Stübgen (CDU/CSU), in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21133f.

¹⁰⁵⁹ Cf. e.g. statement by MP Katharina Reiche (CDU/CSU, MP), in: Deutscher Bundestag, Stenografischer Bericht, 193. Sitzung, 4 December 2008, p. 20691; statement by Ulrich Kelber (SPD), in: Deutscher Bundestag,

In sum, the Energy and Climate Package agreement is the output that is estimated the highest by German actors. However, scientist give cause to concern that treating this issue was not directly linked to French desires but rather to external necessities, like the post-Kyoto-negotiations and the pressure to come to a conclusion before European Parliament elections in summer 2009.¹⁰⁶⁰ Beside the completion of the Energy and Climate Package some observers find fault with the lack of ambitious objectives in the field of energy security and supply, something that now the Czech EU-Presidency will have to cope with. The start of the Russo-Ukrainian gas crisis showed that the French EU-Presidency did neglect these issues. According to Fischer, French actors could have prevented Europe from suffering that severely from the effects of the gas dispute if they would have had a more foresighted view on energy security issues in the context of Russia-Ukraine relations.¹⁰⁶¹

The failures of the French EU-Presidency seen by German actors

Apart from a rather positive evaluation of the French crisis management, that also positively redounds upon the general action capability of the EU itself, some observers nevertheless criticise that Sarkozy's actionist behaviour can not hide the missing long-term results of the six months period in 2008. In addition, German observers evaluate the lack of Franco-German as well as general consultation between Sarkozy and his EU-partners as another negative outcome. Especially because of his vivid and ad-hoc reactions, that were admittedly needed, the French President was not able to search for a compromise among all 27 in every case. Quite the reverse, the tensions between Paris and Berlin were not only attributed to the French administration but also to the Merkel government. It was criticised by the German opposition parties FDP and the Greens for its blockade policy during the financial crisis meanwhile Sarkozy promoted a European common solution to the financial crisis.¹⁰⁶²

Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21143.

¹⁰⁶⁰ Cf. speech of Severin Fischer at the conference "The European Union 2020 on focus", Representation of the European Commission in Berlin, 22 January 2009.

¹⁰⁶¹ Cf. ebd.

¹⁰⁶² Cf. e.g. dpa release: Steinmeier lobt Frankreichs EU-Präsidentschaft, 18 December 2008, available at: eu-inof.de/dpa-europaticker/143707.html (last accessed: 20 December 2008).

Economic and financial policies generally remained a contentious issue between France and Germany during the six-month EU-Presidency.¹⁰⁶³ Starting with dissent due to the French questioning of the European Central Bank's independence, which is in contrast one of the main German concerns, and ending with disagreements about the old French idea of an economic government, an incentive which too has not been welcomed by German governments for years.¹⁰⁶⁴

Although not having been in French responsibility, German actors especially deplored the unfavourable start of the French EU-Presidency: the unfinished ratification process of the Lisbon Treaty due to the failed Irish referendum. They, however, still hope for a success of a second petition for a referendum in Ireland and expect it to take place early enough to let the Treaty enter into force before the end of 2009.¹⁰⁶⁵ Regarding the agreement on the future of the Lisbon Treaty of December 2008, German politicians mainly criticise the French suggestion that would make the reduction of European Commissioners improbable.¹⁰⁶⁶ Concerning the role of the European institutions, the German media interestingly observes the following:¹⁰⁶⁷ During the French EU-Presidency the influence of the European Commission was reduced, owing to the strong leadership of Sarkozy himself, then being the President of the

¹⁰⁶³ The only faction of the German Parliament that openly supports the French proposal of an European economic government is the left party (cf. e.g. statement by Oskar Lafontaine, in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21136).

¹⁰⁶⁴ Cf. e.g. statement by MP Thomas Silberhorn (CDU/CSU), in: Deutscher Bundestag, Stenografischer Bericht, 193. Sitzung, 4 December 2008, p. 20698; statement by MP Angelica Schwall-Düren (SPD), in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21138; Gero von Randow: Danke, Sarko!, in: Die Zeit, 4 December 2008 and Christophe Strassel: Eine Wirtschaftsregierung für Europa: französische Utopie oder europäische Notwendigkeit?, Frankreich-Analyse, edited by Friedrich-Ebert foundation Paris, Januar 2009.

¹⁰⁶⁵ According to a German Official at the German chancellery, Berlin, 15 January 2009.

¹⁰⁶⁶ Cf. e.g. statement by member of the European Parliament Jo Leinen, according to press statement by the European Parliament: Bilanz des französischen Ratsvorsitzes, 16 December 2008; statement by MP Markus Löning (FDP), in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21142; statement by MP Michael Roth (SPD), in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21148.

¹⁰⁶⁷ Cf. e.g. Gammelin, Christoph: Großes Solo vor dem Schlussakkord, in: Sueddeutsche Zeitung, 19 December 2008; Berschens, Ruth: „Sie haben sich als Pro-Europäer geoutet“, in: Handelsblatt, 16 December 2008.

European Council, in times of political crisis.¹⁰⁶⁸ Meanwhile the prominence of the members of the European Parliament was, from a French point of view, unusually augmented by two speeches of Sarkozy at this plenary and by honourably inviting some of its members to Paris.

Apart from economic governance and the Lisbon Treaty's uncertain future, the third issue that left a bitter taste to German actors was the French approach of a MU – when it was thought of becoming an independent institution from the EU, and serving in the first place the deepening of French foreign policy vis-à-vis the African continent and the Middle East.¹⁰⁶⁹ The Franco-German dissent about this idea exemplarily shows the general divergence between the partner countries regarding EU-enlargement and neighbourhood policy. Whereas the French administration geographically focuses on the Mediterranean neighbourhood of the EU, German political actors rather aim at integrating the Central-Eastern countries in the instruments of European Neighbourhood Policy (ENP). Thus, Sarkozy's project of a MU was, in times of its first conception, critically evaluated by German politicians.¹⁰⁷⁰ Only after a compromise was reached, that included not only the Southern but all EU member states in this new cooperation among Mediterranean countries (to be formally determined the prolonging and deepening of the already existing Barcelona Process), the German government agreed with the plans to foster this Union. Nonetheless, to German politicians and scientists the future prospects of the MU remain blurry.

The future balanced orientation of the ENP – the MU on the one side and the Swedish-Polish proposal for an Eastern Partnership on the other – is not only in the interest of France and Germany but also in the interest of other EU-member states. The second half of 2008 yet has proved that this bi-lateral agreement

among the two partners is not the only necessary core within the EU but increased consultation with other EU-member states will be growingly needed in addition. Thus, German newspapers abundantly treated the question why the cooperation between the two country leaders Sarkozy and Merkel seemed to be that difficult during the French EU-Presidency: Was it rather due to the French administration's desire to rather act unilaterally or in cooperation with differing EU-partners, i.e. with the British government in financial matters, or was it due to the divergences between the French and German administration in the context of political style – the deliberate Merkel government against the administration of "speedy Sarko"¹⁰⁷¹?

Nevertheless, during the French Presidency, the continuous pattern of Franco-German cooperation – from crisis to conciliation and common management – led to the following results that were positively underlined by German politicians: a common article of Merkel and Sarkozy about European economic policy in a German and French newspaper (*Frankfurter Allgemeine Zeitung* and *Le Figaro* respectively), concrete plans for a Franco-German battalion in Provence or Alsace, as well as the mentioned compromise on the design of the MU.

Although the French EU-Presidency is estimated to have had a positive effect on international role and action capability,¹⁰⁷² it is doubted by German scientists and journalists whether the "breathless Presidency"¹⁰⁷³ headed by the "wind machine"¹⁰⁷⁴ Sarkozy, following a 'zig-zag-pattern' by touching several issues, will have long-lasting results.¹⁰⁷⁵ As the *Sueddeutsche Zeitung* sarcastically puts it: "180 days of Nicolas Sarkozy are more than sufficient"¹⁰⁷⁶. German officials, in any case, seem to feel relieved to

¹⁰⁶⁸ Cf. e.g. Nikolai, Hans-Hermann: Der bewegte Mann: Sarkozy möchte Antreiber der EU bleiben, in: EU-info Deutschland, 30 December 2008, available at: www.eu-info.de/dpa-europaticker/144024.html (last access: 26 January 2009); Heinen, Nicolaus: Tschechiens Ratspräsidentschaft: Weniger Glamour, mehr Kontinuität, in: Deutsche Bank research, 5 January 2009, available at: http://www.dbresearch.de/PROD/DBR_INTERNET_DE-PROD/PROD0000000000235985.xhtml (last access: 20 January 2009).

¹⁰⁶⁹ Cf. Institut für Europäische Politik (ed.): EU-27 Watch, No. 7, September 2008, Berlin, available at: <http://www.eu-consent.net/content.asp?contentid=522> (last access: 26 January 2009), pp. 85-93.

¹⁰⁷⁰ Cf. ebd.

¹⁰⁷¹ Lehnartz, Sascha: Die Windmaschine Sarkozy hat der EU gut getan, in: Die Welt, 29 December 2008.

¹⁰⁷² Cf. e.g. press release of the European Parliament's EPP group, by Nassauer, Hartmut: Einigungen in erster Lesung, Selbstkasteiung des Parlaments, 16 December 2008.

¹⁰⁷³ Busse, Nikolas: Die Atemlospräsidentschaft, in: Frankfurter Allgemeine Zeitung, 15 December 2008.

¹⁰⁷⁴ Lehnartz, Sascha: Die Windmaschine Sarkozy hat der EU gut getan, in: Die Welt, 29 December 2008.

¹⁰⁷⁵ Cf. conference discussions („The European Union 2020 on focus“, Berlin, 22 January 2009; „The French Presidency: A Transforming Moment for the European Union?“, CERI-Science Po, Paris, 4-5 February 2009) and Von Randow, Gero: Danke, Sarko!, in: Die Zeit, 4 December 2008.

¹⁰⁷⁶ Kröncke, Gerd: Zurück in den eigenen Garten, in: Sueddeutsche Zeitung, 31 December 2008, p. 3.

turn the page to a more pragmatic Czech EU-Presidency that is supposed to deal with less portfolios simultaneously.

Looking ahead: expectations of the Czech EU-Presidency agenda

German observers originally expected a rather solemn Czech EU-Presidency. Owing to the Gaza conflict and the Russian-Ukrainian gas crisis at the beginning of the year 2009 these expectations were not reached. Apart from the necessity to also be a crisis manager, the Czech government will nonetheless be less occupied than its French predecessor: Due to the approaching European Parliament elections no more legislative measures are to be anticipated. In addition, German officials underline that the French EU-Presidency was scything several fields such as climate, migration and defence policy so that there will be only little room for manoeuvre for the Czech responsables.¹⁰⁷⁷ German observers additionally point out that the agreement on the Energy and Climate Package was more likely under French than under Czech leadership. As the Czech Republic joined a coalition of Central-European EU-member states that were rather critical about the mechanism to achieve the Energy and Climate goals under the heading 20-20-20 any mediator position would have been more difficult to them.¹⁰⁷⁸

Owing to the Czech government, alteration and the opposition of the euro-hostile President Vaclav Klaus, German observers also consider the domestic pressure a serious obstacle to a Czech EU-Presidency capable of acting.¹⁰⁷⁹ If these internal uncertainties remain, the Czech government is expected to be lapped over by other EU-actors in times when a quickly reacting EU-Presidency would be needed (just as Sarkozy acted, for instance, in the context of the Gaza conflict). Moreover, regarding the management of any economic concerns in times of the financial crisis, the fact that the Czech Republic is no member of the Eurozone could become a "stumbling block" to any Czech mediation in this field says Michael

Roth, member of the SPD-faction of the Bundestag.¹⁰⁸⁰

On the contrary, some German actors estimate that a smoother Czech EU-Presidency is a necessary change to the stressful last six months of the French predecessors that urged the German government to quickly react on several and different European portfolios in a short series of time. Generally, the majority of German media and political actors expects a less leading capability of the Czech than of the French EU-Presidency due to its structural conditions:¹⁰⁸¹ A small member state with less skilled staff and less experience in European negotiations is expected to be less capable of holding all the necessary bi-lateral consultation that is needed before compromises at the (European) Council can be reached.¹⁰⁸²

With regard to the Czech EU-Presidency program, the German government especially appreciates the focus of the Czech Presidency on the Eastern dimension of the ENP as well as the announced balancing of transatlantic relations in times of the new administration and EU-Russian relations.¹⁰⁸³

Looking back to the French Presidency

Greece*

A new approach to 'Europe-building'

The Sarkozy performance at the helm of 'Europe' has been highly rated in Greece, both in political circles and throughout the media/public opinion, despite some sarcastic comments about "a 'showing-off' of the French Presidency while the Commission was having intensive lessons on how to manage a

¹⁰⁷⁷ According to conference discussion: „Drei E's für Europa - EU-Briefing zur tschechischen Ratspräsidentschaft“, 16 January 2009, Embassy of the Czech Republic, Berlin.

¹⁰⁷⁸ Cf. speech of Severin Fischer at the conference "The European Union 2020 on focus", Representation of the European Commission in Berlin, 22 January 2009.

¹⁰⁷⁹ Cf. conference discussion "The European Union 2020 on focus", Representation of the European Commission in Berlin, 22 January 2009.

¹⁰⁸⁰ Cf. speech of Michael Roth at the conference "The European Union 2020 on focus", Representation of the European Commission in Berlin, 22 January 2009.

¹⁰⁸¹ Cf. Busse, Nikolas: Der Hansdampf vermittelt weiter, FAZ, 3 January 2009, p. 6; Kröncke, Gerd: Zurück in den eigenen Garten, in: Sueddeutsche Zeitung, 31 December 2008, p. 3.

¹⁰⁸² Cf. speech of Daniela Schwarzer and Michael Roth at the conference "The European Union 2020 on focus", Representation of the European Commission in Berlin, 22 January 2009.

¹⁰⁸³ Cf. e.g. statement by Angelica Schwall-Düren (SPD), in: Deutscher Bundestag, Stenografischer Bericht, 193. Sitzung, 4 December 2008, p. 20690; statement by Rainer Steenblock (Green party), in: Deutscher Bundestag, Stenografischer Bericht, 196. Sitzung, 18 December 2008, p. 21145.

* Greek Centre of European Studies and Research.

crisis”.¹⁰⁸⁴ Sarkozy’s tendency to come forward and take the lead was welcomed, be it in the context of the global (albeit US-initiated) financial crisis where he was instrumental in organising a ‘European response’ (even if he had to concede the effective helm of Eurogroup discussions to – non-Eurozone member – Gordon Brown of the UK) or in the context of the turn-of-the-year Israel/Gaza strip bloody foray where he did not hesitate to push aside the Czech Presidency and its (initially, at least) too hesitant responses especially as it came just after the French Presidency. Indeed, the one thing positively rated in the way the French Presidency was exercised was the lack of emphasis on the institutional aspects of things and the shift to a pragmatic – ‘we have to get results’ – approach, which has been sorely lacking in EU life.

Coming closely after the failure of the ratification procedure of the Lisbon Treaty, and given the low expectations for a fast recovery of the constitutional process (or something close to it) in EU life, this change of political atmosphere being derived from France – considered a staunch supporter of a federal Europe insofar its elites are viewed, with no reference to the Gaullist past – this pragmatic activism has been hailed as a positive sign of a new approach to ‘Europe-building’. An approach privileging action-taking (and efficiency) over institutional discourse (and legal wrangling) was appreciated.

Further to the institutional aspects of the French Presidency, positions and initiatives taken by France in the crucial weeks of the financial-sector avalanche of fall 2008 were closely followed in Greece. The abrupt shift of economic policy orthodoxy away from a deregulation/full market freedom mantra and towards a re-regulation/market-monitoring-cum-State-intervention stance, has shifted favour back to the French tradition of (relative) interventionism as a more responsible and crisis-adequate modus operandi in view of the biggest crisis the world economy has known over the better part of one century. Also, France calls in favour of ‘economic governance’ in an EU setting as well as ECOFIN/Eurogroup control met with approval.¹⁰⁸⁵ Also in his speech to a session of the Organisation for the Study of Greek

Society Problems¹⁰⁸⁶, where he charted the course of EU response to the global financial crisis from the (quite hesitant) ECOFIN-ECB meeting in Nice (12 September 2008) to the Eurogroup-plus-UK meeting of 12 October 2008 in Paris (where a number of actions were sketched) and to the November 11th Special Summit in Brussels (where the future regulation of rating agencies, the surveillance over hedge funds etc., were broached), leading to the G-20 meeting of 15 November 2008.

European or American foreign policy?

The French Presidency (and Nicolas Sarkozy’s) record in the Georgia/Abkhazia issue has been met with less enthusiasm, since Russia and this country’s stance and relations with its “near abroad” have been gaining in favour in Greece over the (recent) years.¹⁰⁸⁷ Moreover, the Saakashvili regime clearly benefited from visible US encouragement in its initial moves in Abkhazia, which has easily brought to the surface negative Greek reactions over American foreign policy in the wider region (cf. the US over-eagerness to extend NATO membership to the FYROM, which was mirrored in Georgian expectations to get under the NATO umbrella; Greek hostility to both US initiatives move colors negatively.

In contrast to the high regard in which the French Presidency was held in Greece (especially ex-post), expectations from the Czech Presidency almost collapsed due to Prague’s very first steps in the opening days of 2009 – which coincided with the bloody Middle East events, i.e. Israel’s invasion of the Gaza Strip which was dealt with (at least initially) in a quite cavalier way by the Czech Presidency. Thus, an essential expectation from the new presidency was for it to collaborate smoothly within the group presidency (France, Czech Republic, Sweden) so as to establish and-keep continuity of Community action, especially concerning the European Neighbourhood Policy (ENP), EU-US and EU-Russia relations, the global financial crisis and energy

¹⁰⁸⁴ Costas Botopoulos (MEP of the center-left PASOK): “Leap forward or stalemate for Europe?”, in *Ta Nea*, 21 January 2009, p. 6.

¹⁰⁸⁵ See Costas Simitis: “The Crisis” (in Greek), Polis Publishing, Athens 2008, pp. 89-90.

¹⁰⁸⁶ As reported in *International and European Policy* (in Greek), vol. 12 (Oct.-Jan. 08) p. 12 ff.

¹⁰⁸⁷ See among others G. Voulgaris: “Globalisation and the Ghosts of ‘1947’ and ‘1914’” and I. Afentoulis: “Crisis in the Caucasus and the Euro-Atlantic/European Architecture”, in *International and European Policy* (in Greek), vol. 12 (Oct.-Dec. 08) pp. 139 and 143 respectively.

(especially following the Russian-Ukrainian deadlock).¹⁰⁸⁸

Looking back to the French Presidency

Hungary*

Dynamic French Presidency – benchmark for the Czech Republic

According to the opinion of the Hungarian government¹⁰⁸⁹ the French Presidency successfully fulfilled its commitments concerning the presidency priorities: reaching agreement on the Energy-Climate Package and the health check of the Common Agricultural Policy, adoption of the European Pact on Immigration and Asylum, strengthening the European Security and Defence Policy, and launching the “Barcelona Process: Union for the Mediterranean” initiative.

Although the original priorities were overshadowed by a number of unforeseen crises and unexpected situations – such as the Irish rejection of the Lisbon Treaty, Russia’s invasion of Georgia, or the global financial and economic crisis – France nonetheless played an active role at the EU level in all these matters. Its dynamism and effectiveness was very well demonstrated during the management of these situations so the Union was able to act together and find rapid and reasonable solutions. The French Presidency also managed to insure the unity of the European Union on the international scene, and to prove that the Union does play a global role in many areas with global responsibility and commitment.

In the final phase of its presidency term on the 11-12 December meeting of heads of state and government of the EU, the French Presidency managed to lead the Union to several agreements of overriding importance and gave new dynamism to open questions.

The agreement on the Energy-Climate Package makes it possible for the EU to represent one common position on the

international climate conference in Copenhagen in December 2009 and to demonstrate a good example on the international level towards third countries in the fight against global climate change.

Hungary’s position is that it is in the interest of all member states that the Lisbon Treaty enters into force as fast as possible. Therefore, the timetable and the action plan about the possible coming into force of the treaty before the end of 2009 was welcomed by Hungary.

The Hungarian government highly appreciates the agreement on the European Economic Recovery Plan that can pave the way for reducing the negative effects of the economic crisis and restoring and enhancing the confidence of actors in the economy.

Hungary also welcomes the fact that the summit adopted the report on the implementation of the 2003 European Security Strategy and confirmed the new objectives in order to strengthen the European capabilities. They serve the strengthening of Union action in foreign and security policy matters.

In regards to the Czech Presidency, Hungary strongly supports their work program and their priorities. Budapest thinks that the symbolic motto (“Europe without barriers”) and the main elements of the presidency programme: the three ‘E’-s – Economy, Energy, and External Relations priorities, cover the areas where the Union has to face the biggest challenges. Dealing with the financial crisis in an effective and reasonable way, increasing Europe’s competitiveness, enhancing consumer and small and medium-sized enterprises’ confidence in the market economy, promoting employment, pushing for full removal of all labour market barriers, working for a common energy policy, implementing the Energy-Climate Package, strengthening the EU-US relations and Eastern Partnership are completely in line with Hungarian principles and priorities. Apart from the three ‘E’ priorities, the Hungarian government welcomes and supports the presidency for preparation of the Post-Hague Programme and the further enlargement of the EU. It is also a shared interest to make significant steps in the process of accession of the Western Balkan countries to the Union, especially regarding Croatia.

As a new member state, Hungary is especially interested in the successful fulfilling of the

¹⁰⁸⁸ See Nikos Frangakis: “The EU from the French to the Czech Presidency” (in Greek), in *To Vima*, 13 January 2009, p. A7.

* Institute for World Economics of the Hungarian Academy of Sciences.

¹⁰⁸⁹ Based on information provided by high officials of the Hungarian Ministry of Foreign Affairs.

Czech Republic's commitments concerning its presidency priorities. The close cooperation is of crucial importance since there are several issues on the agenda (Lisbon Strategy, climate change, energy policy, implementation of the Post-Hague Programme) that have to be finalised or implemented under the Spanish-Belgian-Hungarian trio presidency period.

The achievements of the French Presidency actually had a generally positive echo in the media and in expert circles as well. At the same time the think tank of the Hungarian Ministry of Foreign Affairs, the Hungarian Institute of International Affairs, has published a more critical evaluation of the French Presidency. The author of the online paper underlined that besides the undoubtedly successful achievements, President Sarkozy could not put the 'social VAT' through (namely Germany opposed to cutting back VAT on restaurant services in the EU). Furthermore, no major progress was made regarding the revision of the Common Agricultural Policy, and no binding decision could be taken concerning the integrated management of migration.¹⁰⁹⁰

Looking back to the French Presidency

Ireland*

Overall perception of the French Presidency of the EU

The position of the government on France's tenure in the Presidency of the EU is positive. The Taoiseach, Brian Cowen, in his statement to the Dáil on the outcome of the December European Council meeting remarked that the "excellent French Presidency of the Union" was demonstrated by the fact that "such a heavy agenda could be completed with unanimously agreed conclusions". Mr. Cowen continued by stating that his government is "indebted to [President Sarkozy] for the leadership and assistance he has provided Europe".¹⁰⁹¹

¹⁰⁹⁰ Törke Aandás István: A francia EU-elnökség mérlege és tapasztalatai, available at: <http://www.kulugyiintezet.hu/MKI-tanulmanyok/T-2009-04-Turke-Andras-Francia-EU-elnokseg.pdf> (last access: 27 February 2009).

* Institute of International and European Affairs.

¹⁰⁹¹ "Statement by the Taoiseach, Mr. Brian Cowen T.D. to Dáil Éireann on Wednesday 17 December 2008 on the outcome of the December European Council", available at: <http://www.taoiseach.gov.ie> (last access: 23 March 2009).

Irish media presented a similarly positive view of the French Presidency. The Irish Times newspaper describes it – in an editorial – as an "effective" Presidency during a difficult six months for Europe. The overall view in Ireland of the Presidency is that it was successful in its pragmatic yet ambitious approach that allowed the member states to reach strong compromises on important issues such as climate change and how to deal with the financial crisis.¹⁰⁹²

Mr. Cowen particularly praised the French Presidency for the work put into securing an agreement between Ireland and the other member states on how to recover and move forward from the rejection of the Lisbon Treaty by the Irish electorate in the June referendum.¹⁰⁹³

Common Agricultural Policy 'health check'

The conclusion and agreement of the Common Agricultural Policy (CAP) 'Health Check' under France's Presidency was seen by the Irish government as a "good deal for Irish farmers", as expressed by Mr. Cowen, who in the same speech acknowledged the initial diversity of interests and opinions among the Member States of the Union that existed prior to this conclusion during the French Presidency.¹⁰⁹⁴ The Irish Farmers Association echoed the positive reaction to the agreement of the CAP "Health Check".¹⁰⁹⁵

Climate change and energy

The initiatives and agreements in the area of Climate Change and Energy that were a large part of the French Presidency received regular media coverage in the Irish media. Avril Doyle MEP (representing the opposition Fine Gael political party) hailed the Energy-Climate Package passed by the European Parliament in December 2008 as a landmark agreement in the fight against climate change.¹⁰⁹⁶ This achievement was credited in the Irish media in

¹⁰⁹² "Sarkozy's achievements", The Irish Times, 17 December 2008.

¹⁰⁹³ "Lisbon Treaty deal is 'major step', says Cowen", The Irish Times, 17 December 2008.

¹⁰⁹⁴ "Speech by the Taoiseach, Mr. Brian Cowen, T.D., on the occasion of the Irish Farmers' Association Annual General Meeting, in Moran's Hotel on Tuesday, 27th January, 2009 at 8.00pm", available at: <http://www.taoiseach.gov.ie> (last access: 23 March 2009).

¹⁰⁹⁵ "Agriculture: CAP Health Check will help farmers meet new challenges", available at: www.ifa.ie (last access: 23 March 2009).

¹⁰⁹⁶ "European Parliament passes climate change", The Irish Times, 18 December 2008.

large part to the negotiation efforts of the French Presidency both between Member States and with the European Parliament. An Irish parliamentary committee described the agreement as robust and worthy of support, although it did recognise the new emissions targets as representing a significant challenge to the Irish government given current difficulties that Ireland is having in reaching existing emissions reductions that it has agreed to.¹⁰⁹⁷

Immigration

A spokesman for the Irish Minister for Justice, Dermot Ahern, said that the government was favourably disposed towards the proposed Immigration and Asylum Pact and agreed with most of its points. The Irish media commented that the Irish government demonstrated a willingness to follow the strong lead given by the French Presidency on the issue of Immigrants in the EU bloc; while also drawing attention to the criticism the pact received from the UN High Commission on Refugees, the Irish Human Rights Commission, the Irish Refugee Council and some voluntary agencies. In an Editorial, the Irish Times commented that this agreement could signal the development of a "Fortress Europe" mentality that could exacerbate people trafficking and a negative view of the EU in developing countries, and that this agreement needs to match by a similar effort in increasing EU development assistance to the countries from which these illegal immigrants are coming.¹⁰⁹⁸

Irish perceptions of the Czech Presidency

There has been little reference to or discussion of the agenda and issues central to the Czech Presidency of the Union amongst Irish politicians or the media, although there was some public discussion concerning a meeting between leading Lisbon Treaty opponent Declan Ganley of Libertas and the Czech President, Mr Vaclav Klaus, in November 2008 which prompted some backlash as it was seen by some in the Irish population as impolitic on the part of the Czech government. Despite this incident, the Irish Minister for Foreign Affairs,

Micheál Martin, has voiced confidence in the Czech EU Presidency.¹⁰⁹⁹

Looking back to the French Presidency

Italy*

Sarkozy's combination of activism and pragmatism, concerns about Czech Presidency

Concerning the French Presidency, both Italian politicians and public opinion seem to agree that it was helpful to have such strong leadership in the past six months in which the EU, like other international actors, faced many challenges. As representatives of the press noted, the French Presidency semester took place in a very difficult moment for both Europe and the world: it started just after the Irish 'No' to the Treaty of Lisbon, it had to deal with the crisis in Georgia and, finally, it went through the global financial crisis.

Given all these difficulties, Italians generally have a positive judgement of Sarkozy and the way he acted as the 'EU-President'. As Franco Venturini affirmed in an article published by the Italian newspaper "Corriere della Sera", "in a *crescendo* of initiatives, Sarkozy is shaping a Europe that others had in mind, but that nobody dared bring to light"¹¹⁰⁰. Even if the press often speaks of Sarkozy as a "hyperactive" politician, "not inclined to consult with others"¹¹⁰¹, who behaves with great "ambition and presidentialism"¹¹⁰², everybody seems to agree that this kind of behaviour is justified in light of the results of his policies.¹¹⁰³

The French Presidency has been judged firstly in respect of the aims it established when it started its mandate in July and, secondly, with reference to its reaction to the contingent difficulties that affected Europe in the last

¹⁰⁹⁹ "Martin confident in Czech EU presidency", RTE News, 31 December 2008, available at: www.rte.ie/news/2008/1231/lisbon.html (last access: 23 March 2009).

* Istituto Affari Internazionali.

¹¹⁰⁰ F. Venturini: L'Europa e il freno della Merkel, Corriere della Sera, 8 November 2008, available at: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=rassegna¤tArticle=JT3DX0.pdf (last access: 25 January 2009).

¹¹⁰¹ Ibid.

¹¹⁰² M. Zatterin: Praga furiosa con Sarkò 'La guida dell'UE è nostra anche con la recessione', 16 November 2008, available at: <http://78.4.240.5/files/rassegnastampa/081116/0000000060.pdf> (last access: 25 January 2009).

¹¹⁰³ Ibid.

¹⁰⁹⁷ Joint Committee on Climate Change and Energy Security, EU Scrutiny Report No. 1, COM (2008) 16, COM (2008) 17, COM (2008) 19 – Scrutiny Report on three proposals relating to the implementation of the EU Climate – Energy legislative package, October 2008, A8/1563.

¹⁰⁹⁸ "The EU and immigration", The Irish Times, 8 July 2008.

months. Concerning the points of the presidency's agenda, a central issue is the future of the Common Agricultural Policy after 2013. At the European Agricultural Ministers Summit of 28 November 2008, the Italian Minister for Agricultural Policies, Luca Zaia, supported the French position in favour of upholding subsidies for farmers.¹¹⁰⁴

Moreover, many Italian politicians have also turned out to be in favour of the initiatives undertaken by Sarkozy in the field of immigration, which is one of the hottest issues in our domestic politics. After the adoption of the European Pact on Immigration and Asylum, one of the French Presidency's objectives, the Italian undersecretary of the interior, Nitto Francesco Palma, declared: "At last the EU is taking on responsibility for the problems of those frontier countries, like Italy, which are over-exposed to the phenomenon of illegal immigration"¹¹⁰⁵.

Another important issue on Sarkozy's European agenda was the launch of the Union for the Mediterranean, which Italian commentators feel has made great progress, especially after the Foreign Ministers Summit in Marseille on 3 and 4 November 2008,¹¹⁰⁶ thanks to Sarkozy's activity.

However, far more opinions have been expressed in relation to the French Presidency's reactions to the unexpected events in which the European Union was involved in the past months and Sarkozy's activism on those occasions. Many considered the 'EU-President's' strong intervention in the negotiations during the crisis in Georgia in August 2008 positively. On that occasion, he was praised for "avoiding a dangerous mediation vacuum"¹¹⁰⁷, thanks to his "timely

intervention"¹¹⁰⁸ in favour of the restoration of peace in the Caucasus.

Moreover, the 'President of the EU' has been praised for his conduct in the financial crisis of the last months, notwithstanding the obstacles put in his way by German Chancellor Angela Merkel. Many articles of the Italian press have observed that Berlin has opposed French Presidency proposals on several occasions, mostly in relation to the financial crisis. Some journalists think that this is due to Berlin's fear of losing its leading role in Europe.¹¹⁰⁹ Notwithstanding the difficulties caused by the not always easy relationship between Germany and France and their diverging opinions on the best way to go through the economic crisis, in the opinion of many Italian commentators, the initiatives undertaken by Sarkozy have managed to make the European Union "more visible" and "more effective" in the international environment.¹¹¹⁰ The Italian press has considered the fact that the presidency was in the hands of such a strong leader in these difficult times a 'lucky coincidence' for the European Union, which would have been in far more difficulty under the past presidency (Slovenia) or the next one, since the Czech Republic is not even part of the Euroarea.¹¹¹¹

Finally, the December 2008 European Council was perceived in Italy as the last great success of the French Presidency, because it managed to find a compromise among the 27 member states on long-debated issues and particularly on the future of the Lisbon Treaty.¹¹¹²

To conclude, both the Italian public opinion and politicians think that the French Presidency, notwithstanding the sometimes excessive activism and presidentialism of the French

¹¹⁰⁴ A. Longhini: Francia: un bilancio del semestre europeo, 5 December 2008, available at: http://www.equilibri.net/articolo/10868/Francia_un_bilancio_del_semestre_europeo (last access: 25 January 2009).

¹¹⁰⁵ See: Patto europeo sull'emergenza immigrazione, Il Giornale, 26 September 2008, available at: <http://www.ilgiornale.it/a.pic1?ID=293482> (last access: 25 January 2009).

¹¹⁰⁶ A. Longhini: Francia: un bilancio del semestre europeo, 5 December 2008 Available at: http://www.equilibri.net/articolo/10868/Francia_un_bilancio_del_semestre_europeo (last access: 25 January 2009).

¹¹⁰⁷ F. Venturini: L'Europa e il freno della Merkel, Corriere della Sera, 8 November 2008, available at: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=rassegna¤tArticle=JT3DX (last access: 25 January 2009).

¹¹⁰⁸ F. Chittolina: Il difficile semestre della presidenza francese dell'UE, 17 October 2008, available at: <http://www.apiceuropa.com/wp2> (last access: 25 January 2009).

¹¹⁰⁹ F. Venturini: L'Europa e il freno della Merkel, Corriere della Sera, 8 November 2008, available at: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=rassegna¤tArticle=JT3DX (last access: 25 January 2009).

¹¹¹⁰ S. Romano: L'Europa nella crisi – Un passo verso l'Unione, Corriere della Sera, 30 November 2008, available at: http://archivistorico.corriere.it/2008/novembre/30/EUOPA_NELLA_CRISI_PASSO_VERSO_co_9_081130029.shtm (last access: 25 January 2009).

¹¹¹¹ M. Monti: Un successo dell'Europa, Corriere della Sera, 19 October 2008.

¹¹¹² A. Cerretelli: I sei mesi d'oro di sarkozy, Il Sole 24 Ore, 13 December 2008, available at: http://rassegna.governo.it/rs_pdf/pdf/K6C/K6CYV.pdf (last access: 25 January 2009).

leader, was very good and managed to respond successfully to the unexpected events of the last months. Sarkozy's leadership has been widely praised. The Italian Foreign Minister, Franco Frattini, when asked his opinion about the French semester, answered: "My opinion is positive, because I believe that the French Presidency managed to combine the activism required in difficult moments with pragmatism"¹¹¹³.

As to the Czech Presidency, many doubts have been expressed on the possibilities of it being as effective and strong as the French. First of all, as noted before, many fear that the fact that the Czech Republic is outside the Euroarea will somehow undermine European action in these difficult economic times and that it will keep the EU outside of many important international forums. Moreover, there is much concern for the eurosceptical position of the Czech Head of State, Václav Klaus, who recently defined himself a "dissident of the EU"¹¹¹⁴ and refused to hoist the European flag outside the Prague castle. Klaus was defined as "a dead-end street" for the European Union, since he considers the European semester "a waste of time"¹¹¹⁵.

Many articles in the Italian press noted that the future European Council President, Czech Prime Minister Mirek Topolánek, will also have to deal with the domestic problem of the still pending ratification of the Lisbon Treaty.¹¹¹⁶ This will put him in a difficult position: on one hand, he will gradually have to make the other EU member states trust him and his leadership, while, on the other hand, he will have to combat those sentiments in his own country contrary to the ratification of the new European treaty.¹¹¹⁷ This looks like a very hard task, since, as some journalists have

highlighted, he has only a two-deputy majority in parliament and is therefore very weak.¹¹¹⁸

Notwithstanding all these perplexities, the Italian Foreign Minister, Franco Frattini, affirmed that he trusts Topolánek and is optimistic about the Czech Presidency.¹¹¹⁹

It is evident that Italian commentators share the opinion that, with the end of the French leadership of the European Council, the EU is going to lose an important 'engine' and that the new presidency will not be able to be as effective as the last one.¹¹²⁰ However, even if there are many doubts about Topolánek's leadership, some, quoting a sentence pronounced by the Czech Vice-Premier Alexandr Vondra, argue that "to start without many expectations may be an advantage", because the Czechs may surprise their European partners positively.¹¹²¹

Looking back to the French Presidency

Latvia*

The French and Czech Presidencies viewed from Latvia

Latvia – whether the government, the parliament, the media or research institutions – has not developed a tradition of issuing a comprehensive and systematic assessment of the achievements or shortcomings during a particular member state's presidency of the European Union. Consequently, only a piecemeal and somewhat subjective assessment of the French Presidency can be provided here.

On 18 July 2007 the Latvian Ministry of Foreign Affairs published a very lengthy document explaining and commenting upon the particularly relevant issues for Latvia during the Slovenian and French Presidencies of the

¹¹¹³ See: Intervista a Franco Frattini, Parigi e Berlino litigano? E noi Godremo, Libero Mercato, 2 January 2009, available at: <http://www.openpolis.it/dichiarazione/383329> (last access: 25 January 2009).

¹¹¹⁴ M. Zatterin: Praga furiosa con Sarkò 'La guida dell'UE è nostra anche con la recessione', 16 November 2008, available at: http://78.4.240.5/files/rassegnastampa/081116/000000006_0.pdf (last access: 25 January 2009).

¹¹¹⁵ See: Il vicolo ceco dell'Unione si chiama Klaus, Il Foglio, 21 December 2008, available at: http://rassegna.governo.it/rs_pdf/pdf/K9B/K9BT4.pdf (last access: 25 January 2009).

¹¹¹⁶ See: <http://www.euronews.net/it/article/12/12/2008/european-union-overregulated-says-new-eu-president-mirek-topolanek/> (last access: 25 January 2009).

¹¹¹⁷ Ibid.

¹¹¹⁸ A. Cerretelli: Una prova difficile per Praga alla presidenza UE, Il Sole 24 Ore.

¹¹¹⁹ See: Intervista a Franco Frattini, Parigi e Berlino litigano? E noi Godremo, Libero Mercato, 2 January 2009, available at: <http://www.openpolis.it/dichiarazione/383329> (last access: 25 January 2009).

¹¹²⁰ P. Pombeni: L'Europa smarrita, 2 November 2008, available at: <http://www.europressresearch.eu/html/mappe/editoriale.php?id=192&lang=ITA> (last access: 25 January 2009).

¹¹²¹ See: La "Repubblica degli euroscettici" alla guida dell'UE, Corriere della Sera, 2 January 2009, available at: <http://archiviostorico.corriere.it/2009/gennaio/02/Repubblica-degli-euroscettici-alla-guida-co-9-090102009.shtml> (last access: 25 January 2009).

* Latvian Institute of International Affairs.

EU.¹¹²² A summary of that document was published separately;¹¹²³ highlighted were 16 topics ranging from the Lisbon Treaty, European Neighbourhood Policy, and European Security and Defence Policy (ESDP) to various topics related to the economy. These documents reveal Latvia's priorities, and, in some cases, how Latvia would like to foster their realisation. They were not drafted with the intent to serve as a tool for evaluating the performance of the two presidencies.

Viewed from Rīga, the most notable achievement during the French Presidency was the agreement in December 2008 on a packet of legislations on climate change and energy. This was praised publicly by Prime Minister Ivars Godmanis, Minister of Foreign Affairs Māris Riekstiņš.¹¹²⁴ Guntars Krasts, Latvian member of the European Parliament pointed out the value-added aspects of this package, which can serve as an impetus for developing self-sufficiency in energy resources and a welcome boost for innovation and employment as new and better ways are used to implement the agreements.¹¹²⁵

Latvian officials have also praised the attention devoted to stimulating economic recovery and financial stability and recognised the value of the European Economy Recovery Plan. They welcomed the progress made toward strengthening the ESDP and the ratification of the Lisbon Treaty by all member states, including Ireland.

While approving the EU's quick response to the military conflict in Georgia and President Sarkozy's efforts to broker a truce, Latvian officials have been reserved, unofficially even critical, about the accord that was obtained with Moscow, especially because it failed to

promote Georgia's territorial integrity and obtain a complete pullback of Russian troops from the region of conflict. As European Parliament deputy Krasts observed, EU's response to the crisis in Georgia could have been termed a full success, had it not been for the vague accord, which allowed Russia to interpret rather freely how to implement it.¹¹²⁶

Likewise, Latvian officials look with mixed feelings toward the slow progress made in reforming the Common Agricultural Policy and equalising its benefits for all EU member states. At the same time, the steps taken toward speedier disbursement of cohesion and other funds for economic development were clearly seen as positive.

Expectations for the main priorities of the Czech Presidency

Latvia's priorities during the Czech Presidency of the EU are to be found in two documents. The first one, "Priority issues in foreign affairs for Latvia during the Czech Presidency of the EU in the first half of 2009"¹¹²⁷, addresses the following topics:

1. Energy security;
2. EU's eastern neighbours and Central Asia;
3. Transatlantic relations;
4. Institutional issues (i.e. Lisbon Treaty ratification, agreement on the composition of the European Commission 2009-2014);
5. EU Strategy in the Baltic Sea region;
6. EU-Russia relations;
7. Global challenges;
8. EU enlargement and the Western Balkans;
9. ESDP;
10. Development cooperation.

The second document, "Principal sectoral issues for Latvia during the Czech Presidency of the EU in the first half of 2009"¹¹²⁸, deals with:

¹¹²² The full text is available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/FrancijasPrezidentura/FR-prezidentura/> (last access: 25 January 2009).

¹¹²³ A summary is available at: http://www.mfa.gov.lv/data/file/ES/amzinop1_18008_prioritates.doc (last access: 25 January 2009).

¹¹²⁴ Latvian Ministry of Foreign Affairs: Latvija atzinīgi vērtē panākto valsts interešu iestrādi ES klimata un enerģētikas likumdošanā, press release, 12 December 2008, available at: <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2008/decembris/12-4/> (last access: 25 January 2009).

¹¹²⁵ LETA, press agency: dispatch of 17 December 2009, available at: [http://www.leta.lv/archive_item.php?id=6D9496A5-7446-4E32-ACA4-E489490AD09F&phase=Guntars+Krasts&sd=1&sm=1&sy=2008&ed=1&em=3&ey=2009&t\[\]=t0&t\[\]=t1&t\[\]=t2&t\[\]=t10&t\[\]=t3&t\[\]=t6&t\[\]=t9&t\[\]=t11&t\[\]=t5&t\[\]=t4&t\[\]=t8&t\[\]=t7&more=true&moreid=5](http://www.leta.lv/archive_item.php?id=6D9496A5-7446-4E32-ACA4-E489490AD09F&phase=Guntars+Krasts&sd=1&sm=1&sy=2008&ed=1&em=3&ey=2009&t[]=t0&t[]=t1&t[]=t2&t[]=t10&t[]=t3&t[]=t6&t[]=t9&t[]=t11&t[]=t5&t[]=t4&t[]=t8&t[]=t7&more=true&moreid=5) (last access: 25 January 2009).

¹¹²⁶ Ibid.

¹¹²⁷ Latvian Ministry of Foreign Affairs: Latvijai būtiskākie jautājumi ārlietu jomā Čehijas ES prezidentūras laikā 2009. gada pirmajā pusē, available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/CehijaPrezidentura/> (last access: 25 January 2009).

¹¹²⁸ Latvian Ministry of Foreign Affairs: Latvijai būtiskākie nozaru jautājumi Čehijas prezidentūras laikā 2009. gada pirmajā pusē, available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/CehijaPrezidentura/CZ-Prezidentura/> (last access: 25 January 2009).

1. Energy security and strategic energy review;
2. Endeavours to stabilise the EU economy;
3. EU contributions to reduce climate change;
4. Review of EU multi-annual budget;
5. Lisbon Strategy after 2010;
6. Review of cohesion policy;
7. Reform of the Common Agricultural Policy;
8. 'Stockholm programme' for justice and home affairs after 2010.

For the most part, the two lists are largely-self-explanatory, because the brief exposés of each topic in the documents show that Latvia's views tend to coincide with the mainstream EU thinking on each topic. The differences exist in terms of emphasis and degree, when compared with the positions of some other EU member states. Latvia is enthusiastic about developing relations with the neighbours in the region and to the East and drawing them closer to the EU. Consequently, it supports the notion of EU enlargement, EU Eastern Partnership, and continued negotiations leading to treaty-based relations with Russia. Good relations with the US have played a crucial part in securing Latvia's independence and Latvia believes that good relations between the EU and the US are essential, not only because of common interests but also shared values. Past disagreements over the war in Iraq should not stand in the way to better relations in the future.

While the topics in the two lists do not always coincide with the priority topics of the Czech Presidency, this should not be interpreted as a sign of disagreement with Prague, but rather, as an indicator of the issues to which Latvia would like to draw attention. Moreover, this has been also a characteristic of such documents from Latvia in the past and they have not been used as a measuring stick for the performance of a particular EU presidency.

The order of topics as they appear in each document is not a certain indicator of the importance that Latvia accords them. They are all priorities. Nonetheless, in the case of energy-related issues, the listing is not misleading.

On 14 January 2009, Latvian Minister of Foreign Affairs Māris Riekstiņš discussed with foreign diplomats in Rīga the priorities of the Czech EU Presidency as well as the priorities

proposed by Latvia. The discussion centred on EU energy policy, stabilisation of the economy, ways to strengthen EU's role in the world – priorities of the Czech Presidency, which, as Riekstiņš affirmed, Latvia also endorses. Considerable attention was also devoted to the completing the ratification of the Lisbon Treaty.¹¹²⁹

Turning to the Latvian policy priorities for the first half of 2009, Riekstiņš focused upon:

- Regional cooperation, especially to the EU Strategy in the Baltic Sea region and its importance in fostering regional energy interconnectedness and energy security;
- Transatlantic relations;
- Strengthening the EU Eastern Partnership;
- EU and Central Asia Strategy;
- Development assistance.

Riekstiņš said that despite financial cutbacks and a drastically reduced national budget, Latvia is determined to continue its assistance to Ukraine and Georgia and participation in the EU missions in Afghanistan and Kosovo.

Looking back to the French Presidency

Lithuania*

Positive evaluation of the French Presidency

Lithuanian officials positively evaluate the French Presidency and praise the efficient steps taken forward during this half of the year. Lithuanian President, Valdas Adamkus, in his letter to the French ambassador to Lithuania, Francois Laumonier, emphasized that the French President, Nicolas Sarkozy and diplomats have taken efficient steps while solving problems caused by the global financial crisis, intermediating during the Georgian-Russian conflict. He also positively evaluated the French aspirations to strengthen the energy security of Europe, develop the EU internal energy interconnections, strengthen

¹¹²⁹ Latvian Ministry of Foreign Affairs: Ārlietu ministrs Māris Riekstiņš ar Eiropas Savienības vēstniekiem pārrunā Latvijas ārpolitikas prioritātes un Čehijas ES prezidentūras izvirzītos mērķus, press release, 14 January 2009, available at: <http://www.mfa.gov.lv/lv/Jaunumi/Pazinojumi/Presei/2009/janvaris/14-4/> (last access: 25 January 2009).

* Institute of International Relations and Political Science, Vilnius University.

the relations with the EU Eastern and Southern neighbours, and the fight with the climate change and other global challenges.¹¹³⁰ He said that “while dealing with these challenges the EU demonstrated leadership and unity. That is why today the EU is stronger and better prepared to deal with the challenges of the 21. century”¹¹³¹.

As the head of the Lithuanian permanent representation to the EU, Rytis Martikonis has stated it: “French Presidency has been wise and of the highest level. Maybe sometimes the opinions of Vilnius and Paris diverged, but the work has been organised professionally”¹¹³². Speaking during the European Parliament session, member of the European Parliament from Lithuania, Laima Andrikienė, has also praised the French Presidency and called it an excellent presidency. According to her, the Georgian events were a brilliant example that the EU can be in the center of the events, be united and solidary.¹¹³³

High expectations from the Czech Presidency

The expectations of the Lithuanian officials from the Czech Presidency are generally high. Lithuanian President, Valdas Adamkus, evaluates the Czech Presidency with optimism.¹¹³⁴ He said that “a common goal to build a strong EU which would be open for its

Eastern neighbours (i.e. would implemented ‘an open door’ enlargement policy), would unitedly seek to guarantee the energy safety, fight against the climate change and other global challenges and would decisively guard the ideals of freedom and democracy unites Lithuania and the Czech Republic”¹¹³⁵. In a letter to the Czech President, Václav Klaus, he wrote: “I have no doubts that you will fulfill this essential and complicated mission appropriately and efficiently. I am definite that the long and rich history of your country, old diplomatic traditions, strong will of your people would allow you to achieve the defined goals”¹¹³⁶.

Czech Presidency priorities match the Lithuanian priorities in the EU

The Lithuanian President, Valdas Adamkus, positively evaluated the Czech decision to pay special attention to the European energy safety, strengthening of relations with Eastern neighbours and strengthening the transatlantic partnership. According to the President, these directions are very important if we want to have a strong and able EU to fight efficiently the challenges of the 21. century. He said “the named priorities of the Czech Presidency match the Lithuanian interests in foreign policy, energy and internal market”. Lithuanian Foreign Affairs Minister, Vygaudas Ušackas, also said that the Czech priorities are the same as the main Lithuanian priorities in the EU and Lithuania supports these priorities.¹¹³⁷

The Lithuanian President also emphasized that the motto of the Czech Presidency ‘Europe without borders’, reflects the Lithuanian aspirations to eliminate any impediments in the EU, which limit the economic, human, and cultural potential of Europe.¹¹³⁸

¹¹³⁰ See: Prezidentas dėkoja Prancūzijai už pirmininkavimą ES (President thanks France for the EU Presidency), 19 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4889/> (last access: 25 January 2009).

¹¹³¹ Valdas Adamkus (Lithuanian President): Prezidentas dėkoja Prancūzijai už sėkmingą pirmininkavimą ES ir priimtus susitarimus (President thanks France for successful presidency and made decisions), press release, 18 December 2008, available at: <http://www.president.lt/lt/news.full/9992> (last access: 25 January 2009).

¹¹³² Vilniaus diena (newspaper): ES peripetijų džunglėse (In the jungles of the EU peripeties), 8 December 2008.

¹¹³³ See: Europos Parlamente – pagyrimai ir kritika Prancūzijos pirmininkavimui (In the European Parliament – praises and critics for the French Presidency), 17 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4860/> (last access: 25 January 2009).

¹¹³⁴ See: Čekijos pirmininkavimas ES Lietuvai bus palankus, turėtų pajudėti energetiniai projektai - Lietuvos ambasadorius Čekijoje (Czech Presidency should be favourable to Lithuania, energy projects should move, claims the Lithuanian ambassador to Czech Republic), 19 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4887/> (last access: 25 January 2009).

¹¹³⁵ See: Pirmininkavimą ES pradėjusios Čekijos vadovui Lietuvos prezidentas palinkėjo kurti solidarią Europą (Lithuanian President wished to build solidary Europe for the leader of the Czech Republic which has taken over the EU Presidency), 6 January 2009, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4931/> (last access: 25 January 2009).

¹¹³⁶ Ibid.

¹¹³⁷ Lithuanian Foreign Affairs Ministry: Lietuvos užsienio reikalų ministras telefonu kalbėjosi su Čekijos Respublikos užsienio reikalų ministru (Lithuanian Foreign Affairs Minister has talked on the phone with the Czech Foreign Affairs Minister), press release, 22 December 2008, available at: <http://www.urm.lt/index.php?-1799837100> (last access: 25 January 2009).

¹¹³⁸ Valdas Adamkus (Lithuanian President): Lietuvos Prezidentas palankiai vertina Čekijos pirmininkavimo ES prioritetus (Lithuanian President positively evaluates the priorities of the Czech Presidency), press release, 18

A special attention to energy issues is congratulated

Speaking about the Czech priorities, Lithuanian ambassador to the Czech Republic, Osvaldas Čiukšys, paid special attention to energy issues. He expects that there will be progress in energy projects, which are important to Lithuania: "priorities, included into the Czech Presidency programme – strengthening of interconnections, the development of renewable energy sources, development of nuclear energy; all these things give hope that during the Czech Presidency, we will move forward at least in one of these directions"¹¹³⁹. He also emphasized that Lithuanian and Czech positions towards Russia are very similar and he supposes that the EU policy towards this country should not change. As he said, "relationship with Russia has to be pragmatic and consistent, based on values, and this is what we are striving for, and Czechs emphasize exactly the same issues. There are little differences in our positions towards Russia and in most cases our positions are almost identical"¹¹⁴⁰.

Looking back to the French Presidency Luxembourg*

Omnipresent French Presidency followed by too eurosceptic Czech President

In concert with many other news media, the leading French left-of-centre newspaper "Le Monde" enumerates the French Presidency's

December 2008, available at: <http://www.president.lit/lt/news.full/9991> (last access: 25 January 2009).

¹¹³⁹ See: Čekijos pirmininkavimas ES Lietuvai bus palankus, turėtų pajudėti energetiniai projektai - Lietuvos ambasadorius Čekijoje (Czech Presidency should be favourable to Lithuania, energy projects should move, claims the Lithuanian ambassador to Czech Republic), 19 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvos-naryste-europos-sajungoje/nauijenos/4887/> (last access: 25 January 2009).

¹¹⁴⁰ See: Čekijos pirmininkavimas ES Lietuvai bus palankus, turėtų pajudėti energetiniai projektai - Lietuvos ambasadorius Čekijoje (Czech Presidency should be favourable to Lithuania, energy projects should move, claims the Lithuanian ambassador to Czech Republic), 19 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvos-naryste-europos-sajungoje/nauijenos/4887/> (last access: 25 January 2009).

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victims: "(There are) two victims of Sarkozy's Presidency: Luxembourg's Prime Minister Jean-Claude Juncker, who presides over the Eurozone finance minister group and Javier Solana, the European responsible for foreign policy. Their posts were shadow posts of the European council president. Sarkozy showed that his personal experience grew during the French Presidency of the EU and that he did a strong showing"¹¹⁴¹.

Luxembourg did not like the French Presidency's proposal to offer a permanent Commissioner to Ireland. Sarkozy wanted to weaken the Commission; the Commission has been relegated to a secretariat of the Council. Every member state should have a representative in the Commission to push forward its interests. This way the governments can hope for a better understanding of their viewpoint. This compromise proposed by Sarkozy to satisfy the Irish demands was reached "by killing a certain European spirit"¹¹⁴².

The French proposal of a European economic government was not met with a positive response in Luxembourg either. Even if the French economic newspaper "Les Echos" blames the Sarkozy administration for not having "informed the President of the Eurogroup beforehand"¹¹⁴³, Juncker had known about the French plans for some time, but he could rely on the strong German opposition against these plans. Even the Liberal political group in the European Parliament opposed Sarkozy's ideas.¹¹⁴⁴

The tensions between the French Presidency and the President of the Eurogroup seemed to have reached a climax when Juncker refused to assist to a meeting dealing with the so-called 'tax heavens' in Paris, on 21 October 2008. After airing a "tendentious report"¹¹⁴⁵ denouncing the "tax heaven Luxembourg" specialized in money laundering, French TV news anchor David Pujadas tried to destabilise Luxembourg Prime Minister Juncker in a live interview on 21 October 2008, during the

¹¹⁴¹ Le Monde.fr: M. Sarkozy a orchestré un retour à l'Europe des Etats, 14 December 2008.

¹¹⁴² Les Echos.fr: L'Europe présidentielle de Nicolas Sarkozy, 15 December 2008.

¹¹⁴³ Ibid.

¹¹⁴⁴ Tageblatt: Französischer EU-Ratsvorsitz zieht Bilanz der vergangen sechs Monate, 17 December 2008.

¹¹⁴⁵ Le Jeudi: J'ai eu honte by Nathalie Griesbeck French MEP, 30 October 2008.

highly attended 8 o'clock evening news.¹¹⁴⁶ René Kollwelter (socialist member of the "Luxembourg State Council"),¹¹⁴⁷ many French bloggers and thousands of French TV viewers saw in the whole operation a merely hidden manoeuvre of the "Élysée" to harm the Eurogroup's President's public image in France.¹¹⁴⁸ A public outcry coming from many French commuters working in Luxembourg as well as from Juncker's fellow citizens followed this 'very special' TV news show.¹¹⁴⁹ Finally Arlette Chabot, the head of the information department of French TV "France 2", presented her excuses to the Luxembourg Prime Minister.¹¹⁵⁰ The incident was closed, but left a very bad aftertaste.

Although the French Presidency was successful in many points: e.g. the Luxembourg Liberal leader Charles Goerens liked the French President's quick reaction in the Georgian conflict¹¹⁵¹ – no doubt about it – it did not satisfy the expectations of the major part of the Luxembourg political observers.

Expectations for the main priorities of the Czech Presidency

Traditionally, Luxembourg and the Czech Republic have very good relations going right back to the Middle Ages, when Luxembourg princes made out of Bohemia a cultural and political centre in Europe. In modern times, solidarity with the victims of the 1968 Soviet invasion was deeply felt in Luxembourg. Václav Havel, the first President of the Czech Republic, was also very popular in Luxembourg.

Most recently, however, the Luxembourg press as well as the representatives of political parties tend to be very sceptical about the chances of a successful Czech Presidency. Former Minister of Foreign Affairs, the Liberal MEP Lydie Polfer, did not even stick to the traditional diplomatic restraint politicians tend to adopt when she predicted the failure of the Czech Presidency already in November

2008.¹¹⁵² Especially the reputation of the actual Czech President Václav Klaus is already very low – most certainly since his last state visit to Luxembourg, where he delivered a strong 'anti-europeist' speech – and his popularity fell even lower due to his manoeuvres to torpedo the Lisbon Treaty's ratification by the Czech Republic, a reaction which was not appreciated at all in Luxembourg.

The very first actions of the Czech Presidency dealing with the Gaza crisis seem, in the eyes of many Luxembourg observers, to confirm these rather mixed expectations.¹¹⁵³ The two most influential national newspapers, "Tageblatt" and the "Luxemburger Wort", try to elevate the Czech image by publishing interviews with very sympathetic Czech Minister of Foreign Affairs Karel Schwarzenberg.¹¹⁵⁴ Whereas the Communist newspaper "Zeitung vom Lëtzebuerger Vollek" could not find one positive point in the presentation of the Czech Presidency's priorities by the Czech ambassador to Luxembourg, Katherina Lukesova.¹¹⁵⁵

Looking back to the French Presidency

Malta*

French Presidency – very successful, Czech Presidency – high expectations

The main expectation of the Czech EU Presidency is that of consistency when it comes to following up on the achievements of the outgoing French Presidency.

The EU presidencies of the Czech Republic and Sweden are expected to focus their political attention on Ireland's successful ratification of the Lisbon Treaty and the smooth selection of a new European Parliament in June. European governments will also be concentrating on implementing the stimulus packages they have announced in an attempt to revive growth in European economies.

¹¹⁴⁶ See: http://www.dailymotion.com/video/x75e1i_france-2-vs-ijunker_news (last access: 23 January 2009).

¹¹⁴⁷ Luxemburger Wort: Jean-Claude Juncker et le piège de la télévision française, 25 November 2008.

¹¹⁴⁸ See: <http://www.arretsimages.net/vite.php?id=2219> (last access: 23 January 2009).

¹¹⁴⁹ Tageblatt: Les spectateurs de France 2 s'insurgent, 23 October 2008.

¹¹⁵⁰ Midi libre: France 2 s'excuse après un reportage sur le Luxembourg, 24 October 2008.

¹¹⁵¹ Chambre des Députés: Compte-rendu des séances publiques, 11 November 2008.

¹¹⁵² Lëtzebuerger Journal: Echec annoncé de la présidence tchèque by Lydie Polfer (Liberal MEP), 13 November 2008.

¹¹⁵³ Tageblatt: Tschechiens EU-Ratspräsidentschaft international auf dem Glatteis, 7 January 2008.

¹¹⁵⁴ Luxemburger Wort: Europa darf nicht uninteressant werden, 23 January 2008; Tageblatt: Ein Diplomat der keiner ist, 31 December 2008.

¹¹⁵⁵ Zeitung vom Lëtzebuerger Vollek: Es muss etwas geschehen, 8 January 2008.

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French Presidency and the Union for the Mediterranean

The outgoing French Presidency is regarded as very successful. In addition to dealing with the financial crisis that emerged and the conflict between Russia and Georgia, the French Presidency still managed to launch its ambitious Union for the Mediterranean (UfM) initiative at a heads of state summit in July 2008 in Paris.

The follow up foreign ministerial UfM meeting in Marseille in November 2008, is seen as a huge success by Malta when it comes to instilling a very dynamic agenda for future Euro-Mediterranean relations. The creation of a Union for the Mediterranean Secretariat in Barcelona will see the long overdue process of institutionalizing Euro-Med relations start to take place. Malta has been allocated a Deputy Secretary General position in the Secretariat, and also mandated to establish a Euro-Arab Liaison office in Valletta to coordinate Euro-Arab relations in future.

The project driven nature of the Union for the Mediterranean in key strategic areas, will help start improving living standards of millions of people across the Mediterranean region.

Malta believes that the Union for the Mediterranean (UfM) projects, presently being discussed, will boost the pace of implementation of the current Euro-Mediterranean Partnership (EMP) five year work programme by spelling out a plan of action that focuses on commencing a multitude of projects in specific sectors.

De-pollution of the Mediterranean is essential if we and future generations are to be able to sustain our way of life in this region of the world. We must be determined to build upon the Horizon 2020 programme of activities so that the quality of marine activity is safeguarded.

Another sector that requires our attention is that of *maritime and land highways*. The Mediterranean has been a strategic sea-line of communications for centuries. If the people to people dimension of Euro-Mediterranean relations is to be further enhanced we must focus our attention on developing further motorways of the seas, including the connection of ports and the modernisation of the trans-Maghreb train route. Maritime security and safety are also sectors that need

to be improved so that transshipment activity across the Mediterranean does not risk the livelihood of coastal populations.

The time has also come for us to develop a comprehensive Mediterranean *civil protection system* that can protect the millions of people living along the basin should a man-made or natural disaster emerge. The negative impact that climate change is already having on global weather patterns is already apparent. We therefore need to provide a civil protection programme that includes prevention, preparation and response to disaster mechanisms.

The Union for the Mediterranean plan of action will also concentrate its attention to spurring *alternative energies* research and development. A specific focus will take place on assessing the extent to which a *Mediterranean Solar Plan* can be implemented. The volatility of energy markets in contemporary international relations dictates that we explore the possibility of developing alternative sources of energy.

The Union for the Mediterranean is also focusing on strengthening higher education cooperation between Europe and the Mediterranean through the launching of a substantial scholarships scheme for university students from Euro-Mediterranean partner countries and an increase of mobility grants for higher education staff.

The educational field is a sector where more effort needs to be dedicated. The European Commission together with its member states needs to trigger both public and private stakeholders to work hand in hand with a long-term perspective to attract a larger number of Arab students to European shores. This will of course require an updating of procedures for visas, making them more user friendly for such a category of professionals.

Future Euro-Med programmes need to ensure that people to people interaction is at the forefront, especially young people. It is essential that a much larger number of students from the Arab world are given the opportunity to study at EU universities. The Bologna Process must be made functional to them. The same goes for joint EU Arab research projects. The EU must introduce a package of programmes that seeks to tap into the wealth of intelligence in the Euro-Med region via scholarships, seminars, and other

initiatives. The Euro-Med Education Ministerial Conference that took place in Cairo in June 2007 has started to serve as a catalyst in this regard.

When it comes to enhancing people to people relations, Malta has already established itself as a regional centre of excellence in the Mediterranean through several of its educational and training institutions.

Malta is fully committed to ensuring implementation of the above projects to help trigger a more rapid pace of inter-regional development across the Mediterranean.

The Union for the Mediterranean offers Europe and the international community an opportunity to carry out a strategic reassessment that will allow for more political attention and economic resources to be directed towards upgrading stability and opportunities across the Mediterranean.

The proposal to establish a Union for the Mediterranean (UfM) must be welcomed in as it has again helped focus international attention on a very important geo-strategic crossroads of different civilisations and a crucial post-Cold War theatre of operations. The UfM should not be perceived as a fixed concept but a work in progress – the objective is to create a 'Barcelona Plus' situation where Euro-Mediterranean relations are truly re-launched on a more solid footing.

Malta's active participation in the Euro-Mediterranean Partnership is perhaps best described as an extension of its co-operative security philosophy. It should also be regarded as a tangible contribution to creating a Euro-Mediterranean region based upon the attributes of positive diplomacy.

The main factor that should move European and Mediterranean states closer together in the future are the mutual security interests they share: Euro-Med political, economic and cultural cooperation must be strengthened if stability is to be secured in future.

Looking back to the French Presidency

Netherlands*

Event-driven presidency

Prior to taking over the presidency of Slovenia, the French rhetoric and priorities found somewhat sceptical ground in the Netherlands, especially in the press. The Mediterranean Union initiative was predominantly seen as a French hobbyhorse and when the deal was signed in July, commentators were somewhat scornful on its modified ambitions. Also, Nicolas Sarkozy's statements and actions with regard to the Olympic Games in China and the situation in Tibet, were seen as a fairly rocky start of the French Presidency. But, as with many foreign affairs matters, the presidency was mainly judged upon its crisis management skills. When the Georgian-Russian conflict presented itself that summer, the rapid and decisive action of the French Presidency was widely applauded. In the margins, criticism focused on the absence of prior consultation with all EU member states and the apparent room left in the agreement for the incomplete withdrawal of Russian forces.¹¹⁵⁶

The Georgian-Russian conflict was not the only crisis tormenting Brussels these six months; internal crises were omnipresent as well. When the full and global effects of the financial crisis became apparent this fall, the early day inaction of the EU was featured on the opinion pages of Dutch newspapers. When the French Presidency swiftly took the lead to establish a common European approach, its decisiveness and action was once again praised. With its efforts to convene a G20 summit, France was said to have brought the initiative back to Europe. Sarkozy's suggestion to extend his presidency mandate on Eurogroup matters was less appreciated in the Netherlands. The Dutch Minister of Finance and Deputy Prime Minister Wouter Bos initially signalled some cautious understanding of the idea, which evoked ample reaction in parliament.¹¹⁵⁷ Prime Minister Jan Peter Balkenende settled the issue with a clear rejection of any kind of prolongation of the French mandate or the creation of any additional EU consultative bodies and opposed

* Netherlands Institute of International Relations 'Clingendael'.

¹¹⁵⁶ Frans Dijkstra: Europa verdient een Sarkozy, meent de Franse president, Trouw, 20 December 2008.

¹¹⁵⁷ Het debat over de Staat van de Europese Unie, Tweede Kamer, 31702, 6 November 2008.

the suggestion of a 'gouvernance économique'.

Towards the end of the presidency, at the summit in December, much was at stake: Would France be able to broker a deal on all pressing issues at hand? To the surprise of many observers, an early agreement was reached on all major topics: the Lisbon ratification process, the climate and energy package, and the European Economic Recovery Plan. In Dutch parliament, the presidency was somewhat criticised by opposition parties for putting much pressure on Ireland and minimising the role of the Commission.¹¹⁵⁸ Newspaper articles widely praised the early agreement reached in the difficult negotiations on the climate and energy package. Heroic stories were told on Sarkozy's personal interventions to bring the negotiations to conclusion.¹¹⁵⁹

Relation management

During the EU presidency, some shifts were observed in the bilateral relations of France. The initial lack of enthusiasm for the Mediterranean Union by Chancellor Angela Merkel, was perceived as damaging the Franco-German axis. A shift was noted with regard to the improved relationship with the UK. In addition, Sarkozy was praised for succeeding to overcome cleavages between 'old' and 'new' member states in the discussions on the climate and energy package in December.¹¹⁶⁰ Earlier this year, Sarkozy was reported to have had affronted both Poland and the Czech Republic with his comments on the missile defence shields. Looking back to the French Presidency, the six month period was also seen as a good way to reposition France in the world: "the fading superpower was back on stage".¹¹⁶¹

In addition, the importance the presidency had attributed to the European Parliament was praised. Frans Timmermans, Minister of European Affairs, publicly applauded the attention given to the European Parliament,

which he stated was "justified and a good lesson".¹¹⁶²

Sarkozy's limelight

Much of the press and parliamentary attention given to the French Presidency was focused on the persona of Sarkozy. His hyperactive personality and dynamic leadership style were widely praised. Sarkozy was portrayed as having limited regard for Brussels' habits and bureaucratic procedures: "he got away with it by achieving a huge amount of results".¹¹⁶³ This style might have been criticised by some for paying too little attention to the details and as being very exhausting; the results achieved convinced many commentators that 'size matters': in times of crises a small member state as EU presidency would not have been able to achieve as much as Sarkozy did.¹¹⁶⁴ The Dutch Prime Minister Balkenende was quoted in the parliamentary debate by stating that "the French presidency has forcefully and vigorously taken the lead in the EU".¹¹⁶⁵ Also Frans Timmermans, Minister of European Affairs, praised Sarkozy's leadership "demonstrating the need for a European Council President as proposed in the Lisbon Treaty".¹¹⁶⁶

Limited expectations for the Czech Presidency

Up until the first month of its presidency, not much attention was given to the Czech priorities, the three 'E's': Economy, Energy and Europe in the world. They are relatively unexposed in the Dutch debate. The ambitions are seen as rather modest and the Czech Presidency is expected to play predominantly a moderating role.¹¹⁶⁷ In contrast, more attention

¹¹⁶² Timmermans: hoe moet Europa er na de kredietcrisis uitzien?, available at:

<http://www.europahoortbijnederland.nl/nu-in-brussel/timmermans-hoe-moet-europa-er-na-de-kredietcrisis-uitzien/> (last access: 26 February 2009).

¹¹⁶³ Han Dirk Hekking and Martin Visser: Zonnekoning Sarkozy regeert de Europese Unie in vele gedaanten, Het Financieel Dagblad, 29 December 2008.

¹¹⁶⁴ Het Financieel Dagblad: Sarko's leiderschap, 27 December 2008.

¹¹⁶⁵ Voortzetting van het debat over de Staat van de Europese Unie, Tweede Kamer, 31702, 6 November 2008; Stevo Akkerman: Klaus komt, wee ons Europeanen; President Tsjechië ziet communisme in EU, Het Parool, 20 December 2008.

¹¹⁶⁶ NRC Next: Timmermans prijst Sarkozy over crisis (Timmermans praises Sarkozy for crisis), 15 October 2008.

¹¹⁶⁷ Stevo Akkerman: Klaus komt, wee ons Europeanen; President Tsjechië ziet communisme in EU, Het Parool, 20 December 2008.

¹¹⁵⁸ NRC Handelsblad: 'Omnipresident' Sarkozy wil Europa 'gezicht' geven ('Omnipresident' Sarkozy wants to give 'a face' to Europe), 17 December 2008.

¹¹⁵⁹ Jeroen van der Kris: Lof voor optreden van Sarkozy op Europese top (Praise for Sarkozy's performance at European summit), NRC Handelsblad, 13 December 2008.

¹¹⁶⁰ Ibid.

¹¹⁶¹ Ariejan Korteweg and Bert Lanting: De teugels gegrepen, De Volkskrant, 27 December 2008.

was paid to the internal political situation of the Czech Republic.¹¹⁶⁸ Having to contend with both the eurosceptic President Klaus and the delayed ratification of the Lisbon Treaty, the timing of the Czech Presidency seems to have come at the worst possible time internally.¹¹⁶⁹ In addition, there has been substantial media coverage on the art work of David Černý in which various EU member states suffered an affront. The picture of a flooded Holland with Muslim mosques, did not provoke much commotion though. This fits within the Dutch tradition not to criticise art for political reasons.

Looking back to the French Presidency

Poland*

High engagement of French diplomacy, Czech Presidency as bench mark for Polish Presidency

Assessment of French Presidency

As regards to the key priorities for the presidency formulated by France, including the Climate and Energy Package and the finalization of the Lisbon Treaty ratification, the general assessment of the presidency is that “the Presidency was difficult for France and very good for Poland”¹¹⁷⁰. What has been stressed is the deep involvement of France in actions taken in the interest of the whole European Union, a reasonable balance between an intergovernmental and a community approach. An important feature of the passed presidency was also the ability to work out compromise between the diversified interests of member states in a way that took into consideration the positions of individual member states.

Even if not all the objectives of the presidency were achieved, yet – as stressed by Mikolaj Dowgielewicz, the Secretary of State at the Office of the Committee for European

Integration (UKIE) – the presidency “has to face two major emergencies (war in Georgia and the economic crisis)”¹¹⁷¹, which as if naturally become two major issues the Union should have reacted to. Especially with regard to the Georgian conflict – in the opinion of Dowgielewicz – “President Sarkozy has a very difficult situation and what he did to secure Georgian independence on the one hand and to keep the Union speaking with one voice on the other hand has to be highly appreciated”¹¹⁷².

Yet an EU expert, Pawel Swieboda, noted that the role of Sarkozy in the Georgian conflict turned out to be “most ambiguous”. “Even if he managed to exclude the worst scenario, but the concessions to Russia as regards Georgia’s territorial integrity went too far”¹¹⁷³.

What is being stressed in the assessment of the French Presidency is also the role of President Sarkozy in reaching settlement regarding the Climate and Energy Package. The current issues made the presidency take instant, unplanned actions, yet still, the presidency was able to deal with one of the most important priorities and reach a compromise, which should be seen as a real success.¹¹⁷⁴

Thus, the general assessment of the French Presidency in Poland is positive; it has been stressed that the success of the presidency was also driven by professional skills and deep involvement of the French diplomacy.¹¹⁷⁵

Czech Presidency

When the Czech Republic took over the EU-presidency, the Prime Minister of Poland, Donald Tusk, announced that Poland will support the Czech Republic as the first new Central-European member state to preside in the EU. The Prime Minister declared his conviction that the Czech Republic will be independent in actual management of the Presidency. In such areas as liberalization, independence of economic entities or

¹¹⁶⁸ Eric Brasse: EU krijgt zwakke voorzitter; Tsjechische premier behaalt Pyrrhus-overwinning op partijcongres, Trouw, 9 December 2008; Han Dirk Hekking: Met Tjechië krijgt EU een leider die graag problemen ontwijkt (With the Czech Republic, the EU gets a leader that likes to avoid problems), Het Financieel Dagblad, 15 November 2008.

¹¹⁶⁹ Stéphane Alonso: Na het Franse chic, nu Tsjechisch improvisatietalent, NRC Handelsblad, 31 December 2008.

* Foundation for European Studies - European Institute.

¹¹⁷⁰ M. Dowgielewicz, “Prezydencja Francji bardzo dobra dla Polski” [French Presidency very good for Poland], Polish Press Agency, 30 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

¹¹⁷¹ Ibid.

¹¹⁷² Ibid.

¹¹⁷³ P. Swieboda, “Przewodnictwo Francji w UE adekwatne na trudne czasy” [French Presidency “adequate for difficult times”, Polish Press Agency, 30 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

¹¹⁷⁴ R. Trzaskowski, “Francuzom udało się prezydencja w UE” [The French successful in EU Presidency], Polish Press Agency, 30 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

¹¹⁷⁵ M. Dowgielewicz, op. cit.

decreasing bureaucratic regulations, the Czech Presidency can count on the full support of Poland.¹¹⁷⁶

According to the Minister of Foreign Affairs, Radosław Sikorski, “the states of our region – both on the level of prime ministers and ministers of foreign affairs – are quite well prepared for Czech Presidency”.¹¹⁷⁷ To this end, meetings within the Visegrad Group were very fruitful, especially with regard to the question of the establishment of the Eastern Partnership.

The Head of the Office of the Committee for European Integration (UKIE), Mikolaj Dowgielewicz, stressed that an important question to tackle by the Czech Presidency will be the diversification of energy supply and in this respect, Poland has already been cooperating closely with the presidency.¹¹⁷⁸

Another key interest for the presidency – in the opinion of the head of UKIE – will be the review of the issues relating to furthering liberalization of labour markets.¹¹⁷⁹

Poland will see to able running the Presidency by the Czechs and will use the experiences from the Czech Presidency as useful clues for the future Polish Presidency.

Looking back to the French Presidency

Portugal*

Mixed evaluations regarding French Presidency

The French Presidency had to deal with many current events, like the Irish ‘No’, the financial crisis and the Georgian crisis. The general evaluation of the French Presidency tended to be mixed. One common point, however, was how personalised in Sarkozy the French EU-Presidency had been, for good and bad. On the one hand, europhiles in particular, saw a French President openly dealing with existing problems and trying to make Europe relevant

on the international stage. And in terms of both putting the Lisbon Treaty back on track, paying renewed attention to the Mediterranean with the new Union for the Mediterranean, and signing the European Pact on Immigration and Asylum, some of its key aims were achieved. Moreover, these policy priorities were largely in accordance with Portuguese official priorities, as the government made clear at the start of the French Presidency. Eurosceptics, could see in Sarkozy someone who challenged some traditional sacred cows, notable the boundaries of the role of the state in the economy and the mandate of the European Central Bank.¹¹⁸⁰

On the other hand, there were serious concerns in Portugal – reinforced by the parting words of Sarkozy to the European Parliament to the effect that “larger European countries do not have special duties, but they do have special responsibilities” – regarding the apparent French attempt to affirm a ‘directoire’ of larger EU member states, a notion that is anathema in Portugal. These critical views of the French Presidency were reinforced by Sarkozy’s actions during the Czech Presidency. And even if the latter was also criticized, namely for its initial stance during the Gaza crisis, still, the Czech response that there was only one presidency of the EU at a time was applauded as a necessary reaffirmation of the principle of the equality of EU member states in all matters, including rights and responsibilities.¹¹⁸¹

The predominant expectations in Portugal regarding the Czech Presidency tend to be guarded. There is a great deal of concern among the europhile elite that, especially because of the well-known euroscepticism of the Czech President, Václav Klaus, the vital ratification of the Lisbon Treaty will be further complicated. His open support for the “Libertas” eurosceptic movement that led the campaign for the Irish ‘No’ confirmed their worst expectations.¹¹⁸² He may find some sympathy, however, in the more limited eurosceptic circles. Still the prevailing mood in Portugal regarding the Czech Presidency

¹¹⁷⁶ Premier: “Będziemy wspierać Czechy w ich prezydenturze”, [Prime Minister, “We will support the Czechs in their Presidency”], Polish Press Agency, 23 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

¹¹⁷⁷ Ibid.

¹¹⁷⁸ Ibid.

¹¹⁷⁹ M. Dowgielewicz quoted by Polish Press Agency, 23 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

* Institute for Strategic and International Studies.

¹¹⁸⁰ See Bruno C. Reis/Mónica S. Silva: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 7, September 2008, Berlin, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_7.pdf (last access: 25 January 2009).

¹¹⁸¹ Isabel Arriaga e Cunha: Dilema..., available at: <http://eurotalkiac.blogspot.com> (last access: 18 December 2008).

¹¹⁸² Lusa (press agency): UE/Presidência - Tratado de Lisboa refém do sistema anti-míssil na República Checa, news release, 18 December 2008.

seems to be determined by the strangeness in light of Portuguese political culture, of this kind of openly partisan, fractious political involvement of the Head of State of the Czech Republic in current affairs, international of otherwise. This is very much not the norm in Portugal, where traditionally the Head of State is seen as having the duty to rise above everyday political strife.

Looking back to the French Presidency Romania*

The French struggle with a difficult mandate: *mission accomplie*

At the time when the French Presidency took office in mid-2008, there were very few who could anticipate the enormous tensions and crises that it would have to face during its six months tenure. Although for journalists, the French Presidency was to be a difficult one, no one could envisage the challenges which it will come to deal with. When speaking about what they called a “difficult mandate for Nicolas Sarkozy”¹¹⁸³, they were referring to what they considered to be the ‘traditional’ themes of the French Presidency: dealing with the Irish ‘No’; the security related issues; environment and energy; immigration and oil crisis; etc. No one could have yet foreseen the Georgian crisis or the economic crisis that would appear toward the end of the year.

In the beginning, after the Irish ‘No’, one may have thought that the main task of the French Presidency would be patching up and continuing the ratification of the Treaty of Lisbon. And to do that, Nicolas Sarkozy would have to give up its seeming ‘arrogance’. Dinu Flămând, a Romanian commentator, spoke about this perceived sensation of ‘pride’ that would only hurt the European construction. “What is certain is that he will have to adopt another tactic of communicating with the other partners, and to annul that impression of arrogance, that may look good in France, but not in Dublin or Berlin. Way too often, he left the impression that he has all the solutions at hand or that he can solve the problems of the European Union, as he does in France; that is in the same impetuous and voluntaristic style by mobilising large fronts, putting into debate

radical reforms, one after another, often trying to pass in force or to ignore the necessity of the consensus.”¹¹⁸⁴

The same impression, that of pride, is shared by Corina Crețu, MEP for the PSD,¹¹⁸⁵ who remarks that “France has taken, on 1 July, the presidency of the European Union with a great noise comparable with its national ego.”¹¹⁸⁶ All this excitement and optimism at the beginning of the presidency could have a backlash as it “creates, thus, a horizon of expectations that risks, in case of dissatisfaction, to crumble the last hopes regarding Europe’s way out of the deadlock.”¹¹⁸⁷ This being said, the French Presidency is expected to treat as its first priority the “relaunching of the European institutional reform”¹¹⁸⁸. All that can work if we “recover the idealism and the optimism that generated, so far, the European construction”¹¹⁸⁹.

Very soon all those optimistic agendas were to be troubled by the Georgian war. This was a serious crisis that strained the relations between the European Union and Russia. Once this crisis was solved, another serious one came up, namely the financial/economic crisis that is yet to be solved and that affects everyone around the world. That crisis requires a concentrated effort that needs to be continued by all future presidencies of the European Union. France however, seems to have dealt well with these unexpected crises and its survey seems to be a positive one.

Thus, in the words of Corina Crețu: “The Russian military intervention in Georgia and the tension generated in the international relations, and also the financial crisis have marked decisively the activity of the French Presidency. It is the merit of President Sarkozy to have reacted promptly and energetically in such difficult situations, by contributing to the reinforcement of the cohesion and the visibility of the EU. Unfortunately, the ultra dynamic style of the Élysee leader had its downside: the solutions found are for the present, and the future implications of Russia’s expansion and of the economic crisis remain problems that

* European Institute of Romania.

¹¹⁸³ See: <http://www.romanialibera.ro/a128533/mandat-dificil-pentru-nicolas-sarkozy.html> (last access: 23 January 2009).

¹¹⁸⁴ See: <http://www.romanialibera.ro/a128659/un-cutit-infapt-in-spate.html> (last access: 23 January 2009).

¹¹⁸⁵ Social democratic Partidul Social Democrat (PSD).

¹¹⁸⁶ See: <http://corinacretu.wordpress.com/2008/07/page/3/> (last access: 23 January 2009)

¹¹⁸⁷ Ibid.

¹¹⁸⁸ Ibid.

¹¹⁸⁹ Ibid.

require solutions with a longer time perspective.”¹¹⁹⁰

The Romanian politicians had the same positive attitude toward the French Presidency. For instance the Romanian President, Traian Băsescu, believes that it was a great success and that in the end everything turned out to be all right: “I have taken part in the last council under the French Presidency. I could say that, taking into consideration the events during this presidency, it was a presidency of solved crises, if we look at the Georgian crisis, which happened during this mandate, and the Union had a very good reaction and a great contribution to stopping the Georgian war; the financial crisis is another crisis in which the French Presidency got very much involved and succeeded in doing so that no European bank entered in a difficulty, nor collapsed and, finally, the economic crisis which, also, seems to have a start of solutions, although, I must tell you, that all the heads of states and governments accuse the fast growth in number of the unemployed due to the fall of production, at least those who spoke have signalled that, and the states are located from West to East and from North to South. I would say that the great success of the French Presidency besides having successfully managed the three crises would be today the unlocking of the Treaty of Lisbon, by establishing a road map for organizing the referendum in Ireland and the energy-climate changes package, which was adopted today.”¹¹⁹¹

As for the Czech Presidency of the European Union, it is yet regarded with a small dose of mistrust by many Romanian commentators and politicians. The eurosceptic declarations of the Czech officials made many believe that this presidency will stop short from taking any drastic actions: “I hope that the Czech Presidency of the EU, whose priorities will be presented Wednesday, in the parliament plenum by the Premier Minister Mirek Topolánek, will succeed to mobilise more and take its role seriously”¹¹⁹², declared the MEP Corina Cretu.

Others are more optimistic. The former Romanian Prime Minister, Adrian Năstase, believes that it will be better for everyone to

collaborate and that despite the internal differences between the Czech officials, they will realize that it is better for everyone to unite their efforts in front of the growing problems we are facing: “I know that this should be the objective of any member that took the ‘presidency’ of the EU: to strengthen the cohesion and to stimulate, bringing each time upfront, those things that unite the 27.”¹¹⁹³

For the Romanian journalist, Cristian Ghinea, the Czech Presidency appears to be a rather confusing one. The Czech domestic political conflict is at risk of affecting its coherence and limiting its ability to act. By comparing it to the French Presidency the journalists cannot stop noticing what they called a diminishing of Europe’s prestige due to the poor visibility of the Czechs: “unfortunately the EU has lost another opportunity to play a role as an institutional actor, and the prestige of Europe depends on the charm, voluntarism and self-assurance of Nicolas Sarkozy.”¹¹⁹⁴

Despite those problems the official declarations seem optimistic, as Romanian Prime Minister Emil Boc welcomed the new Czech Presidency and its objectives as something positive that will help the future of the European Union. Thus, in a meeting with the Czech Ambassador to Romania on 7 January 2009, Romania’s Prime Minister hailed the priorities of the Czech Presidency and the three ‘E’ on which its agenda is structured – Economy, Energy and Europe in the world – and assured the Czech ambassador of the full support of Romania’s government for reaching the objectives established for the mandate of this presidency. In this context, the Prime Minister underlined that those priorities correspond to the objectives that Romania promotes at the European level.¹¹⁹⁵

Looking back to the French Presidency

Slovakia*

Slovakia and the French and Czech EU Presidencies

The most important issue within the French EU-Presidency was the climate and energy

¹¹⁹⁰ Ibid.
¹¹⁹¹

See: http://www.presidency.ro/?_RID=det&tb=date&id=10547&PRID=search (last access: 23 January 2009).

¹¹⁹² See: <http://corinacretu.wordpress.com/2009/01/> (last access: 23 January 2009).

¹¹⁹³ Ibid.

¹¹⁹⁴ Ibid.

¹¹⁹⁵ See: http://www.gov.ro/primirea-ambasadorului-republicii-cehe-petr-dokladal_1a103842.html (last access: 23 January 2009).

* Slovak Foreign Policy Association.

package. At the beginning of the presidency, Slovakia with the other new EU member states expressed dissatisfaction with the Commission's evaluation of emissions' production when it used the reference data only from 2005 onwards.¹¹⁹⁶ Hungary, Slovakia and others, recorded a dramatic decrease in emissions in the 1990s due to their industrial recession. Before the summit, Prime Minister Fico declared the country's support with some reservations for the package and appreciated the "constructive approach" of president Sarkozy.¹¹⁹⁷ Slovakia considered the summit a success because the country's proposal for additional redistribution of emission quotas was accepted and also the decrease in emissions from 1990 to 2005 would be taken into account. During 2013-2020, Slovakia should gain 500-800 million Euros every year through the increase in emission permits. Prime Minister Fico also declared that the climate-energy package should not influence the energy prices in Slovakia as other countries worried.¹¹⁹⁸

The Slovak MEP, Irena Belohorská, member of the Conference of Presidents of the European Parliament, evaluated the cooperation of the French Presidency with the European Parliament very positively. President Sarkozy showed, according to Belohorská, respect towards the European Parliament when he regularly invited the European Parliament's leadership to consultations. The Czech Presidency so far exhibited rather weak communication with the European Parliament.¹¹⁹⁹ Other Slovak MEPs were a little bit more critical towards France's presidency. For example, Ján Hudacký is waiting for problems with the implementation of the energy and climate package due to the current economic crisis.¹²⁰⁰ Generally, Slovakia's MEPs viewed efforts of the presidency to solve new conflicts and problems (Georgian conflict and financial crisis) were viewed positively. A different, more critical evaluation of the French Presidency was presented in Slovak newspapers. Most of them focused on the stalemate in ratifying the Lisbon Treaty and on

the dominance of President Sarkozy's personality.

The return of nuclear power as a potential solution for sustaining economic growth and guarantying energy security is an example of shared interest and cooperation of both Slovakia and the Czech Republic. Strong ties were demonstrated during the gas crises in January 2009. The Czech Presidency was not only in regular contact with the Slovak government, but also gas had been supplied to Slovakia through companies and pipelines in the Czech Republic before the Russian Federation delivered gas to Slovakia through Ukraine again. Therefore, cooperation in the energy sector remains of high salience during the Czech Presidency.

Looking back to the French Presidency

Slovenia*

The guardians of the 'Western Balkan'

The general evaluation of achievements, failures or weaknesses of the French Presidency by the Slovenian government is positive. The initial French reaction connecting the Irish 'No' directly to a standstill of the enlargement was negatively perceived, but was later on changed as the French position had mollified.¹²⁰¹ The Paris-based French Presidency and its non transparent style in the beginning, called for adaptations in Slovenian organisation of the EU affairs in Brussels and Paris. The main concern of the Slovenian government was the attention paid to the Western Balkans during the French Presidency. The Slovenian Presidency in the first half of 2008 was focused on bringing the Balkans back and high on the EU agenda and was not particularly pleased with the low profile France took with respect to the region. Considering the two big challenges the French Presidency faced, the Russian-Georgian war and the financial crisis, the little attention paid to the Balkans was comprehended.

The French Presidency's role in the Russian-Georgian war and in the financial crisis is assessed positively by the Slovenian government. The French provided the much

¹¹⁹⁶ Trend: "Zápisník z Bruselu: Slovensko sa cíti poškodené", 10 July 2008.

¹¹⁹⁷ SITA: "Slovensko podporí klimaticko-energetický balík s výhradami", 8 December 2008.

¹¹⁹⁸ Aktuálne.sk: "Fico: Výsledky summitu sú pre Slovensko úspechom", 12 December 2008.

¹¹⁹⁹ EurActiv.sk: "Belohorská: Českému predsedníctvu chýba dostatok úcty voči iným", 4 February 2009.

¹²⁰⁰ HNonline.sk: "Anketa: Akou známkou by ste ohodnotili francúzske predsedníctvo v Rade EÚ?", 11 December 2008.

* Centre of International Relations.

¹²⁰¹ Veronika Boškovic-Pohar/Tina Štrafela, directorate for co-ordination of the Government Office for European Affairs: Written comments to the EU-27 Watch Questionnaire, 2008.

needed leadership and unification momentum for the EU to simultaneously act on the two fronts – in the internal market and as a global player. It is perceived that France was well equipped for the challenges it faced in its presidency role, it could rely on its state's capabilities and long term diplomatic tradition to bring together different actors' opinions in order to come up with the united EU position, internally and globally. The personal style of President Sarkozy somehow also contributed to a positive perception by the people that 'something is being done at all times'. Moreover, Sarkozy's ability to hold constructive talks with the US government and the will to smoothen initially low-profile relations with Germany to provide common leadership to the EU in times of crisis, should not be ignored. The increased number of so called 'mini summits' is perceived as a successful framework for addressing the issue and as a good practice in this kind of situation.¹²⁰²

Finally, France decided quite late in its mandate to preside over another pre-accession conference with Croatia to open further negotiating chapters. Slovenia's objection to these were given due attention relatively late in the process. Also, due to the change in government in Slovenia, and amidst other pending issues, the presidency did not succeed in its mediating role.¹²⁰³

The expectations of the Slovenian government for the main priorities of the Czech Presidency are relatively high, especially regarding enlargement which was identified as one of its priorities. In relations to the Slovenia's veto of further accession negotiations with Croatia, Slovenia welcomes the attention paid and constructive role provided by the Czech Presidency so far. The standpoint of the Czech Presidency to treat the unresolved border issue as a bilateral issue between the respective governments has been assessed positively by the Slovenian government. Slovenia does not see the role of the EU presiding state as a mediator in the matter and is therefore up to now satisfied with the role of Czech Presidency.¹²⁰⁴

¹²⁰² Interview with Veronika Boškovic-Pohar, directorate for co-ordination of the Government Office for European Affairs, Ljubljana, 16 January 2009.

¹²⁰³ For more information see the Slovenian answer to question number six in this issue of EU-27 Watch.

¹²⁰⁴ Veronika Boškovic-Pohar/Tina Štrafela, directorate for co-ordination of the Government Office for European Affairs: Written comments to the EU-27 Watch Questionnaire, 2008.

The Czech Presidency's role in the Ukrainian-Russian energy dispute over the gas prices in December 2008 and January 2009 is also positively viewed. The presidency's mediation in this regard demanded a more direct role of the presiding state and in this regard the common declarations which were reached are positively viewed. The same could be said for the help of the European Commission provided to the Czech Presidency and taken by the latter not only in a context of a constructive common effort to resolve this particular issue but also to find possible long term solutions for diversification of energy routes and sources.¹²⁰⁵

Looking back to the French Presidency

Spain*

The French Presidency

The French Presidency of the EU 2008 – and the specific personal performance and engagement of the President Nicolas Sarkozy during the semester – has deserved quite contradictory evaluations among the different member states: very critical in some countries (because of some authoritarianism and the little time devoted to consensus building) and very positive in others, such as Spain.¹²⁰⁶ The Spaniards liked the idea of the President Sarkozy to try to demonstrate EU's ability to actively face and manage global challenges for getting a stronger Europe who knows how to be a leader in the world. Some of the French priorities fitted well with Spanish main concerns in the EU; namely, the energy, the environment and the climate change, the adoption of the Pact on Immigration and Asylum, the review of the CAP, the reinforcement of the European Defence and Security Policy and the launching of the Union for Mediterranean.

As regards crisis management, the French Presidency showed its capacity to address the challenges of the Irish 'No' to the Lisbon Treaty, the war in Georgia in August and the

¹²⁰⁵ Interview with Veronika Boškovic-Pohar, directorate for co-ordination of the Government Office for European Affairs, Ljubljana, 16 January 2009.

* Elcano Royal Institute.

¹²⁰⁶ See Maxime Lefebvre, 2009, An Evaluation of the French EU Presidency (Elcano Royal Institute ARI, 43/2009), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/ARI43-2009 (last access: 30 March 2009).

financial crisis in the autumn. Although the style and the method of the French President were sometimes criticised, as were the difficulties in the Franco-German relationship and the poor attention to social issues, this Presidency has been generally recognised to have been successful and has helped to restore – at least for a while – the relationship between France and the rest of Europe; Spain in particular. As it has been mentioned in the section regarding the ‘Financial crisis and challenges of global governance’, thanks to the French support, Spain was invited to the G20 financial summit which was held in Washington last November 2008.

Nicolas Sarkozy’s method proved to be efficient although little progress was achieved in the liberalisation of the energy internal market and energy security. The review of the European Security Strategy (ESS) was also considered as very limited and specially modest for a country that places Security and Defence at the top of its EU agenda. In Agriculture, the practical results were not overly significant: a limited reform and a CAP Health check was carried out.

On the other hand, EU immigration policy did really make a significant political step forward with the Pact on Immigration and Asylum; a political document stating an overall common EU policy doctrine on migrations. Another common priority for the French Presidency and Spain was the Union for the Mediterranean, in which Spain had the uncomfortable situation of supporting the advantages of re-launching Mediterranean cooperation but, at the same time, preferring not to jeopardise the traditional EU Mediterranean policy within the so-called Barcelona Process in 1995. The German Chancellor Angela Merkel took the lead in resisting the French initiative. In the end, Paris recognised that it was more sensible and more responsible to involve the entire EU in the Union for the Mediterranean, with headquarters in Barcelona, and a ‘co-presidency’ was established, which was the only reminder of the original project.¹²⁰⁷

After the so active French Presidency – promoting some ambitious initiatives, able to ensure the normal functioning of the Presidency, leading the EU’s external representation in meetings with third countries and with the public opinion much impressed by the Nicolas Sarkozy’s crisis management

capacity –, the expectations in Spain for the Czech Presidency are not particularly high. The general climate is that a country which has not ratified the Lisbon Treaty and plenty of Euro-sceptic voices can difficultly manage an EU Presidency that is indeed surrounded by uncertainty.¹²⁰⁸

Looking back to the French Presidency

Sweden*

Praise and some criticism for the French Presidency

The French Presidency received praise overall for its efficiency in gathering a unanimous EU view on important issues but also some criticism.

The climate issue agreement, while not the optimal seen from a Swedish perspective, was on the whole considered a success. Prime Minister, Fredrik Reinfeldt, called it a historic agreement and stated that taking on the climate change so rapidly was one of the EU’s greatest accomplishments ever. Without this agreement, he claimed, many countries would not have done anything.¹²⁰⁹

The speed with which the EU under French leadership answered to the financial crisis has also been praised in Sweden. There are, however, also some negative points. The Minister for EU Affairs was critical of the French idea to install President Sarkozy as the Eurozone leader: “We should not build new institutions that divide Europe – in this moment we need unity, not division”.¹²¹⁰

The Swedish view on the first version of the Mediterranean Union was negative, seeing this as an initiative that dealt with the same issues as the Barcelona Process, and therefore competing with it. With the changes

¹²⁰⁸ See Daniel Esparza-Ruiz, 2009, ¿Lisboa o Moscú? Retos de la Presidencia checa en la UE (Elcano Royal Institute ARI, 28/2009), available at: http://www.realinstitutoelcano.org/wps/portal/rielcano/content?WCM_GLOBAL_CONTEXT=/Elcano_es/Zonas_es/Europa/ARI28-2009 (last access: 30 March 2009).

* Stockholm International Peace Research Institute.

¹²⁰⁹ Dagens Nyheter: EU’s ledare enades om klimatpaket [EU Leaders Agreed on Climate Package], 13 December 2008.

¹²¹⁰ Cecilia Malmström: Interview: ‘Institutional Limbo’ to Overshadow 2009 elections, EurActiv, 18 November 2008, available at: <http://www.euractiv.com/en/eu-elections/interview-institutional-limbo-overshadow-2009-elections/article-177289> (last access: 25 January 2009).

¹²⁰⁷ See Maxime Lefebvre, 2009, (ibidem).

undertaken, it is now rather seen as a 'beefed-up' version of it. The crucial factor is that the whole of the EU is now involved in the decision-making.¹²¹¹

As stated by one member of the Swedish parliament, it was a successful presidency, but two issues were less positive. One was the stated views by the French administration that small member states should not hold the presidency of the European Union and the other was the fact that France had broken the custom of not pursuing its own particular issues during its presidency. The latter referred to the French policy on seeking to establish the budget of the Common Agricultural Policy (CAP) after 2013.¹²¹²

As to the first point, the French remarks claiming that the French Presidency has proved that only major member states can hold presidencies, have not gone unnoticed in Sweden. A number of comments have been made, including from Prime Minister Reinfeldt, voicing a different view on this and the ambition is to prove otherwise. As to the second point, the opinion of the Prime Minister was that due to the support of a number of other countries, the formulations on the CAP were now acceptable to Sweden, which has a strong interest in reducing the size of the EU budget used for this policy.¹²¹³

Further, on the negative side, several commentators have referred to the mistakes made in the Georgia negotiations and the fact that details remain to be sorted out in the climate deal. The style itself, it is said, also gives small member states a great deal to think about.¹²¹⁴

¹²¹¹ Carl Bildt, Minister for Foreign Affairs, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 12 March 2008, p. 23, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eun_prot&rm=2007/08&bet=25&dok_id=GV0A25 (last access: 25 January 2009).

¹²¹² Bengt-Anders Johansson, Moderate Party, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 10 December 2008, pp. 12-13, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eun_prot&rm=2008/09&bet=14&dok_id=GW0A14 (last access: 25 January 2009).

¹²¹³ Fredrik Reinfeldt, Prime Minister, Ibid., pp. 14 and 20.

¹²¹⁴ Ingrid Hedström: President Sarkozy visar vägen till snabbfotad union [President Sarkozy shows the way to a quick-reaction Union], Dagens Nyheter, 13 December 2008.

Looking back to the French Presidency

Turkey*

Focus on enlargement and foreign policies of French Presidency

Enlargement and Turkey's accession

In the Turkish media, Turkey's general evaluation of the achievements, failures or weaknesses of the French Presidency, is covered under two main headings. First, the French Presidency is evaluated in terms of its enlargement policies with specific emphasis on Turkey's ongoing accession negotiations process. The opening of two chapters, 'free movement of capital' and 'information society and media', is welcomed despite the country's reservations for Turkey's full membership.¹²¹⁵ It is agreed that France's policies attempted to reflect the EU's general attitude on enlargement. Yet, the Irish 'No' to Lisbon Treaty, the Georgian war and the global financial crisis are considered as critical events that might have shifted the priorities in France's policy agenda concerning the enlargement process. Several civil society groups also criticised the European Council meeting decisions of 11/12 December 2008 as proposing very limited solutions in terms of the prospects of enlargement and Turkey-EU relations.

Foreign policy and financial crisis

Second, the period of France's EU-presidency is evaluated in terms of its foreign policies, including the measures it has proposed to solve the financial crisis, the Georgian war, and the environmental problems. A relatively positive attitude was formed with regard to Sarkozy's efforts to resolve the conflict between Georgia and Russia.¹²¹⁶ Additionally, the alternative policy options the presidency has developed to solve the Lisbon Treaty impasse created by the Irish negative vote in the referendum were also discussed. In this regard, the last European Council meeting held under the French Presidency is evaluated positively in view of the achievement of a certain consensus between the EU leaders on policies towards overcoming the financial

* Center for European Studies / Middle East Technical University.

¹²¹⁵ Hürriyet: 'Door to EU left slightly ajar', 12 December 2008, available at: <http://hurriyet.com.tr/> (last access: 25 January 2009).

¹²¹⁶ Sami Kohen: 'Farklı bir Sarkozy', Milliyet, 17 December 2008.

crisis, environmental measures, the Georgian war and the Lisbon Treaty. On these issues, the media in Turkey have mostly covered the general evaluations of the French Presidency period in the EU countries.¹²¹⁷

Expectations from the Czech Presidency

The main expectations of Turkey for the main priorities of the Czech Presidency, which is approached as supporting the Turkish accession, centre on the momentum of the accession negotiations process. Turkish Foreign Minister, Ali Babacan, declared “we believe our accession process will be further advanced during the Czech Presidency.”¹²¹⁸ However, expectations from the Czech Presidency period remains limited in view of the fact that only two chapters of the accession negotiations are usually opened during each EU-presidency because of some member states’ oppositions.¹²¹⁹ Additionally, due to the difficulties arising from the international economic and political conjunctures added to the fact that it is the first experience of the Czech Republic, the expectations in terms of fostering Turkey-EU relations remain limited. Two chapters that are ‘taxation’ and ‘social policy and employment’ are expected to be opened in the first half of 2009. In terms of the policy priorities declared by the Czech Presidency, which are economy, energy and Europe in the world, several factors are underlined in the media to be taken under consideration by Turkish policy makers. These are, the country’s close ties with the US government, the importance it attaches to the Eastern Partnership (that is, fostering relations with Eastern EU neighbours such as Azerbaijan, Armenia, Georgia, Belarus), and the fact that the country is not in the Eurozone. Additionally, the Czech Presidency’s statement on the importance of Turkey as the strategic partner of the EU is emphasized. The Turkish media and civil society organisations have informed the public about the general priorities of the Czech Presidency including the general

expectations in the EU member states about the Czech EU-Presidency.¹²²⁰ As in the case of the French Presidency period, general evaluations in the EU member states on the programme’s prospects and challenges, and expectations from the Czech Presidency are widely covered in the Turkish media.

Looking back to the French Presidency

United Kingdom*

French Presidency – positive impression of activism and coherence

The French Presidency of the European Union is generally regarded in the United Kingdom as a success, for its swift and active reaction to the Russian military intervention in South Ossetia and Georgia; for its coordination of national responses to the global economic and financial crisis; and for its facilitation of the package of environmental measures adopted in December 2008. Admittedly, none of these initiatives is without its critics in the UK. Some British commentators would have preferred a more robust response to Russian actions in Georgia; others claim that the French Presidency’s reaction to the worsening financial crisis in October of 2008 was considerably more effective than its attempts to coordinate national macroeconomic measures between the Union’s member states; yet others are unsure about the genuine sustainability of the package of environmental measures agreed in December 2008. Nevertheless, the French Presidency has generally left behind in the United Kingdom a positive impression of activism and coherence, the credit for which is normally given to Sarkozy personally.

In a way that is perhaps unfair to the Czech Presidency, the perceived achievements of the French Presidency have reinforced an already existing view in the United Kingdom that the European Union functions best, particularly in its external relations, under the presidency of a large member state. It was a commonplace of British political discussion in August of last year that the preceding presidency, that of Slovenia, would have found it much more difficult to be taken seriously by their Russian interlocutors than did the French. Much publicity has been given in the United Kingdom to the divisions on European questions

¹²¹⁷ TRT.Haber: ‘Sarkozy AB için ne yaptı?’, 18 December 2008, available at: <http://www.trt.net.tr/> (last access: 25 January 2009).

¹²¹⁸ Hürriyet: ‘Door to EU left slightly ajar’, 12 December 2008, available at: <http://hurriyet.com.tr/> (last access: 25 January 2009); The journal of Turkish Weekly: ‘Czech President Refreshed the Hopes in Ankara’, available at: <http://www.turkishweekly.net/> (last access: 25 January 2009).

¹²¹⁹ ABHaber.com: ‘AB Dönem Başkanlığı Çek Cumhuriyeti’ne geçti’, 1 January 2009, available at: <http://www.abhaber.com/>; CNNTurk: ‘“AB”de başkanlık bu gece Çeklere geçiyor’, 31 December 2008, available at: <http://www.cnntrk.com/>.

¹²²⁰ See: <http://www.tusiad.org/> (last access: 25 January 2009).

* Federal Trust for Education and Research.

between the Czech government and the Czech President, Václav Klaus. This has definitely lowered expectations of the Czech Presidency, which might anyway have found it difficult to attain any great public profile as national governments wrestle with the consequences of the global recession and await the outcome of the second Irish referendum.



Prospects for ENP and enlargement after 'Georgia'

The military conflict in Georgia might well have repercussions for the European Neighbourhood Policy (ENP) and enlargement of the EU.

- **Please outline the positions in your country with regard to the future of the ENP and with regard to further enlargement of EU and NATO.**
- **Are such issues of high salience in your country?**

ENP and enlargement after 'Georgia'

Austria*

No big issue in Austria

Since Austria is not a member to NATO, its enlargement seems to be of no great concern for the country. The enlargement of the EU is seen – depending on which country – as a positive or negative thing. The admission of Croatia is seen as useful and welcomed, but the admission of Turkey is – to put it bluntly – not wanted. The European Neighbourhood Policy itself is a rather seldom discussed issue and no interesting information or statement could be found, except from the news itself that this policy approach exists and is seen as a useful tool to set various standards and help develop the countries integrated in this policy.

ENP and enlargement after 'Georgia'

Belgium*

No adhesion to NATO in the short term

The position of the Belgian government is globally in favour of using dialogue and crisis management with respect to the territorial integrity of Georgia. This policy has been translated into two axes. On the one hand, the preferred option is to preserve all possible elements for a dialogue with Russia, which is implementing a cooperation policy rather than a confrontation policy; on the other hand, it was considered as essential to continue denouncing violations of the territorial integrity of Georgia. These two axes policies have been defended by Belgium at the occasion of bilateral talks between Karel De Gucht (Belgium Ministry of Foreign Affairs) and Sergey Lavrov (Russian Ministry of Foreign Affairs) on the 3 September 2008 and between Yves Leterme (Belgian Prime Minister) and Vladimir Putine (Russian Prime Minister) on the 19 September 2008. The federal parliament, including the opposition, supported this position.¹²²¹

* Austrian Institute of International Affairs.

* Centre d'étude de la vie politique, Université libre de Bruxelles.

¹²²¹ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report made for the Advice Federal Committee in charge of European Issues, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

The reaction of the European Union to the Georgian crisis was positively assessed by most of the Belgian actors, even NGOs such as CNAPD (National Coordination of Action for Peace and Democracy).¹²²² They were positively surprised by the fast and efficient reaction of the EU and stressed the almost unanimous standpoints defended by the member states in trying to find a peaceful solution to the crisis.¹²²³ No obvious division could be noticed among European countries regarding the position the EU should adopt and the agreement of the 8 September was seen in Belgium as a clear victory for the EU. Only the Belgian Green parties (Ecolo and Groen!) regret that Europe is not fully talking with one voice and some MPs argued that EU should insist that an international investigation should be organised.¹²²⁴

NATO and Russia

Concerning NATO, the Belgian Prime Minister linked the membership action plan of Georgia to the one of Ukraine, but there was a shared feeling that the adhesion of these countries cannot take place on the short term.¹²²⁵ The Belgian government joined the Netherlands and Germany to ask whether a fast adhesion of Ukraine and Georgia – promoted by USA, Poland and Lithuania – was the best idea. As far as Georgia is concerned, it was not considered in Belgium as a stable democracy and no negotiation could take place before the current tensions were appeased. In addition, the parliamentary opposition argued that Georgia did not comply with all adhesion criteria.¹²²⁶ On the other side, the project of adhesion to NATO was not supported by a large majority in Ukraine itself. The Prime Minister also stressed that the doubts expressed during the NATO summit in April 2008, regarding Georgia and Ukraine's adhesions, were legitimate.

¹²²² Géorgie: quel rôle pour l'Union Européenne?, press release, 9 September 2008.

¹²²³ Interview with Céline Francis, Researcher at the Vrije Universiteit Brussel and specialist of the Causasian region, 26 January 2009.

¹²²⁴ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report made for the Advice Federal Committee in charge of European Issues, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

¹²²⁵ Audition of Javier Solana in the Committee for External Relations and Defense and the Advice Federal Committee in charge of European Issues, 25 November 2008, Report CRIV 52 COM 378 (Chamber).

¹²²⁶ Le Conseil européen de Bruxelles. 15 et 16 octobre 2008, Report made for the Advice Federal Committee in charge of European Issues, 27 November 2008, Document 1616/001 (Chamber) and 4-0985/1 (Senate).

These adhesions should in addition be understood in the larger framework of the role of NATO in Central Europe and its relations with Russia. During his meeting with the Russian Prime Minister, the Belgian Prime Minister felt that the enlargement of NATO would create a deeper insulation of Russia and constitute a threat to the cooperation with this country. Even if its interests are not similar as those of NATO, the Eastern partnership is important for the EU and, without Russia, no single important question can be solved in the region, particularly energy and security issues.

ENP and enlargement after 'Georgia'

Bulgaria*

Support for EU and NATO enlargement, building bridges to Western Balkans top priority

The year 2008 was for Bulgaria the time when citizens were sobering out from the euphoria of the EU entry and their great expectations in relation to membership. Public attitudes to the benefits from joining the bloc affected positions on future EU enlargements. According to sociological surveys, Bulgarians associate EU membership with higher living standards, rule of law and security, free movement and a common cultural area. Their visions on the expansion of the EU should be traced along those lines. The dominant concept is based on giving prominence to the active and successful advancement of preparation for the accession of potential candidates. It is related to the experience of Bulgaria in meeting the requirements of the EU. Research polls revealed that support for the EU entry remains rather high.¹²²⁷ However, citizens are more optimistic about the long-term benefits of the membership (75 percent of the respondents). By contrast, 60 percent of Bulgarians share the opinion that joining the EU had negative consequences for Bulgaria.¹²²⁸

Views on EU widening fell under the influence of difficulties in communication between Sofia and Brussels. Assessing the success of the Fifth Enlargement through the progress of

Bulgaria and Romania was a widely covered topic in Bulgarian media. The main question that attracted media interest was: Could the hardships for Bulgaria be interpreted as a failure of the Eastern enlargement wave, thus putting an end to further EU expansion?

Relations between Bulgaria and the EU did not always go smoothly – a recent sign of that were the European Commission's reports on progress in the sphere of Justice and Home Affairs. As criticism from Brussels addressed to Sofia and Bucharest intensified, several journalists stressed that the opponents of the Union's further enlargement obtained more powerful arguments. Experts pointed out that the failure of the European Commission to influence problematic countries would mean the end of EU enlargement. According to political analyst Ivan Krastev, that is the reason why the newly acceded states are carefully observed from two highly different kinds of interests. On the one hand, people who two years ago, said that Bulgaria and Romania were not ready, wanted to show to the Commission that a political compromise had been made and that such a compromise must no longer be fixed because the Union is starting to have problems with the digestion of new members. On the other hand, countries like for example Sweden believe that the integration of the Western Balkans into the EU is of purely strategic interest to the community and therefore insist on the European Commission to be especially strict. Otherwise they would never be able to convince anyone that Serbia would be able to become member of the EU.¹²²⁹

A set of articles provided analogous comments upon the impact of Bulgaria and Romania's integration problems on the further enlargement process. They indicated that the Union could not operate normally and could not display clearly the advantages of expansion unless its rules are duly observed across the bloc. Taking her stand on the debated subject, the Bulgarian Minister of European Affairs Gergana Grancharova underlined that any commotion inside the EU represents a challenge to its policies, but the more effective and better functioning the Union, the more audible the voice of those saying that EU enlargement should not stop. She declared that Bulgaria had now greater responsibility as a state that belongs to a

* Bulgarian European Community Studies Association.

¹²²⁷ See Radio Bulgaria: Sofia and Brussels in 2008 – upbeat, but sobered, 29 December 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

¹²²⁸ See Radio Bulgaria: Bulgarians upbeat, but sobered after two years of EU membership, 12 December 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

¹²²⁹ See Radio Bulgaria: Bulgaria after the EC report, 30 July 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

region standing closest to the prospect of EU accession, and this should double the ambition and motivation of the country for reforming spheres, where it has failed to reach European standards as yet.¹²³⁰

Ireland's negative vote in the referendum on the Lisbon Treaty was widely articulated in the media as another obstacle for accepting new EU members. In the case of a possible failure of the ratification process, the EU will witness a freeze of further enlargement, while, on the contrary, the entry into force of the Reform Treaty will open the way for accession of new countries, many experts pointed out.

Bulgaria has always been a strong supporter of the European perspective on the Balkan region. Bulgarian media emphasized that the country is a key factor for the integration of the Western Balkans. Bulgaria is among the EU member states that can benefit the most from this region's fast preparation for EU accession. As a part of the EU and a neighbour to Western Balkan countries Bulgaria has to play an active role, especially by sharing experience. Many analysts focused their attention on the impact of the financial crisis on the region. They appealed to the European institutions to take the necessary measures in order to guarantee the smooth process of stabilization and association to the EU of the Western Balkans. Overseeing the final phase of EU membership talks with Croatia, experts do not envisage its accession to be possible earlier than 2010.

During the second half of 2008, Bulgaria cooperated actively with the French Presidency to build bridges between the countries in the region. The two partners organized the "First regional meeting of cross-border cooperation, sustainable development, territories and decentralized cooperation in the Balkans".¹²³¹ This conference gave French regional authorities the opportunity to meet their counterparts from South-Eastern Europe. The event aimed to encourage the emergence of bilateral and regional cooperation projects on topics of relevance for regional authorities: environmental protection, cross-border cooperation, training of local elected representatives, sustainable development,

European funding, heritage preservation and social action.

Another aspect of Bulgaria's firm support for the countries in the region can be clearly outlined in supporting their Euro-Atlantic integration. The National Assembly ratified the protocols for the accession of Albania and Croatia to the NATO on 23 October 2008. Bulgaria was among the first to approve the documents.¹²³² Journalists were also interested in the complaint filed by Macedonia before the International Court of Justice in The Hague against Greece with the accusation of obstructing the country's NATO entry bid.¹²³³ The veto, which Athens imposed on NATO's invitation to the former Yugoslav Republic of Macedonia (FYROM) for membership in the alliance, is considered to be a serious hindrance to the negotiation process in finding a solution for the argument between Skopje and Athens over the name of Macedonia. Bulgaria's position essentially is not to internationalize the problem but to seek a bilateral solution. The country also supports the ambition of Macedonia to become an integral part of the Atlantic family.

Bulgaria is faced with high expectations nurtured by the launch of the Eastern Partnership initiative during the Czech Presidency of the EU targeted at Moldova, Ukraine, Belarus, Armenia, Azerbaijan and Georgia. According to Foreign Minister, Ivailo Kalfin, Bulgaria has an important role to play, not only as an Eastern EU country, but also because of having the expert capacity, the know-how, contacts and ideas for the development of that region. He took the view that this new EU initiative should be based on bilateral dialogue of the EU with each of those countries. This will allow Bulgaria to actively join European foreign policy making for the sake of closer ties with those states.

On 26 November 2008, the Bulgarian Minister of Foreign Affairs took part in a discussion on the European Neighbourhood Policy (ENP) and the Russian policy vis-à-vis the "Near Abroad".¹²³⁴ He stressed that with the ironing

¹²³⁰ See Radio Bulgaria: Success of EU Fifth Enlargement through prism of Bulgaria and Romania's progress in 1 1/2 year of membership, 5 August 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

¹²³¹ See Balkanite.net: Under the aegis of the French Embassy in Bulgaria, 4 July 2008, available at: <http://www.balkanite.net> (last access: 6 January 2009).

¹²³² See Bulgarian National Assembly: National Assembly Ratifies the Protocols for Albania and Croatia Accession to the NATO, 23 October 2008, available at: <http://www.parliament.bg> (last access: 6 January 2009).

¹²³³ See Radio Bulgaria: Macedonia-Greece NATO row goes to the Hague, 21 November 2008, available at: <http://www.bnr.bg> (last access: 6 January 2009).

¹²³⁴ Bulgarian Ministry of Foreign Affairs: We are at an important stage in the formulation of the goals of the European policy vis-à-vis the neighbours to the East, 26

out of the major controversies with respect to the Southern dimension of the ENP – with the formation of the Union for the Mediterranean – the natural geographic interest of Bulgaria is to find the right balance by focusing on the Eastern dimension of the ENP. The building of relations of confidence between the EU and the countries in that region is extremely important. Minister of Foreign Affairs Kalfin, pointed out that currently there is no balance between the policy of the EU (and of the West as a whole), on the one hand, and Russia, on the other. The balance ought to be found in dialogue with Russia: first in the field of security, but also in all other relevant spheres, whereby it is most important to conduct this dialogue with very concrete frameworks, values and criteria. In the words of Minister Kalfin, this means above all a very strong unity, not merely common positions within the EU, which exist, but unanimity on the development of relations with the neighbours to the East, and with Russia.

Bulgarian media described in detail different aspects of the Georgia crisis, laying emphasis on its significance and repercussions on international politics. Many commentators gave a positive estimate of the mediation of the EU in the settlement of the Russian-Georgian conflict, accentuating that the events proved that the Union can conduct successful common policy in a crisis situation. They stressed that European leaders have learned the lessons of the Balkan wars and after years of hesitation and delays, have decided to get involved. At the same time, experts warned that taking the lead in finding an immediate ceasefire solution is not sufficient. The EU is faced with the necessity of long-term engagement in the South Caucasus.

Bulgarian media discussed also the country's commitment to Georgia. Some ideas on resolving the crisis, especially the proposal for sending a special EU representative to Georgia were appreciated.¹²³⁵ Bulgaria sent humanitarian aid, medicines, as well as financial assistance to the distressed population and decided to participate in the civilian observer mission. On its part, Georgia

accepted the Bulgarian offer to coordinate shipments of aid at Bourgas seaport.¹²³⁶

The consequences of the military conflict in Georgia on energy security were also discussed in the media. This small war was interpreted as the beginning of a new era. Experts stressed emphatically that a new strategic framework emerges gradually in the European, Russian, and Central Asian energy sectors. They took the view that the Georgia crisis ushered in a new pattern of global energy economy and security. Moreover, the overall strategic posture throughout Eurasia has already been affected by the Georgia crisis and its political, military and economic aftermath.¹²³⁷

The Russian air strikes near the pipelines in Georgia delivered a clear message to the EU, that the US is incapable of securing the "alternate source" pipelines against regional threats. The US administration decided not to intervene and to provide military support because its efforts were concentrated on the crisis of the American economy and on the presidential elections. Consequently, the EU leadership resolved that Russian domination of Europe's energy sources and transportation, despite its political price, is preferable to vulnerability to disruptions wrought by irrational and unpredictable local forces.

Several analysts noticed that doubt has been cast as to the reliability of Georgia as a major transit country to bring oil and gas supplies to Europe. After the military conflict with Russia, Georgia is not considered anymore to be a safe transit energy route. In this context, the Nabucco pipeline project, which aims to bypass Russia and reduce European dependence on Gazprom, is perceived as a victim of the developments. European leaders surprisingly took the stance that Nabucco could be integrated with other pipelines, namely, the Blue Stream from Russia. The transformation of Nabucco into an integral component of the Russian-dominated web of pipelines is the most explicit example of the dramatic transformation of the EU energy transportation and security doctrine in the aftermath of the Georgia crisis. According to experts, the attractiveness of the South Stream

November 2008, available at: <http://www.mfa.bg/> (last access: 6 January 2009).

¹²³⁵ Bulgarian Ministry of Foreign Affairs: At a meeting with Minister Kalfin, the Dutch European Affairs Minister Frans Timmermans praised Bulgaria for its leadership in the ideas on resolving the Georgian crisis, 9 September 2008, available at: <http://www.mfa.bg> (last access: 6 January 2009).

¹²³⁶ Bulgarian Ministry of Foreign Affairs: Minister Kalfin reiterated in Brussels Bulgaria's commitment to Georgia, 15 September 2008, available at: <http://www.mfa.bg> (last access: 6 January 2009).

¹²³⁷ Standart News: Post-Georgian Reality, 7 October 2008, available at: <http://www.standartnews.com> (last access: 6 January 2009).

project raises in these new strategic-economic realities.

Bulgarian media pointed out that all these developments make Sofia a major energy hub for Southern and Central Europe. A sign for that role of the country could be found in the forthcoming energy summit in Plovdiv scheduled for April 2009.

ENP and enlargement after 'Georgia'

Croatia*

Not much attention for the ENP, warning of a new Cold War

The issue of restructuring of the ENP after the Georgia-Russia conflict has not attracted much attention from Croatian political elites, while the official governmental reactions to the military conflict were rather cautious and largely echoing major reactions coming from the EU and NATO.¹²³⁸ President Mesić in his statement has pleaded for the immediate ending of all military operations and supported the agreement between President Sarkozy and Medvedev on the ceasefire. He also mentioned that a renewal of the Cold War would be unacceptable and warned on certain tendencies which lead towards such divisions.¹²³⁹ Some media reports have also particularly stressed the role of the former President of the European Council Sarkozy in the resolution of the armed conflict between Russia and Georgia. President Sarkozy was aware that this conflict has much deeper roots and is associated with the Russian frustration towards NATO eastern enlargement. That is why he has suggested, together with Russian President Medvedev, the creation of some new pan-European security scheme. Following this idea, this concept is supposed to be presented at the OSCE Summit in the second half of 2009.¹²⁴⁰

The press also brought some speculations that after the success in Georgia, Russia will put forward the issue of Crimea, which is now a

* Institute for International Relations.

¹²³⁸ See for instance the official statement no. 230/08 of Mr. Gordan Jandroković, Minister of Foreign Affairs, available at:

<http://www.mvpei.hr/MVP.asp?pcpid=1382&mjesec=8&Golina=2008> (last access: 30 January 2009).

¹²³⁹ Official statement of President Mesić on events in Georgia on 21 August 2008, available at: <http://www.predsjednik.hr/default.asp?ru=375&gl=200808210000002&sid=&jezik=1> (last access: 29 January 2009).

¹²⁴⁰ Novi list, January 2009

part of Ukraine.¹²⁴¹ In these terms the fact that Russia has handed over passports to the Crimean population has been mentioned as a very important indicator. However it is not expected that this will have any impact on the further development of the ENP.¹²⁴²

For example, this can be evidenced by the fact that negotiations on the abolishment of visa system between the EU and Ukraine have just started. According to Novi list it is a very important event that will likely last till the end of 2012.¹²⁴³

ENP and enlargement after 'Georgia'

Cyprus*

Cyprus discusses participation in the Partnership for Peace programme

The military conflict in Georgia and the role of the EU was extensively covered by the Cypriot media. But there was no particular discussion of any repercussions regarding the European Neighbourhood Policy and EU enlargement.

In any event, Cypriot political analysts have clearly welcomed the aim of the European Neighbourhood Policy, that is, to forge closer ties with countries to the South and East of the EU without offering them a membership perspective. Therefore, they favour the EU's aim to promote greater economic development, stability and better governance in its neighbourhood. The pursuit of this objective helps to prevent the isolation of countries outside the EU and prevent the creation of new dividing lines in Europe.

In this framework, the EU must update its policies combining them simultaneously with the existing realities of the international system. These realities point out that it is in the EU's best interest to cultivate good relations with countries like Russia. Thus, the EU can develop such policies in the framework of the ENP in order to promote cooperation between parties in conflict, such as Georgia and Russia. Through cooperation, mutual understanding, and the mediation of the EU, it will be easier for the two parties to resolve their disputes. By

¹²⁴¹ Maroje Mihovilovic: "Georgia: a Test for Ukraine Break-up", Nacional, 2 September 2008.

¹²⁴² Vecernji list, November 2008

¹²⁴³ Novi list, November 2008.

* Cyprus Institute for Mediterranean, European and International Studies.

following this practice, EU's reputation as an honest broker will be enhanced as will be its 'soft power' and, therefore, its status in the international system. Cypriot political analysts also believe that any actions that could create tensions between the EU and third countries should evidently be avoided. Thus, while Cypriot analysts and public opinion were generally pleased with the EU's responses and initiatives vis-à-vis the Georgian crisis, they were deeply disappointed by US presidential candidate, John McCain, when he uttered the notorious – and, in their view, quite superficial – statement “We are all Georgians now!”.

Any further EU enlargement must lie on three basic pillars, according to Cypriot diplomats.¹²⁴⁴ First is the EU's ability to absorb any new member state, without jeopardising the normal functioning of the EU. Second is the candidate country's ability to fully absorb the fundamental values and norms of the Union. And third is the prevention of any confrontations with other key countries and the promotion of regional stability, especially in the troubling regions around the EU.

In regards to NATO, it has to be noted that Cyprus is not a member of the organisation nor of the Partnership for Peace (PfP). Hence, the island-state cannot participate in EU missions drawn on NATO capabilities. Historically, in December 2002, two years before the accession of the Republic of Cyprus to the European Union, the European Council decided that only the member states that are simultaneously members of either NATO or the Partnership for Peace are eligible for the European Security and Defence Policy (ESDP) operations that use NATO assets.

In general, the Cypriot political parties, and the general public as well, are not enthusiastic about a number of NATO policies and are therefore sceptical about what it really stands for. After all, it should be recalled that the Turkish army, which is the second largest army in NATO, is the very army that is occupying northern Cyprus since 1974. Therefore, it is psychologically inevitable that the occupation of 37 percent of the Republic of Cyprus' territory has a negative impact on Cyprus' accession in any international military organisations.

Nevertheless, the majority of the Cypriot parties acknowledge the benefits of participating at least in the PfP. The opposition Democratic Rally DISY and the European Party EVROKO reiterated their insistence that Cyprus should seek to join NATO's PfP programme – as it is the only EU member state not participating – a prospect that they said would facilitate the country's participation in the EU's security mechanisms. They have argued that membership could also act as a catalyst in the efforts for a solution of the security aspects of the Cyprus problem. The government coalition parties Democratic Party DIKO and the Socialist EDEK also insist that the government should reconsider its stance on the matter, while noting that the prospect would prove beneficial for the Cyprus issue as well.

In a comment on the matter in February 2009, the chairman of EDEK, Yiannakis Omirou, argued forcefully in defence of joining the PfP, concluding as follows: “The Cyprus Republic should definitely partake of the European Security Architecture. In a world that changes with cinematic speed, where History is being written in an incomprehensible tempo, Cyprus cannot remain crystallised in the Past. It cannot live in the Cold War era.”¹²⁴⁵ Similarly, DIKO's leader and President of the House of Representatives, Marios Garoyian, stated in early February 2009 that joining the PfP does not mean Cyprus would “fall in the embrace” of NATO.¹²⁴⁶ On the other hand, the radical-left AKEL party and by implication, the Cypriot government, continue to insist that there can be no benefit at all for Cyprus from accession to the PfP. In January, the government spokesman clearly rejected the prospect saying that the president had no commitment deriving from his election manifesto or any intention of pursuing PfP membership.¹²⁴⁷

¹²⁴⁴ Interviews conducted by Christos Xenophontos at the Cypriot Ministry of Foreign Affairs, Nicosia, December 2008.

¹²⁴⁵ Yiannakis Omirou: Ten Truths about the 'Partnership', Simerini, 15 February 2009.

¹²⁴⁶ Marios Garoyian, President of the House of Representatives: Statement, 2 February 2009 (as reported by the Cyprus News Agency).

¹²⁴⁷ Stefanos Stefanou, spokesperson of the government: Statement, 2 February 2009 (as reported by all Cypriot Media and the Cyprus News Agency).

ENP and enlargement after 'Georgia'

Czech Republic*

Refocusing back on Western Balkan

For a majority of Czech politicians, the military conflict in Georgia provided a rationale for further deepening of the ENP and NATO enlargement. Especially the ruling Civic Democrats saw Russia as a clear culprit of the conflict. The Civic Democrats stated that they "with concern observe the true aims of Russia's aggression, which were the violation of the territorial integrity of Georgia, the definite secession of South Ossetia and Abkhazia and a substitution of Saakashvili's West oriented government with a pro-Russian regime".¹²⁴⁸ In the wake of the conflict, the Civic Democrats called upon an acceleration of talks about Georgia's NATO membership.

Even though the opposition Social Democrats were more modest in their assessment of the conflict, they still treated Russia's actions as problematic. Key Social Democrats even echoed the governmental position and expressed their support for Georgia's NATO membership.¹²⁴⁹ President Klaus put the blame for the conflict on Georgia and her president. But he did not give his opinion on a possible Georgian NATO membership.

The conflict in Georgia also boosted ties between the EU and the six countries of the former Soviet Union. The "Eastern partnership", a new initiative within ENP to be launched in May 2009, is strongly supported by the Czech Republic. Closer ties between the EU and Eastern European countries, including Georgia, are supported by most political actors in the country. On the other side, the discussion about a full-fledged EU membership for these countries (in the foreseeable future) is rather limited and concentrates only on Ukraine and Moldova. Thus, even though the war in Georgia led to an upgrade in the ENP, no proposal for a full-fledged EU membership for these countries (including Georgia) has been made.

* Institute of International Relations.

¹²⁴⁸ ODS chce urychlené jednání o členství Gruzie v NATO (Civic Democrats want accelerated talks about Georgia's NATO membership), Czech News Agency, 25 August 2008.

¹²⁴⁹ Prezident a vláda se neshodli v pohledu na situaci Gruzie (The president and the government differ in their view on the Georgian situation), Czech News Agency, 26 August 2008.

During and right after the conflict in Georgia, the option of Eastern European countries joining NATO and deepening their relations with the EU was seriously and intensely debated in the Czech Republic. Nevertheless, the issue lost its salience later on for multiple reasons. Firstly, the conflict ended relatively quickly and the political discussions and newspaper headlines gradually turned their focus toward other 'hot' topics: the global financial and economic crisis, the gas crisis (the abruption of gas supplies from Russia to Europe) and the Gaza crisis. Secondly, the '2008 gas crisis' unveiled the complexity of the relationship between Russia and its neighbours.

The government and the majority of the media interpreted the past crises and conflicts between Russia and its neighbours (the gas row with Ukraine in 2006, the armed conflict with Georgia in 2008, etc.) wholly as Russia's attempts to rebuild its 'sphere of influence' through blackmailing, hidden inference, use of the 'gas and oil weapon' and even overt use of military power. Subsequently, the strengthening of ties between the EU and NATO on one side and Russia's neighbours (especially Georgia and Ukraine) on the other was perceived as a way to counterbalance Russia's geopolitical ambitions. In contrast to this discourse, the official reaction to the '2008 gas crisis' did not follow an anti-Russian pattern. The government refrained from laying all the blame for the crisis on Russia. The anti-Russian sentiments from late summer faded away and the main rationale for deepening ties with Georgia and Ukraine ('balancing Russia's geopolitical expansion') was somehow weakened.

Thirdly, by the end of the year the attention of the Czech Republic shifted back to the Western Balkan's integration into the EU. The unexpected escalation of the Slovenia-Croatia border dispute demonstrated that the Czech Republic's goal of the integration of the Western Balkan into the EU is far from secured. The EU enlargement in the Balkans has always been a key and immediate priority of the Czech Republic. At the beginning of the border crisis, the Czech Republic refused to get involved.¹²⁵⁰ But one month later, Czech Prime Minister Topolánek declared that he would like to make his own personal

¹²⁵⁰ Slovinsko-chorvatský spor asi ovlivní i české předsednictví unie (The Slovenia-Croatia dispute will probably affect even the Czech EU presidency), Czech News Agency, 19 December 2008.

contribution towards solving the problems between Slovenia and Croatia.¹²⁵¹ Later on, Topolánek withdrew his offer for mediation, proclaiming that the Slovenia-Croatia dispute is purely bilateral and not a matter for the EU to get involved in.

During the second half of the year 2008, the Czech Republic had to deal with other obstacles on the road of the Western Balkans to the EU. The Czech Republic still did not ratify the Lisbon Treaty, and the officials were quite busy rejecting (mainly French) claims that should the ratification fail, there would be no further EU enlargement.¹²⁵² The Czech government also tries to help Serbia in her effort to join the European Union. According to Deputy Prime Minister Vondra, "Serbia's EU membership is the key to the stability in the Western Balkans."¹²⁵³ Foreign Minister, Schwarzenberg, declared that the aim of the Czech EU Presidency is to see Serbia enter the procedure for receiving candidate status. He even proclaimed this goal to be his personal "dream".¹²⁵⁴ But the prospect for Serbia's EU membership is currently blocked by some EU member states. To sum up, it is clear that the European integration of the Balkans will consume much of the Czech Republic's diplomatic capital and energy.

fighting. Per Stig Møller believes that the French Presidency have secured a strong and cohesive EU.¹²⁵⁵

The Danish Ministry of Foreign Affairs has been very active in the conflict of the Georgian breakaway provinces. In the beginning of July, Per Stig Møller, was the first Western minister to visit Tbilisi and the leaders in the province Abkhazia.¹²⁵⁶ Denmark was sceptical about the EU resuming negotiations with Russia on a new economic and political partnership agreement after the Russian withdrawal in Georgia. Per Stig Møller did not consider the peace agreement to be complied with by Russia but, however, agreed to resume talks with Russia at the European Foreign Minister meeting on 10 November 2008.¹²⁵⁷

Danish media discussions tended to focus on the threat posed to Denmark via, for example, Russian commercial power in the energy sector.¹²⁵⁸ The EU response to the crisis involved the deployment of an EU Monitoring Mission (EUMM) with 340 staff from 22 member states in Georgia in October 2008. Despite having an opt-out from EU security and defence policy, Denmark was able to participate in the EUM Georgia because it was an unarmed monitoring mission.

ENP and enlargement after 'Georgia'

Denmark*

The first Western minister to visit Tbilisi

The Danish Foreign Minister, Per Stig Møller, has on several occasions paid tribute to the French Presidency for its handling of the conflict in Georgia and its ability to disseminate between the two sides and put a hold to the

¹²⁵¹ EU presidency to mediate in Slovenia-Croatia row, Reuters, 14 January 2009.

¹²⁵² Vondra: EU lze rozšiřovat i bez „Lisabonu“, Sarkozy nemá pravdu (Vondra: EU can enlarge even without "Lisbon", Sarkozy is wrong), Czech News Agency, 9 July 2008; Topolánek: Croatia can be admitted to EU on Nice Treaty basis, Czech News Agency, 21 July 2008; Vondra: V EU je únava z rozšíření, Balkán ale nesmí být opomenut (Vondra: There is enlargement fatigue in the EU, the Balkan must not be neglected), Czech News Agency, 4 November 2008.

¹²⁵³ Serbia to apply for EU membership by July, Czech News Agency, 23 January 2009.

¹²⁵⁴ Czech FM "dreaming" of European Serbia, Večerní novosti, 19 December 2008, available at: http://www.b92.net/eng/news/politics-article.php?vv=2008&mm=12&dd=19&nav_id=55851 (last access: 7 February 2009).

* Danish Institute for International Studies.

ENP and enlargement after 'Georgia'

Estonia*

Will the EU defend democracy?

The future of the ENP and further enlargement of the EU and NATO are high-salience issues in Estonia. The conflict in Georgia is seen as marking a shift of paradigm in post-Cold War international relations in Europe. In the words of President Ilves: "It is now quite clear that the assumption that the borders of Europe are fixed and that no one will invade anyone are gone".¹²⁵⁹ Estonia's leaders believe the EU has done too little to help its Eastern neighbours:

¹²⁵⁵ Erhvervsbladet: Kronik: Frankrig for bordenden, by Per Stig Møller, 12 September 2008.

¹²⁵⁶ Politiken: Per Stig: Hvis Georgien var med i Nato, havde vi undgået krigen, 19 August 2008.

¹²⁵⁷ Politiken: Europa klar til helt nyt kapitel med Rusland, 11 November 2008.

¹²⁵⁸ Julian Isherwood: 'Expert: Denmark beware of Russia', Politiken, 30 September 2008.

* University of Tartu.

¹²⁵⁹ Remarks by Toomas Hendrik Ilves at the Open Society Forum held in Tallinn on 6 November 2008, available at: <http://www.president.ee/img/pilt.php?gid=122770> (last access: 26 January 2009).

"Europe has not given its neighbours the same privileges as have been given to Russia [...] rather than assisting those democracies with visa policies or with having an effective European neighbourhood policy, we have decided not to deal with them lest they think they might become part of the EU. I think that ultimately it is about whether Europe will defend democracies and democratic choice or not. We do not know the answer to that question".¹²⁶⁰

Increased attention to the Eastern neighbours and a decisive upgrading of the ENP are seen as an appropriate response to the Georgian crisis. The Estonian government welcomed the European Commission's Communication on Eastern Partnership, released on 3 December 2008 "The Communication on Eastern Partnership offers the European Union's eastern neighbours concrete aid and co-operation opportunities in addition to political solidarity, which help to increase stability, security, and economic well-being in the EU neighbourhood", said Foreign Minister Paet.¹²⁶¹ Visa facilitation, energy cooperation, dismantling of trade barriers and active EU involvement in solving the frozen conflicts are regarded as particularly important priorities for the Eastern Partnership. In the past, President Ilves has complained that the fact that it is easier to get an EU-visa in Russia than in Ukraine, Moldova and Georgia makes "the EU virtually complicit when it comes to Moscow's sphere of influence".¹²⁶²

Estonia remains a staunch supporter of further enlargement of the EU and insists that enlargement must proceed despite the EU's prolonged constitutional crisis. According to Foreign Minister Paet, "it is important to continue the enlargement process in accordance with the bases agreed upon in

2006".¹²⁶³ The Estonian government continues to express support to Turkey and Croatia's reform processes and the advancement of their accession negotiations.

Bucharest Summit 'No' to Georgia's NATO aspirations was a grave mistake

The government, foreign policy experts and opinion leaders all share the view that Western leaders made a major mistake at the NATO Bucharest Summit when they refused to offer a Membership Action Plan to Georgia and Ukraine. It is believed that this was interpreted by Russia as a green light to do whatever it wants in Georgia. President Ilves said he is concerned about the formation of a pro-Russian coalition in the EU that puts economic interests above the fundamental values of Europe.¹²⁶⁴

It is interesting to note the internal divisions within the Estonian society with regard to the assessment of the Georgian crisis and perceptions of external threats more broadly. While 79 percent of ethnic Estonians supported the government's pro-Georgian line, 80 percent of the country's Russian-speakers believed that Estonia should have remained neutral in this conflict. Two-thirds of ethnic Estonians consider it likely that Russia might attack Estonia under the pretext of defending Russian citizens residing in Estonia. An overwhelming majority of Russian-speakers (81 percent) consider such a scenario unlikely.¹²⁶⁵

ENP and enlargement after 'Georgia'

Finland*

Yes to ENP, a more qualified attitude towards enlargements

Because of geographical proximity and historical background, Finns are always eager

¹²⁶⁰ Ibid. The view that the EU needs to take stronger stance towards Russia after the Georgian crisis was shared by all major political actors in Estonia. For instance, the European Affairs Committee of the Estonian Parliament prepared a joint position for the November 2008 COSAC meeting, with the respective committees in Latvia, Lithuania, and Poland, calling for a unified EU stance on Russia and extensive assistance to Georgia.

¹²⁶¹ Ministry of Foreign Affairs Press Release, "Paet: European Union Plays Strong Role in Stabilising Union's Neighbourhood", 5 December 2008, available at: http://www.vm.ee/eng/kat_138/10436.html?arhiiv_kuup=kuup_2008 (last access: 26 January 2009).

¹²⁶² "The EU Is Virtually an Accomplice of Moscow", Spiegel Online International, 3 November 2008, available at: <http://www.spiegel.de/international/europe/0,1518,588047,00.html> (last access: 26 January 2009).

¹²⁶³ Ministry of Foreign Affairs Press Release, "Paet: European Union Enlargement Must Continue in Accordance with Earlier Agreements", 8 December 2008, available at:

http://www.vm.ee/eng/kat_138/10446.html?arhiiv_kuup=kuup_2008 (last access: 26 January 2009).

¹²⁶⁴ Olivier Truc, "Pour le président estonien, « il faut repenser l'idée même de sécurité en Europe », Le Monde, 28 August 2008.

¹²⁶⁵ Tõnis Ormiston, "Avalik arvamus ja riigikaitse," August 2008, available at: http://www.mod.gov.ee/static/sisu/files/NATO_aruanne_20_08_08.pdf (last access: 26 January 2009).

* Finnish Institute of International Affairs.

to discuss issues related to Russia and the case was even more so during and after 'Georgia'. NATO is the other international issue debated intensively on a regular basis. Moreover, Finland held the OSCE-Presidency in 2008, its own politicians were "out there" during the conflict, and all these reasons heightened interest in the issue. Foreign Minister Alexander Stubb, went as far as to call 'Georgia' as "one of the big turning points of history after the end of cold war"¹²⁶⁶ – a statement that was slightly modified later in autumn.

European Neighbourhood Policy (ENP)

The importance for there to be a neighbourhood policy was widely acknowledged, as well as the need to develop it further. As one researcher pointed out, "Finland has taken a strong interest in the Union's several neighbourhood policies, supporting their balanced enhancement in all directions. When it comes to the East, Finland has supported the initiative for an Eastern Partnership."¹²⁶⁷ Even when the ENP was criticized, critics were rarely against ENP. Heidi Hautala, MP of the green parliamentary group, pointed out that the crisis could have been avoided, had the EU been cooperating more intensively with its Eastern neighbours, thus reducing the need for Georgia to rely solely on the US.¹²⁶⁸

Prime Minister Matti Vanhanen concluded after the extraordinary summit that "Finland has an unambiguous aim: it does not want the connection between Russia and the EU to be cut off".¹²⁶⁹ Along the same lines, Minister of Defence, Jyri Häkämies, said that faith in the stabilising effect of the economic cooperation between the EU and Russia remains, even if it has been seriously tested.¹²⁷⁰

¹²⁶⁶ Alexander Stubb, Minister for Foreign Affairs: Opening speech at the Annual Meeting of Heads of Missions, 25 August 2008, available at: <http://www.formin.fi/public/default.aspx?contentid=135322&nodeid=15149&contentlan=2&culture=en-US> (last access: 27 January 2009).

¹²⁶⁷ Hiski Haukkala, special adviser at the Ministry for Foreign Affairs of Finland, personal interview, 10 December 2008.

¹²⁶⁸ Heidi Hautala, MP: Comment at FIIA seminar "Aftermath of the Summit", 15 December 2008.

¹²⁶⁹ "Vanhanen EU:n Venäjä-päätöksestä: Haluttiin tehdä selväksi, että unioni on tosissaan", Suomen kuvalehti (web edition), 1 September 2008, available at: <http://www.suomenkuvalehti.fi/etusivu/uutiset-ja-politiikka/ulkomaat/vanhanen-eun-venaja.aspx> (last access: 27 January 2009).

¹²⁷⁰ Jyri Häkämies, Minister of Defence: Speech at the opening ceremony of the National Defence Course, 22

Foreign Minister Alexander Stubb noted that there is a need for two Eastern policies: one towards Russia and the other towards Ukraine, Moldova, Belarus, Southern Caucasus and Central Asia. The latter group should not be treated only as remains of the Soviet Union, because their political stability, democracy, economic development and energy issues are important for the EU.¹²⁷¹ The next challenge for the Union is the credibility of its Eastern policy, which should "offer the Eastern European countries a solid direction for development without forgetting the option of enlargement". The Georgian crisis has shown that the Union lacks a comprehensive approach towards the Southern Caucasus, Stubb said.¹²⁷²

In August, Foreign Minister Stubb gave an assignment to each Finnish ambassador to write a two-page analysis of the current international situation. The newspaper, "Helsingin Sanomat", received a third of these and summarized them in an article. According to the newspaper, the ambassadors were unanimous in saying that Russia has gained strength and new means to further its goals. Cooperation with Russia has changed, too: instead of being based on common values, it is now based on common interests.¹²⁷³

On the academic front, the role of the EU was seen as very central. Tommi Koivula, senior researcher at the strategy department of the National Defence University, reminded that the sharpening of Russia-politics would be of great benefit, especially to the small member states.¹²⁷⁴

Markku Kivinen, director of the "Aleksanteri Institute", the "Finnish Centre for Russian and Eastern European Studies" within Helsinki University, said that the EU should base its policy on the security of the "everyday" and by that show to the Russians that there is no need to try to establish order by means of power political huffing and puffing. Martti

September 2008, available at: http://www.defmin.fi/?661_m=3835&s=270 (last access: 25 January 2009).

¹²⁷¹ "Alexander Stubb, Minister for Foreign Affairs: EU tarvitsee kaksi idänpolitiikkaa", in: Ulkopoliittikka 4/2008.

¹²⁷² Alexander Stubb, Minister for Foreign Affairs: Opening speech at the Annual Meeting of Heads of Missions, 25 August 2008, available at: <http://www.formin.fi/public/default.aspx?contentid=135322&nodeid=15149&contentlan=2&culture=en-US> (last access: 27 January 2009).

¹²⁷³ "Diplomaattien tunnustukset", Helsingin sanomat, 5 October 2008.

¹²⁷⁴ "EU:n heikkous näkyi Georgiassa", Helsingin Sanomat, 25 August 2008.

Koskenniemi, academy professor and international lawyer, recommended 'finlandisation' to Georgia: it has to get its relations with Russia into working order. He also had a message to the EU: "As its first step, the Union should withdraw its Baltic representatives from negotiations with Georgia. I believe that they gave Saakašvili the impression that he can do anything."¹²⁷⁵ Arkady Moshes, director of the Russia programme at the FIIA, was more pessimistic. He emphasised that even though the situation was in no way comparable to the Cold War, the distance between the EU and Russia had grown: "we are even further from genuine partnership than before. The last remains of mutual trust burned in the flames of Tskhinvali and Gori. The next thing to collapse may well be the cooperation between the governments on the level of officials."¹²⁷⁶

Enlargement

Shortly after the crisis, Minister Stubb stressed how the crisis highlighted the fact that the EU's Eastern enlargement had been the right decision: "Where would we be now if the Baltic countries had been outside the integration framework?" This applies equally to the enlargement of NATO, he said.¹²⁷⁷ Of future EU enlargements, he said that enlargement is very much both the EU's present and future. He stressed that the union should keep the door open to all European countries: "The rules are simple. The applicant has to fill all the conditions for membership and the EU has to keep its promises". All applicants must be treated equally.¹²⁷⁸ The foreign minister was supported by his ambassadors – if mentioned, EU enlargement was mainly supported in their analyses. Nobody suggested that Georgia should become a member.¹²⁷⁹

However, there were also more sceptical voices. According to the analysis of Markku Kivinen, Russia has now shown

unambiguously, for the first time, that it "has had enough". This affects the Ukrainian ambitions to become an EU member.¹²⁸⁰ Hiski Haukkala, researcher, concluded that Finland has not excluded the enlargement of the Union entirely in the East, but has repeatedly stressed that the open nature of EU membership should be preserved also in the future.¹²⁸¹

As Hiski Haukkala points out, because Finland is not a member of NATO, the issue of extending the alliance's membership in the East has not really surfaced in the country. On the level of principle, Finland does however view that all countries should freely be allowed to choose their own foreign and security policies, including possible military alliances.¹²⁸² The few instances when the question was handled were mainly by academics, with, for example, Martti Koskenniemi pointing out that "all talk about the Georgian NATO membership should cease. Old NATO members are at risk of becoming prisoners of these unstable countries."¹²⁸³

Finland and NATO

In addition to the more general discussion about the enlargement of NATO and the EU, the crisis gave fuel to the discussion about Finland's own security and whether the country should join NATO. Positions remained largely what they had been before the crisis,¹²⁸⁴ with the prime minister, president, and the largest opposition party, the Social Democrats, being against NATO membership, and the right-from-centre National Coalition Party supporting it.¹²⁸⁵ Following the crisis in Georgia, Foreign

¹²⁷⁵ "Ahtisaari: Kaukasian tilannetta ja Kosovoa ei voi rinnastaa, kuten Venäjä väittää", Suomen kuvalehti, 5 September 2008.

¹²⁷⁶ "Kylmän sodan asenteet eivät päde", Helsingin Sanomat, 2 September 2008.

¹²⁷⁷ Alexander Stubb, Minister for Foreign Affairs: Opening speech at the Annual Meeting of Heads of Missions, 25 August 2008, available at: <http://www.formin.fi/public/default.aspx?contentid=135322&nodeid=15149&contentlan=2&culture=en-US> (last access: 27 January 2009).

¹²⁷⁸ "EU:n on laajennuttava johdonmukaisella politiikalla", Helsingin Sanomat, 8 November 2008.

¹²⁷⁹ "Diplomaattien tunnustukset", Helsingin sanomat, 5 October 2008.

¹²⁸⁰ "Ahtisaari: Kaukasian tilannetta ja Kosovoa ei voi rinnastaa, kuten Venäjä väittää", Suomen kuvalehti, 5 September 2008.

¹²⁸¹ Hiski Haukkala, special adviser at the Ministry for Foreign Affairs of Finland, personal interview, 10 December 2008.

¹²⁸² Hiski Haukkala, personal interview, 10 December 2008.

¹²⁸³ "Ahtisaari: Kaukasian tilannetta ja Kosovoa ei voi rinnastaa, kuten Venäjä väittää", Suomen kuvalehti, 5 September 2008.

¹²⁸⁴ The official position remained fairly unmoved too, which was confirmed in the defence white paper. See "Suomen turvallisuus- ja puolustuspolitiikka 2009", 23 January 2009, available at: <http://www.valtioneuvosto.fi/tiedostot/julkisen/pdf/2009/turvallisuus-ja-puolustuspoliittinen-selonteko/selonteko.pdf> (last access: 29 January 2009).

¹²⁸⁵ "Linja hukassa", Suomen Kuvalehti, 5 September 2008; Jutta Urpilainen, leader of the Social Democrats: Speech at a meeting of the Social Democrat MP's, 2/3 September 2008, available at:

Minister Alexander Stubb (National Coalition Party) reiterated his position that Finland should apply for NATO membership. However, he qualified the statement by saying that "this is not the moment for decisions. Due to the Georgian crisis the issue has been moved lower in the priority list."¹²⁸⁶

A slight change was seen in the citizens' position: according to a survey by the Advisory Board for Defence Information (ABDI), uncertainty about Finland's NATO-membership has increased.¹²⁸⁷

ENP and enlargement after 'Georgia'

France*

EU praised for its reactivity to the Georgian crisis

The military conflict in Georgia has been massively discussed in France. First of all, it was observed that, confronted with an international crisis, the European Union appeared to be unusually active, in comparison with the paralysed attitude of the United States.¹²⁸⁸ According to "Les Echos", the EU finally snapped out of its customary irresponsibility and realised that post Cold War Russia is its true problem.¹²⁸⁹ Some experts, such as J. Sapir from "Ecole des Hautes Études en Sciences Sociales" (EHESS) criticised EU's attitude considering that it failed to enforce international law.¹²⁹⁰ However, most observers insist on positive aspects of the EU's behaviour.

On this specific point of international law and the absence of sanctions, Hubert Védrine, the former French Minister for Foreign Affairs,

http://www.sdp.fi/fi/ajankohtaista/puheet/?a=viewItem&item_id=1116 (last access: 25 January 2009).

¹²⁸⁶ "Alexander Stubb: Georgia lykkäsi Nato-fantasioita", Helsingin Sanomat, 18 September 2008.

¹²⁸⁷ "Suomalaisten mielipiteitä ulko- ja turvallisuuspolitiikasta, maanpuolustuksesta ja turvallisuudesta 2008", opinion poll by the Finnish Ministry of Defence, 2 December 2008, available at: http://www.defmin.fi/files/1320/raportti_08_nettiversiosuomi.pdf (last access: 25 January 2009). According to the survey, compared to the year 2007, the amount of Finns having a negative stake on Finland's NATO-membership has clearly decreased, the number of uncertain ones has increased and the number of those who have a positive view of Finland's NATO-membership has slightly increased. At the moment, 60 percent of the citizens are against the NATO-membership.

¹²⁸⁸ *Le Monde*, 17 August 2008.

¹²⁸⁹ *Les Echos*, 23 September 2008.

¹²⁹⁰ *L'Humanité*, 06 September 2008.

considered that opportunities for sanctions were rather limited, given the interdependent relations between Russia and the EU.¹²⁹¹ According to T. Gommart, researcher at the "Institut Français des Relations Internationales" (IFRI), reaching a relatively quick cease-fire was already a major success for the EU and had to be emphasised as such.¹²⁹² Another point of satisfaction, according to French observers, was the ability of the European Union to quickly agree on a common strategy, especially when considering the different national positions toward Russia.¹²⁹³ Unity remains, which, in H. Védrine's opinion, is the only way to maintain EU influence in the region.¹²⁹⁴

EU Neighbourhood Policy and enlargement perspectives

Consequences of this conflict for the EU Neighbourhood Policy were also discussed. J. Theron (IFRI) analysed Georgian conflict as the consequence of successive failures of Mikheil Saakashvili who failed to reinforce the relations of his country with Western partners.¹²⁹⁵ According to the French scholar, Georgian population only sees its country's relations with the European Union within the framework of the Neighbourhood Policy. According to many French observers, the conflict clearly showed that Georgia was still far from EU membership. T. Gommart (IFRI) assumes that the EU is also responsible for this situation as it has not taken time to reflect on the future of its Neighbourhood Policy.¹²⁹⁶ He considers that the EU was unable until now to decide whether this policy was a first step towards membership or not. Incapacity to answer this question stems from the fact that the EU always considers the Common Foreign and Security Policy in a transatlantic context that lies beyond their competence.

Caucasian countries' NATO membership postponed

The recent crisis will have consequences regarding the integration of both Russia and Georgia to international institutions. French newspaper "Les Echos" reminds that the invasion of Georgia could cost Moscow its

¹²⁹¹ Interview, *Le Monde*, 02 September 2008.

¹²⁹² *L'Humanité*, 06 September 2008.

¹²⁹³ Delcour L., "Après le conflit ossète, une nouvelle donne stratégique?", *Actualité de la Russie et de la CEI*, n°10, December 2008.

¹²⁹⁴ Védrine H., *op. cit.*

¹²⁹⁵ *Actuelles de l'IFRI*, 30 August 2008.

¹²⁹⁶ *Actuelles de l'IFRI*, 13 August 2008.

international financial integration (Tbilisi has the power to veto its admission to the WTO).¹²⁹⁷ However, the most controversial issue remains Georgia's NATO membership, which could be impeded after this conflict. First of all, French specialists observe that beyond the Georgian case, Russia addressed a clear message to Western countries: this is a warning against future NATO enlargement projects with former Socialist Republics.¹²⁹⁸ Moreover, the media and specialists mentioned that EU member states, and especially France and Germany, were more reluctant than the United States to integrate Georgia and Ukraine into NATO and made their point of view clear at the Bucharest Summit. According to J. Theron (IFRI), the recent conflict with Russia will reinforce these positions, not only because of the instability it raised in the region, but also because of the Georgian attitude. By choosing to use military force in order to solve this separatist crisis, Georgian authorities did not fully consider the consequences, neither for themselves nor for their allies. Thus, Georgia will have to make a crucial choice between its security by joining the NATO or trying to keep a 'fictive sovereignty' on the two separatist regions.¹²⁹⁹

French observers underline EU-Russia interdependent relations

Lastly, the most debated issue after the Georgian crisis was EU-Russian relations. Most observers, political actors or scholars, recognised that the European Union faces a crucial challenge. According to J. Theron, it would be as counterproductive to fear this Russian power as to neglect or despise it.¹³⁰⁰ Considering the economic power Russia will have in the next decade, J. Sapir assumes it is urgent to build a real common strategy, not only on energy matters, but also in sectors such as industry or research. This includes monetary policy too, given that Russia has an important reserve of funds and exchange.¹³⁰¹ This is also the point of view of Pierre Moscovici, French Socialist MP and former State Secretary for European Affairs. He considers that EU cooperation with Russia has to be formalised into a global agreement.

¹²⁹⁷ *Les Echos*, 09 September 2008.

¹²⁹⁸ Delcour L., "Après le conflit ossète, une nouvelle donne stratégique?", *Actualité de la Russie et de la CEI*, n°10, December 2008.

¹²⁹⁹ Lefèvre M., "Le conflit de Géorgie: un tournant dans les relations avec la Russie", *Contributions extérieures de l'IRIS*, 27 October 2008.

¹³⁰⁰ *Actuelles de l'IFRI*, 30 August 2008.

¹³⁰¹ *L'Humanité*, 06 September 2008.

Whilst the process had to be interrupted after this crisis, it is crucial not to bury it.¹³⁰² According to Jean-Pierre Jouyet, who occupied the same function until recently, it is also Russia's responsibility to cooperate and create a relationship based upon trust.¹³⁰³ As a matter of fact, closer ties between EU and Russia could bring about political revival for both. French columnist A. Adler considers that it would be unforgivable to let the opportunity fly away.¹³⁰⁴

ENP and enlargement after 'Georgia'

Germany*

Stronger commitment but no shortcuts to NATO and EU

When German Chancellor Angela Merkel visited Tbilisi for talks with President Saakashvili shortly after the war in Georgia, her statement that "Georgia will become a NATO member if it wants to"¹³⁰⁵ caused much attention in the German media. Since Germany (among other western European states) had openly rejected US-led attempts to immediately offer Georgia a Membership Action Plan and thus paving the way for the country's quick inclusion into the Alliance at the April 2008 NATO Summit in Bucharest Merkel's statement seemed remarkably definite. However, the German government emphasized that the Chancellor had only re-endorsed the summit's conclusions and that no further enlargement promise had been given.¹³⁰⁶ Indeed, despite increased pressure from the Bush administration¹³⁰⁷, Germany retained its position that no further decision on NATO enlargement should be taken in the near future at the December 2008 NATO

¹³⁰² Ibid.

¹³⁰³ Jouyet J.P., "Géorgie: non, l'UE n'est pas 'désespérée'", 1 September 2008, available at: <http://www.ipjouyet.eu/?post/2009/07/01/Georgie:-non-lUE-nest-pas-desesperee> (last access: 26 February 2009).

¹³⁰⁴ *Le Figaro*, 6 September 2008.

* Institute for European Politics.

¹³⁰⁵ Angela Merkel at a press conference with Mikheil Saakashvili in Tbilisi, 17 August 2008, available at: <http://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2008/08/2008-08-17-pk-merkel-saakaschwili.html> (last access: 21 January 2009).

¹³⁰⁶ Cf. remarks by the German government's spokesman Thomas Steg, quoted in Ö1 Inforadio: Merkel: "Georgien wird NATO-Mitglied", available at: <http://oe1.orf.at/inforadio/94798.html?filter> (last access: 21 January 2009).

¹³⁰⁷ Cf. Frankfurter Allgemeine Zeitung: Washington macht Druck, 22 October 2008.

foreign minister meeting.¹³⁰⁸ Foreign Minister Frank-Walter Steinmeier even implied that the question of NATO enlargement would distract attention from the more important question of NATO's future role by stating: "For NATO we need such a thing like a new 'Harmel report' – a fundamental agreement on the future way. Too long we have postponed an honest discussion on NATO's responsibilities whilst dealing with questions of enlargement."¹³⁰⁹ The German government's current position on that issue is widely shared across the political parties. However, there are different opinions about further NATO eastern enlargement in the long run: Whereas Merkel's conservative CDU¹³¹⁰ and the largest opposition party, the liberal FDP¹³¹¹ do not seem to rule out Georgia's (and Ukraine's) NATO membership prospects in principle¹³¹², Foreign Minister Steinmeier's Social Democrats (SPD) and the oppositional Green Party (Bündnis 90/Die Grünen) are even more cautious here.¹³¹³ The left-wing opposition party 'Die Linke' considers NATO as a whole as needless and therefore is against any enlargement as a matter of principle.¹³¹⁴

¹³⁰⁸ Cf. Süddeutsche Zeitung: Nato weist USA in die Schranken, 3 December 2008.

¹³⁰⁹ Frank-Walter Steinmeier: Partnerschaft wagen – für eine Erneuerung der Sicherheitspolitik im 21. Jahrhundert – Namensartikel von Außenminister Frank-Walter Steinmeier, 4 December 2008, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Interviews/2008/081204-BM-OSZE.html> (last access: 21 January 2009).

¹³¹⁰ Christian-Democrat Party.

¹³¹¹ Free Democratic Party.

¹³¹² Cf. interview with CDU/CSU parliamentary foreign policy spokesman Eckart von Klaeden: Überdenken der europäischen Russland-Politik erforderlich, 14 August 2008, available at: http://www.von-kladen.de/portal/alias_klaeden/lang_de-DE/mid_10912/ItemID_84/tabid_4337/default.aspx (last access: 21 January 2009); press release of FDP parliamentary foreign policy spokesman Werner Hoyer: Die Bundesregierung muss bei ihrer Zurückhaltung hinsichtlich eines NATO-Beitritts Georgiens bleiben, 18 August 2008, available at: http://www.fdp-fraktion.de/files/541/1044-Hoyer-Zurueckhaltung_hinsichtlich_eines_NATO-Beitritts_Georgiens.pdf (last access: 21 January 2009).

¹³¹³ Cf. interview with SPD parliamentary foreign policy spokesman Gert Weisskirchen: Georgien hat keine Prämie verdient, in: Rhein-Neckar-Zeitung, 8 September 2008, available at: <http://www.gertweisskirchen.de/index.php?nr=14137&menu=1> (last access: 21 January 2009); press release of Bündnis90/Die Grünen parliamentary faction: NATO-Außenminister müssen Zeichen der Entspannung setzen, 2 December 2008, available at: http://www.gruene-bundestag.de/cms/presse/dok/260/260436.natoausenminister_muessen_zeichen_der_e.html (last access: 21 January 2009).

¹³¹⁴ Cf. press release of 'Die Linke' parliamentary defense and disarmament policy spokesman Paul Schäfer: Bundesregierung muss NATO-Osterweiterung stoppen, 24

The conflict in Georgia gave reason for German politicians to call for a stronger EU commitment towards the Union's eastern neighbours. As Foreign Minister Frank-Walter Steinmeier put it: "Our goal must be to conceive Georgia, Ukraine, Armenia, Azerbaijan and Moldova as an integral part of a European space of security, stability and wealth."¹³¹⁵ The Polish-Swedish proposal for an institutionalized 'Eastern Partnership' within the European Neighbourhood Policy, which predated the war but got more attention as the conflict broke out, was greeted by the German government¹³¹⁶ and is now seen as one main instrument to promote peace and stability in that region by the government and in parliament.¹³¹⁷ As this is a low priority issue which largely remains in the realm of foreign policy experts there is little disagreement among the major political parties.

Despite the German population's approval for further EU enlargement hitting a new record low of now only 26 percent in the recent Eurobarometer poll¹³¹⁸, there has been no change in the government's position on that issue. Germany supports current membership negotiations with Croatia and the long term European aspirations of the countries of the Western Balkans,¹³¹⁹ although this is also a rather barely discussed low priority issue.

November 2008, available at: <http://www.linksfraktion.de/pressemitteilung.php?artikel=1234453867> (last access: 21 January 2009).

¹³¹⁵ Speech of Frank-Walter Steinmeier at the opening of the conference of ambassadors in Berlin, 8 September 2008, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2008/080908-Rede-BM-Boko-Eroeffnung.html> (last access: 21 January 2009).

¹³¹⁶ Cf. Euobserver.com: Poland's 'Eastern Partnership' set for summit approval, 17 June 2008, available at: <http://euobserver.com/9/26339> (last access: 21 January 2009).

¹³¹⁷ Cf. speech of Angela Merkel in Tallinn, 26. August 2008, available at: http://www.bundestkanzlerin.de/nn_5296/Content/DE/Rede/2008/08/2008-08-26-merkel-kunstmuseum-tallinn.html (last access: 21 January 2009); Frank-Walter Steinmeier: Partnerschaft wagen, op. cit.; press release by the CDU/CSU parliamentary faction: Union positioniert sich zu aktuellen Themen der EU. Klausurtagung der Arbeitsgruppe Angelegenheiten der Europäischen Union, 9 September 2008, available at: http://www.cduscu.de/Title/Union_positioniert_sich_zu_aktuellen_Themen_der_EU/TabID_6/SubTabID_7/InhaltID_1/InhaltID_10665/Inhalte.aspx (last access: 21 January 2009).

¹³¹⁸ Cf. Standard Eurobarometer 70, Nationaler Bericht: Deutschland, Executive Summary, p. 8.

¹³¹⁹ Cf. speech of Angela Merkel in Zagreb, 11 May 2007, available at: http://www.bundesregierung.de/nn_6566/Content/EN/Rede/n/2007/05/2007-05-11-rede-merkel-zagreb.html (last access: 21 January 2009).

Despite supporting their membership perspective, Germany does not rush the Western Balkan countries to join the EU, especially after the experience of Romania's and Bulgaria's premature accessions. Member of Parliament, Stephan Eisel (CDU), recently urged: "Membership negotiations are no educational process to reach the conditions of accession but the negotiations are about organizing the accession of countries that have reached these conditions. [...] I am very sceptical of premature accession offers for example to Serbia."¹³²⁰ Also, the malfunctioning of the judiciary and high levels of corruption in Croatia are seen as serious obstacles for a swift conclusion of negotiations in 2009. Much more controversy lies in the question of Turkey's possible membership: Here the parties in the current grand coalition government of Merkel's CDU/CSU and Steinmeier's SPD take opposite views. The CDU/CSU is against Turkey joining the EU mainly for value and identity based reasons as well as geographical reasons.¹³²¹ Instead, the party prefers the concept of a vaguely defined 'privileged partnership'.¹³²² The SPD, in contrast, supports Turkey's membership negotiations, which have started under the former SPD-led, Schröder government. This dilemma of contrary positions of the ruling parties, has led to the official German government's position that Germany at least stands by its commitment of carrying on open negotiations without prejudicing any outcome.¹³²³ As Germany will observe a general election this autumn, a new constellation of government might bring a new official German position on that issue.

¹³²⁰ Stephan Eisel, in: Deutscher Bundestag: Stenografischer Bericht. 175. Sitzung, Plenarprotokoll 16/175, 17 September 2008, available at: <http://dip21.bundestag.de/dip21/btp/16/16175.pdf> (last access: 21 January 2009).

¹³²¹ Cf. Barbara Lippert: Wait-and-See. Attitudes of German Stakeholders, in: Nathalie Tocci (ed.): Talking Turkey in Europe: Towards a Differentiated Communication Strategy on Turkey, Rome 2008, pp. 135-160, here p. 142.

¹³²² Cf. *ibid.*, p. 145.

¹³²³ Cf. CDU, CSU and SPD coalition agreement: Gemeinsam für Deutschland. Mit Mut und Menschlichkeit, 11 November 2005, available at: http://www.bundesregierung.de/Content/DE/_Anlagen/koalitionsvertrag.html (last access: 21 January 2009).

ENP and enlargement after 'Georgia' Greece*

Accession as a regional stabilisation factor

As already mentioned¹³²⁴ Greece has viewed the Georgia incident under two specific biases. First, a relatively pro-Russian tilt in the country's foreign-policy equilibrium. Second, the lingering apprehensions rising out of the recent attempts for NATO accession of Georgia, of the Ukraine – and of the FYROM (with potential EU accession negotiations in the background in the case of the latter two countries). This has caused the relatively high support for the ENP in Greece, viewed as an alternative process of stabilisation in the wider area without necessarily leading to accession in the foreseeable future. The natural gas incident between Moscow and Kiev has brought further reservations to the surface.

In addition, for Greece, the use of EU accession as a regional stabilisation factor (with the hope that normalisation of strained bilateral relations would follow) has been a cornerstone of its foreign policy *and* of its EU policy from the mid-nineties until quite recently. Reference was usually made, in that context, to Greece-FYROM relations and (far more importantly) to Greece-Turkey relations. But (a) the renewed tensions between Athens and Skopje and (b) the combination of a bilateral deterioration of the Athens-Ankara relationship with the shift in Euro-Turkish relations from a potential accession to an almost certain 'special/privileged relationship', have undermined the hopes that the perspective of such countries' participation to the EU might serve as a conflict-resolution mechanism in the region. Turkey's edgy relationship with the EU and the growing uncertainty of the accession perspective, as well as the Turkish role in an enhanced Union for the Mediterranean is increasingly under scrutiny in politico-academic public debates in Greece. It is argued that in Turkey a procedure of national redeployment is currently in progress. Following the Irish referendum, the European future of Turkey should be seen under a different perspective. If the European institutional construction is stalling and the 'enlargement fatigue' spreads, the accession of Turkey seems to be more distant. If the Lisbon Treaty is not finally implemented, the road for

* Greek Centre of European Studies and Research.

¹³²⁴ See chapter II of this issue of EU-27 watch.

the integration of Turkey into an aggregate functioning system will be opened. The manifesto of Guy Verhofstadt that refers to a system of homocentric circles was proposed as an option. The second parameter is the instability in the domestic politics of Turkey. The attempted judicial coup d'état shows that the Turkish society is not mature enough and cannot approach the lowest common denominator of the political conditions that prevail in EU member states. The situation of instability and confusion in Turkey has serious repercussions on Turkish economy which is one of high political risk. In the previous years, there were signs of considerable recovery with a substantial opening of the market to the West and a significant increase of employment. Now, the external economic turmoil has led to a stable deceleration of the Turkish economy. The Greek-Turkish relations are competitive, especially in the sectors of tourism and energy. It is stressed that the commerce with Turkey is more important for Greece because of the size of the Turkish economy.¹³²⁵

ENP and enlargement after 'Georgia'

Hungary*

Hungary a champion of further EU enlargement strengthening regional stability

Hungary continues to be committed to the enlargement of the European Union – primarily integrating the countries of the so-called Western Balkans. According to the new

Hungarian External Relations Strategy "deepening co-operation among the countries of the Western Balkan region, their long-term stability, security, democracy, and their road to a market economy"¹³²⁶ belong to the core of Hungarian national (geopolitical) interests. The Strategy underlines that "the most effective way to achieve this in the long-term is to secure the Euro-Atlantic integration of all of its countries".¹³²⁷ Hungary supports the 'individual merit' approach whereby the countries well prepared for Euro-Atlantic integration "should not suffer because of lagging behind of others". On the contrary: "their progress should serve as an encouraging example to the countries left behind, showing that effective preparation brings about the desired outcome".¹³²⁸

Hungary is actively promoting the integration processes of the concerned states into both NATO and the EU. Furthermore, Hungary is also involved in regional cooperation fora such as the Central European Initiative or the Regional Cooperation Council (successor of the Stability Pact for South Eastern Europe). These institutions enable to tighten regional cooperation and to assist the Western Balkan countries in their preparations for membership in NATO and the EU. Hungary alone is also engaged in several actions supporting the region, i.e. over 600 Hungarian soldiers are serving in the Western Balkans in peacekeeping operations, some 50 officials participate in EULEX (the EU's rule of law mission in Kosovo), and Budapest is also sponsoring the Szeged Process (launched for Serbia but later extended to all Western Balkan countries) with the aim of sharing expertise in matters of Euro-Atlantic integration. All this means that the countries of the South-East European region can count on Hungary's lobbying and support in NATO and the EU regarding their entry – once the membership criteria are met.

In parallel to these Hungarian priorities another aspect must also be highlighted. While Hungary wholeheartedly supports the Euro-Mediterranean (or Barcelona) Process, the Hungarian diplomacy considers it a matter of high importance that the European Union develop intensive neighbourly relations with its

¹³²⁵ See in the September 2008 issue (No 17) of *VIMA IDEON*, a magazine published by the major Greek daily *To Vima*, a dossier dedicated on Turkey-EU-Greece (editor N. Frangakis; other articles by D. Dimitriadis, President, European Economic and Social Committee, G. Glynos, ex officer of the European Commission, D. Katsoudas, Secretary General for European Affairs, Ministry of Foreign Affairs, A. Kotsiaros, researcher of IEIP, A. Mitsos, ex Director General, European Commission, C. Papadopoulos, Advisor in European Affairs, EFG Eurobank, Chr. Triantopoulos, researcher of IEIP and Kostas Zepos, Ambassador (ret.)), reflecting a roundtable discussion on "Turkey: balancing between the European perspective and internal instability" organised by EKEME, in cooperation with IEIP of the University of Athens, 1 July 2008). In the November 2008 issue (No 19) of *VIMA IDEON*, an additional dossier with articles dealing with the Union for the Mediterranean and Turkey by N. Frangakis, A.A. Fatouros, P. Kazakos and D. Chrysochoou & D. Xenakis was published; I. Grigoriadis, "Trials of Europeanisation: Turkish Political Culture and the European Union", Palgrave Macmillan, Basingstoke, 2008.

* Institute for World Economics of the Hungarian Academy of Sciences.

¹³²⁶ Strategy presented by the Spokesman of the Hungarian Ministry of Foreign Affairs in November 2008, summary available at: http://www.kulugyminiszterium.hu/kum/en/bal/european_union/Latest+news/SZG_WBalkans_eng_081120.htm (last access: 27 February 2009).

¹³²⁷ Ibid.

¹³²⁸ Ibid.

southern and eastern partners in a balanced way with similar political and financial commitments.¹³²⁹

ENP and enlargement after 'Georgia'

Ireland*

After 'Georgia' – prospects for ENP and enlargement

While the Georgia crisis received extensive coverage in the Irish media and was the subject of several statements by Irish politicians, the broader issues of the European Neighbourhood Policy (ENP) and the enlargement of the EU and NATO are of little salience to Ireland.¹³³⁰ There is little evidence of discussion concerning the ENP in Ireland due to Ireland's lack of a border or even proximity to any non-EU states. Similarly, the fact that Ireland is an officially neutral state in terms of military policy and is not a member of NATO, the enlargement of that organisation is of little concern to the Irish population or its political class. There has been some coverage in parts of the Irish media of what is perceived to be a rising level of scepticism in the Irish population towards the benefits of further EU enlargement. This is believed to be as a result of the large influx of Eastern European workers to Ireland following the 2004 accession, combined with the shock of Ireland's sudden economic slow-down. This is believed by some in Ireland to be fuelling concern that a further enlarged EU will dilute Ireland's cultural identity through increased immigration and will reduce Ireland's influence in the institutions of the Union. This view however is one, which is not shared by the vast majority of Irish politicians.

¹³²⁹ Hungary considers it a matter of importance that the EU develop relations with its eastern and southern neighbours in a balanced way – László Várkonyi's address to the MEDays conference in Tangier, press release of the Ministry of Foreign Affairs, 28 November 2008, available at: http://www.kulugyminiszterium.hu/kum/en/bal/european_union/Latest+news/VL_MEDays_eng_081128.htm (last access: 27 February 2009).

* Institute of International and European Affairs.

¹³³⁰ "Post Lisbon Treaty Referendum Research Findings September 2008" conducted by Millward Brown IMS on behalf of the Irish Government, available at: www.foreignaffairs.gov.ie (last access: 23 March 2009). "How to stem tide of citizen negativity towards EU", The Irish Times, 19 November 2008.

ENP and enlargement after 'Georgia'

Italy*

Structural weakness of the European Neighbourhood Policy, strong and balanced relationship with Russia needed

In Italy, the issue of the future of the European Neighbourhood Policy (ENP) and the enlargement of the EU is not of high salience as other European matters and therefore it has been debated much more at the level of think tanks and political elites than at the public opinion one.

Antonio Missiroli, director of studies at the "European Policy Centre", believes that, after the Georgian crisis, the current ENP rationale is probably not adequate to meet the new challenges in this region.¹³³¹ In his opinion, this is due to the fact that the ENP still suffers from three "structural weaknesses": "it is neither enlargement nor foreign policy proper, and cannot therefore bring to bear all the tools of either; it is seriously under-resourced and over-reflective of the EU self-interest, so that there is too little in it for the neighbours; and it continues to constitute a catalyst for the different geopolitical priorities of the 27, thus generating permanent internal tensions and, occasionally, even paralysis"¹³³².

Moreover, according to some analysts, the conflict in the Caucasus, notwithstanding the key role played by Nicolas Sarkozy and the EU, had the effect of weakening the European Union's links with Georgia.¹³³³ According to Andrea Carteny, Italian executive director of the "Italy-Rumanian Institute of Historical Studies" of the Babeş-Bolyai University, the Georgian government now seems much more oriented towards a 'privileged axes' with Washington and membership in NATO than in the European Union.¹³³⁴ Other Italian observers have suggested that Georgia's inclusion in NATO should be neither accelerated nor slowed down by the events of the last summer, but should still be based

* Istituto Affari Internazionali.

¹³³¹ A. Missiroli: The guns of August, EPC Commentary, 4 September 2008, available at: <http://www.epc.eu/en/pub.asp?TYP=TEWN&LV=187&see=y&t=32&PG=TEWN/EN/detailpub&l=12&AI=940>. (last access: 25 January 2009).

¹³³² Ibid.

¹³³³ A. Carteny: Verso la Nato, ma a che prezzo?, Affari Internazionali, 24 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=924> (last access: 25 January 2009).

¹³³⁴ Ibid.

instead on objective criteria, which should never be put into question by contingent circumstances.¹³³⁵

It is a widely shared opinion that, in order to better define the future of the ENP and enlargement, a top priority for the EU should be to establish a balanced relationship with Russia. As Ettore Greco, director of the "International Affairs Institute", stated in a speech held during a meeting of the Italy-Russia committee of the Italian parliament's "Camera dei deputati", "one of the most important lessons learnt from the last summer crisis is that it is necessary to work for a joint solution of the political and security problems which affect EU and Russia's common neighbourhood"¹³³⁶. In fact, according to some Italian analysts, the conflict in the Caucasus revealed "how much the European neighbourhood is insecure"¹³³⁷ and therefore showed the importance of an open policy towards Russia, instead of an antagonistic approach that would only be harmful.

As some Italian observers underlined, the conflict in Georgia also had the effect of accelerating the project of Eastern Partnership promoted by Sweden and Poland to strengthen the relationship with the EU's Eastern neighbours.¹³³⁸ From the Italian point of view, this is a positive and ambitious project that nonetheless, needs to be balanced by the promotion of other European partnerships; for this reason, Italy still supports the Union for the Mediterranean. According to Michele Comelli of the "International Affairs Institute", "it is important for the European Neighbourhood Policy framework to keep together at a level of principles both the Eastern and Southern neighbours, even if the policies towards the two different regions are necessarily differentiated"¹³³⁹. Italy is very interested in the

development of the ENP, but it is important to guarantee "consistency between the ENP and the other strategies that the EU is undertaking in the same region (energy, migrations, EU/Africa)"¹³⁴⁰.

When discussing the European Union's enlargement after the Georgian crisis, another important element taken into account by Italian think tanks is the link that connects the region of the Caucasus to Turkey.¹³⁴¹ The Turkish government has played an important role in the post-conflict phase in this region, by proposing a platform for stability and cooperation in the Caucasus, open to Armenia, Azerbaijan, Georgia and Russia.¹³⁴²

Turkey itself is now the other big question mark in the Italian approach towards the enlargement of the EU. As a recent study by the "International Affairs Institute" underlined, "Italy's traditionally positive attitude towards Turkey's entry into the European Union is unlikely to reverse in the foreseeable future"¹³⁴³. However, even if the prospect of Turkey's membership has received wide bipartisan support at the political and business community level, the Italian public opinion has usually been less favourable toward it, due to its cultural and religious background.¹³⁴⁴ Moreover, in the last few months, even the perspective of the political elite has changed as a consequence of the outcome of the 2008 Italian general elections. In fact, the Lega Nord, which is a eurosceptical and regionalist party, obtained a remarkable success and now controls key Ministries, including the Ministry of the Interior.¹³⁴⁵ In June 2008, the recently appointed Minister of the Interior, Roberto Maroni, presented a resolution to the Italian parliament's "Camera dei deputati" asking the government to call for an interruption of the negotiations on Turkish membership and to

¹³³⁵ E. Alessandri: La partita a scacchi con mosca e i principi dell' Occidente, Affari Internazionali 21 August 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=923> (last access: 25 January 2009).

¹³³⁶ E. Greco: Il rapporto tra la Russia e l'Unione Europea: come rilanciare la cooperazione in vista del rinnovo dell'accordo di partenariato, Discorso tenuto in occasione della IX riunione della grande commissione Italia-Russia, in: camera dei Deputati, Documenti IAI 0830, Roma, 24/25 November 2008, available at: <http://www.iai.it/pdf/DocIAI/iai0830.pdf> (last access: 25 January 2009).

¹³³⁷ M. Comelli: Il nuovo orizzonte orientale dell'Unione Europea, Affari Internazionali, 5 December 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=1018> (last access: 25 January 2009).

¹³³⁸ Ibid.

¹³³⁹ Ibid.

¹³⁴⁰ G. Bochicchio: Stabilità e sicurezza ai confini dell'UE: la Politica Europea di Vicinato, in: Italianieuropei, 3/2008, p.66.

¹³⁴¹ N. Michelidze: Russia e Turchia nel labirinto del Caucaso meridionale, Affari Internazionali, 6 December 2008, available at: <http://www.affarinternazionali.it/articolo.asp?ID=1019> (last access: 25 January 2009); C. Frappi: La Turchia e la Piattaforma per la Stabilità e la Cooperazione nel Caucaso, ISPI Policy Brief 106/2008, available at: http://www.ispionline.it/it/documents/PB_106_2008.pdf (last access: 25 January 2009).

¹³⁴² Ibid.

¹³⁴³ E. Alessandri/E. Canan: "Mamma li turchi!": just an old Italian saying, in: N. Tocci (ed.): Talking Turkey in Europe: towards a differentiated communication strategy, Quaderni IAI English Series, 13/2008, p.11.

¹³⁴⁴ Ibid., pp. 11, 28.

¹³⁴⁵ Ibid, p.12.

support, instead, Turkey's inclusion in the Union for the Mediterranean.¹³⁴⁶ This attitude will probably have an impact on the overall Italian perception of Turkey's entry in the European Union.

It may be noted from this overview that in Italy the debate on the future of the European Union's enlargement is still confined to the intellectual and political level, while the Italian public opinion does not seem to be very informed about it. For this reason, Italians' opinions on this issue are sometimes influenced by prejudices and misperceptions. According to the last Eurobarometer 47 percent of Italians are in favour of further enlargement of the EU. When asked to give their opinion on single possible new candidate states, they were more sceptical: 58 percent are against the inclusion of Turkey and more or less the same percentage are opposed to the accession of the Balkan countries.¹³⁴⁷

ENP and enlargement after 'Georgia'

Latvia*

Latvia remains consistent supporter of ENP and enlargement

Despite the difficult situation in Georgia after the military conflict of August 2008, which will probably have an indirect – possibly also direct – impact on both the European Neighbourhood Policy (ENP) and the enlargement of the Union, Latvia remains a consistent supporter of both the ENP and the idea that the EU should not close its doors to new and worthy members. EU enlargement and the ENP will, in all likelihood, continue to be high-salience topics in Latvia. Evidence for this comes from the public statements of Latvian leaders and the recent policy documents issued by the Ministry of Foreign Affairs.

A policy document on EU enlargement was issued by the Ministry of Foreign Affairs on 29 December 2008.¹³⁴⁸ After an endorsement of

the Union's enlargement in Southeast Europe in general, and the candidacies of Turkey, Croatia and Macedonia in particular, there is an explanation which sheds light not only on Latvia's attitude toward these particular issues, but also on EU enlargement and the ENP in general: "From our own experience, we know how significant the European perspective is for each country's democratic stability, development and well-being of the people. Only close inter-state cooperation within a regional and a European framework can provide them with solidarity, regional development, security and peace. Latvia is ready to assist these countries in their development because it understands the value of such assistance on the road to membership of the EU."¹³⁴⁹

Although the Latvian Ministry of Foreign Affairs has not issued a policy document specifically on the ENP, there is no paucity of official statements on the ENP and related initiatives, which demonstrate Latvia's basic commitment to the ENP and its desire to make the policy more effective and more responsive to those to whom it is addressed. Speaking to the European Parliament on 13 January 2009, President Valdis Zatlers said that "Latvia is and will continue to actively support and implement the European Neighbourhood Policy."¹³⁵⁰ This view is also mirrored in the documents on Latvia's foreign policy priorities during the past and the current EU presidencies. There is an entire section with detailed recommendations on the implementation of the ENP in the compilation of priorities during the French Presidency. The document makes it clear that although Latvia's principal focus is on the EU's Eastern neighbours, it is important that ENP is balanced and develops cooperation also with the EU neighbours to the South.¹³⁵¹ In that spirit, Latvia takes part in the Barcelona Process.

As Minister of Foreign Affairs Māris Riekstiņš noted in his address to the annual conference of Latvian ambassadors on 17 December 2008 in Rīga, from its inception, Latvia has been a

¹³⁴⁶ See: Atto Camera: Risoluzione, in: Assemblea 6/00017, Seduta di annuncio 174, 21 June 2007, available at:

http://banchedati.camera.it/sindacatoispettivo_15/showXhtml.asp?highLight=0&idAtto=13479&stile=6 (last access: 25 January 2009).

¹³⁴⁷ Standard Eurobarometer 69, Spring 2008, available at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_it_exe.pdf (last access: 25 January 2009).

* **Latvian Institute of International Affairs.**

¹³⁴⁸ Latvian Ministry of Foreign Affairs: Eiropas Savienības paplašināšanās, available at:

<http://www.mfa.gov.lv/lv/eu/ES-paplasinasanas/> (last access: 25 January 2009).

¹³⁴⁹ Ibid.

¹³⁵⁰ The full text of President Zatlers speech is available at: <http://www.mfa.gov.lv/lv/Jaunumi/Runas/2009/janvaris/13-1/> (last access: 25 January 2009).

¹³⁵¹ Latvian Ministry of Foreign Affairs: Latvijai būtiskākie jautājumi ārlietu jomā Francijas ES prezidentūras laikā 2008. gada otrajā pusē, available at: <http://www.mfa.gov.lv/lv/eu/Prioritates/FrancijasPrezidentur/> (last access: 25 January 2009).

staunch supporter of the EU Eastern Partnership, and looks forward to its launching in spring 2009 during the Czech EU Presidency.¹³⁵² Likewise, President Valdis Zatlers in his speech to the European Parliament stressed the significance of the Eastern Partnership and endorsed it enthusiastically.¹³⁵³

ENP and enlargement after 'Georgia'

Lithuania*

Continuous support for the EU 'open door' policy

Lithuania has always sustained an 'open door' policy regarding EU enlargement. Speaking about the further enlargement, Lithuanian officials most often concentrate on the EU Eastern neighbours. As it is laid down in the programme of the new government, Lithuania will support the efforts of Ukraine, Moldova and the states of Southern Caucasus to integrate in to the EU.¹³⁵⁴ Lithuanian Foreign Affairs Minister, Vygaudas Ušackas, emphasized that "it is necessary to keep the EU obligations for the countries, aspiring membership in the EU. At the same time it is essential to help the EU eastern neighbours to prepare for it properly".¹³⁵⁵

There should be no impediments for the further enlargement of the EU

According to the Lithuanian politicians, there should be no impediments for the EU enlargement, and the Irish 'No' should not stop this process. Earlier, former Lithuanian Prime Minister, Gediminas Kirkilas, said that there is an enlargement fatigue felt somewhere in Europe, but he encouraged not to give up to

this political fatigue.¹³⁵⁶ The then state secretary of the Lithuanian Foreign Affairs, Ministry, Deividas Matulionis, after the Irish 'No' to the Lisbon Treaty, said that this fact should not become an impediment for the further enlargement of the EU.¹³⁵⁷ As the former Lithuanian Foreign Affairs Minister, Petras Vaitiekūnas, claims, "we have to do everything to provide a transatlantic perspective to our Eastern neighbours, so that the Georgian scenario would not repeat".¹³⁵⁸

Support for enlargement not only among the politicians, but also in the society

In concern to the public opinion, the majority of Lithuanians also favour further EU enlargement. As the Lithuanian Foreign Affairs Minister Vygaudas Ušackas claimed to the European Commissioner for enlargement, Olli Rehn, different public opinion surveys indicate that Lithuanians are among the biggest supporters of the further enlargement of the EU.¹³⁵⁹ A recently conducted national public opinion survey demonstrated, that 59 percent of Lithuanians think that the new members should be allowed to join the European Union, while only 13 percent of the respondents do not agree with this statement.¹³⁶⁰

¹³⁵⁶ The lecture of the Prime Minister Gediminas Kirkilas at the "NATO College of Defense" in Rome: Challenges for the security of the transatlantic society in the 21. century, 2 October 2008, is available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6645 (last access: 25 January 2009).

¹³⁵⁷ Lithuanian Foreign Affairs Ministry: Ministerijos valstybės sekretorius su Rumunijos Parlamento Europos reikalų komiteto nariais aptarė aktualius Europos Sąjungos klausimus (The Secretary of the Ministry has discussed the topical EU issues with the members of the Committee on European Affairs of the Rumanian Parliament), press release, 2 July 2008, available at: <http://www.urm.lt/index.php?-605769503> (last access: 25 January 2009).

¹³⁵⁸ See: Naujas Šiaurės ir Baltijos valstybių vaidmuo, stiprinant ES Rytų kaimynių transatlantinę integraciją (New role of the Nordic and Baltic states in strengthening the transatlantic integration of the EU Eastern neighbours), 11 September 2008, available at: <http://www.euro.lt/lt/naujienos/apie-lietuvas-naryste-europos-sajungoje/naujienos/4137/> (last access: 25 January 2009).

¹³⁵⁹ Lithuanian Foreign Affairs Ministry: Užsienio reikalų ministras susitiko su Europos Sąjungos plėtros komisaru (Foreign Affairs Minister has met the European Union Commission member responsible for enlargement), press release, 27 January 2009, available at: <http://www.urm.lt/index.php?-343207303> (last access: 28 January 2009).

¹³⁶⁰ Lithuanian government: Viešosios nuomonės tyrimas: didžiojo tūrimo turėdami valstybę, esame žingeidūs, kritiškai ir atviri (Public opinion survey: we are proud to have a state, we are curious and open), press release, 1 July 2008, available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6374 (last access: 25 January 2009).

¹³⁵² The full text of the speech is available at: <http://www.mfa.gov.lv/lv/Jaunumi/Runas/2008/decembris/17-1/> (last access: 25 January 2009).

¹³⁵³ The full text of President Zatlers speech is available at: <http://www.mfa.gov.lv/lv/Jaunumi/Runas/2009/janvaris/13-1/> (last access: 25 January 2009).

* Institute of International Relations and Political Science, Vilnius University.

¹³⁵⁴ Ibid.

¹³⁵⁵ Lithuanian Foreign Affairs Ministry: Lietuvos užsienio reikalų ministras su Europos Komisijos plėtros reikalų generaliniu direktoriumi aptarė ES plėtros klausimus (Lithuanian Foreign Affairs Minister has discussed the issues of the EU enlargement with the General Director of the European Commission for enlargement affairs), press release, 25 January 2009, <http://www.urm.lt/index.php?-1068680572> (last access: 25 January 2009).

Lithuania most of all would like to see Ukraine and Georgia in NATO

Lithuanian officials also favour an open door policy when speaking about the NATO enlargement. It is usually Ukraine and Georgia whose membership in NATO is most actively discussed in Lithuania. Giving a lecture at the "NATO Defense College in Rome", the former Lithuanian Prime Minister, Gediminas Kirkilas, said that Georgia and Ukraine deserve a NATO Membership Action Plan.¹³⁶¹ The new government, formed after the autumn elections to the Lithuanian parliament, declared in its programme, that Lithuania would support Ukrainian and Georgian efforts to prepare to become members of NATO in a short run.¹³⁶²

Strong support for different initiatives to strengthen relations with the EU Eastern neighbours

Lithuania supports different EU initiatives to foster and strengthen relations with the EU Eastern neighbours, and this is one of the most actively discussed issues in the Lithuanian European agenda. Lithuania's historic experience with the EU Eastern neighbours allows Lithuania to make a significant input in this area of EU policy.

Before the December European Council, speaking about the Eastern Partnership, the government declared that it supports the new initiatives for strengthening the relations with the EU Eastern neighbours.¹³⁶³ Lithuanian President Valdas Adamkus supposes that during Czech Presidency Lithuanians should keep on seeking the development of the ambitious, efficient and wide Eastern Partnership.

¹³⁶¹ The lecture of the Prime Minister Gediminas Kirkilas at the "NATO College of Defense" in Rome: Challenges for the security of the transatlantic society in the 21. century, 2 October 2008, is available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6645 (last access: 25 January 2009).

¹³⁶² See: Vyriausybės programa: užsienio politikoje siekti ES solidarumo, partnerystės su JAV, geros kaimynystės su Rusija (The programme of the government: to seek for the EU solidarity, partnership with the USA and good neighbourhood with Russia in foreign policy), 4 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4775/> (last access: 25 January 2009).

¹³⁶³ Lithuanian government: Premjeras A. Kubilius pristatys Lietuvos pozicijas Europos Vadovų Taryboje (Prime Minister A. Kubilius will present the Lithuanian positions in a European Council meeting), press release, 11 December 2008, available at: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6912 (last access: 25 January 2009).

A stronger European Neighbourhood Policy is necessary after the Georgian conflict

In the programme of the new government, it is stated that Lithuania will demonstrate initiative and will keep on conducting an active Eastern neighbourhood policy.¹³⁶⁴ There is an agreement in Lithuania that after the Georgian conflict, this policy should be strengthened. As the undersecretary of the Lithuanian Foreign Affairs Ministry, Žygimantas Pavilionis, claimed that – after the Georgian conflict a more proactive EU policy towards its Eastern neighbourhood is necessary.¹³⁶⁵ Speaking in a meeting of the EU Foreign Affairs Ministers, former Lithuanian Foreign Affairs Minister, Petras Vaitiekūnas, has also emphasized an imperative to adopt all the necessary decisions to strengthen the EU relationship with Ukraine, Moldova, Georgia and Belarus. According to the minister, it is essential to consider seriously the perspective of Ukrainian membership in the EU, to give new quality to the EU-Moldavian relations, and to reevaluate the relationship with Belarus.¹³⁶⁶

Recently adopted "Strategic directions of the Lithuanian policy in the European Union for the year 2008-2013"¹³⁶⁷, which give a perspective on the Lithuanian European priorities in a short run, also pays much attention to the issue of the EU Eastern neighbourhood. It is claimed in this document, approved by the Lithuanian

¹³⁶⁴ See: Vyriausybės programa: užsienio politikoje siekti ES solidarumo, partnerystės su JAV, geros kaimynystės su Rusija (The programme of the government: to seek for the EU solidarity, partnership with the USA and good neighbourhood with Russia in foreign policy), 4 December 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4775/> (last access: 25 January 2009).

¹³⁶⁵ Lithuanian Foreign Affairs Ministry: Konferencijoje Europos Sąjunga raginama vykdyti aktyvesnę politiką Moldovos ir kitų Rytų kaimynių atžvilgiu (In the conference European Union is stimulated to conduct a more proactive policy towards Moldova and other Eastern neighbours), press release, 17 October 2008, available at: <http://www.urm.lt/index.php?417973118> (last access: 25 January 2009).

¹³⁶⁶ Lithuanian Foreign Affairs Ministry: Užsienio reikalų ministras: atėjo laikas priimti esminius sprendimus dėl santykių su Europos Sąjungos Rytų kaimynėmis (Foreign Affairs Minister: the time has come to make essential decisions upon the relationships with the EU Eastern neighbours), press release, 8 September 2008, available at: <http://www.urm.lt/index.php?41315342569> (last access: 25 January 2009).

¹³⁶⁷ See: Lietuvos "penkmečio planas": eurozona, elektros tildai, pažabota emigracija ir aukštųjų technologijų suklestėjimas (Lithuanian "five year" plan: Eurozone, electricity interconnections, managed emigration and the prosperity of the high-technologies), 29 September 2008, available at: <http://www.euro.lt/lt/nauijenos/apie-lietuvas-naryste-europos-sajungoje/nauijenos/4278/> (last access: 25 January 2009).

government, that Lithuania should continue on paying much attention to the EU Eastern neighbours – it should aspire to facilitate visa regimes for Georgia and Belarus, and should actively stimulate the EU to find ways to solve frozen conflicts in Moldova and the Southern Caucasus.¹³⁶⁸

ENP and enlargement after 'Georgia'

Luxembourg*

Caution advised concerning provocation of Russia, Georgia not yet ready for NATO

In accordance with his friend and colleague, the German Foreign Affairs Minister Frank-Walter Steinmeier, Luxembourg's Foreign Affairs Minister Jean Asselborn, warns the EU to decide about an isolation of Russia after its invasion of Georgia. He proposes to use the OSCE framework to find a peaceful solution to the conflict.¹³⁶⁹ On another occasion, Asselborn considered the NATO-Russia Council to be the right instrument to deal with the crisis. Luxembourg does not oppose the principle of a Georgian NATO membership, but prefers a step-by-step approach in the process leading to membership.¹³⁷⁰ In a parliament debate on the aftermath of the Georgian war, speakers of all parties regretted the Russian way of acting. Although they sympathise a little bit with small Georgia, they warn their partners about admitting Georgia into NATO in the near future. The Christian Democrat¹³⁷¹ speaker Laurent Mosar, the Liberal party group¹³⁷² leader Charles Goerens and his Socialist¹³⁷³ counterpart Ben Fayot, supported the Foreign Affairs Minister's position. Jean Huss, the Green party¹³⁷⁴ speaker on foreign affairs, just like his colleagues, acknowledged the quick European response, but blamed the West and especially the Bush administration's policy: the potential NATO membership of Georgia, the missile defence system in Central Europe and the recognition of the Kosovo independence could only be interpreted as a provocation for

Moscow.¹³⁷⁵ On the other hand "Luxembourg cannot accept the declaration of independence of South Ossetia and Abkhazia recognized by the Russian government"; Juncker tells socialist newspaper "Tageblatt": "This step does not make life easier for Russia's friends, and Luxembourg is among them"¹³⁷⁶. The Communist newspaper editorialist seems to build a kind of "unholy alliance" with the Christian Democrat MP Laurent Mosar, who warned Foreign Minister Asselborn in vain in February 2008, when he urged Parliament to recognize the independent Kosovo.¹³⁷⁷ The conservative newspaper, "Luxemburger Wort", seems to express a general feeling of the Luxembourg population: "The laws of geopolitics rule out an extension of the alliance."¹³⁷⁸ But a more active European Neighbourhood Policy is not only acceptable, but a must. The Young Greens¹³⁷⁹ regret the passivity of the Luxembourg diplomacy in the Caucasus, which leaves the floor to a 'hyperactive' French President.¹³⁸⁰

ENP and enlargement after 'Georgia'

Malta*

Mediterranean section of the ENP in focus

Malta's interest in the future evolution of the European Neighbourhood Policy (ENP) is primarily focused on the southern dimension of the ENP, that is, the Mediterranean. Thus, Malta wholeheartedly supported that French initiative to establish a Union for the Mediterranean.

The conflict between Russia and Georgia however also focused Malta's attention to the fact that more effort needs to be dedicated to projecting stability to the EU's eastern borders. Twenty years after the end of the Cold War Summit in Malta in December 1989 between President George H. W. Bush and President Mikhail Gorbachev it is clear that the ENP

¹³⁶⁸ Ibid.

* Centre d'Etudes et de Recherches Européennes Robert Schuman.

¹³⁶⁹ Lëtzebuurger Journal: EU will Engagement im Kaukasus verstärken, 14 August 2008.

¹³⁷⁰ Luxemburger Wort: In beängstigende Spirale geraten, 22 August 2008.

¹³⁷¹ Chrëschtlech Sozial Vollekspartei.

¹³⁷² Demokratesch Partei.

¹³⁷³ Lëtzebuurger Sozialistesche Aarbechterpartei.

¹³⁷⁴ Déi gréng.

¹³⁷⁵ Chambre des Députés: Compte-rendu des séances publiques, 11 November 2008.

¹³⁷⁶ Tageblatt: Für Luxemburg "strikt inakzeptabel", 27 August 2008.

¹³⁷⁷ Zeitung vum Lëtzebuurger Vollek: Retourkutsche Kosovo, 28 August 2008.

¹³⁷⁸ Luxemburger Wort: Kaukasische Gretchenfrage, 19 September 2008.

¹³⁷⁹ Déi jonk gréng.

¹³⁸⁰ Lëtzebuurger Journal: EU will Engagement im Kaukasus verstärken, 14 August 2008.

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needs to continue to serve as a mechanism that seeks to integrate non-EU states closer to the EU.

Croatia must join and fast

Malta continues to advocate that membership to the EU for Croatia should take place in the shortest time frame possible. Apart from being beneficial for Croatia, this will also help to boost stability across the Balkans. Membership for other candidates does not receive much attention during this period.

NATO and the Partnership for Peace

Malta's interest in NATO remains limited to the Partnership for Peace (PfP) mechanism, which Malta re-joined in April 2008 – (Malta had withdrawn its membership from PfP in 1996). Malta is currently preparing a work programme under the PfP framework which it hopes to start implementing in 2009. Malta's membership of the PfP now allows it to participate in EU/NATO discussions, and Malta believes that closer cooperation between both organizations is mutually beneficial although Malta maintains its stance of neutrality when it comes to participating in any military missions.

ENP and enlargement after 'Georgia'

Netherlands*

The future of the European Neighbourhood Policy (ENP) and enlargement

The Netherlands considers it important to itself and the EU to be surrounded by a ring of prosperous and democratic neighbours.¹³⁸¹ In a national context, it promotes this goal through initiatives such as the Matra Social Transformation Programme and the Ministry of Economic Affairs' PSI programme.¹³⁸² Stabilisation of the eastern neighbourhood is relatively high on the Dutch policy agenda. Needless to say, this cannot be explained by geographical reasons. Instead, considerations about eastern countries being potential trading partners, as well as energy transporters,

provide the incentive to engage with this region.

The Netherlands is of the strong opinion though that stabilisation does not require a membership perspective, and considers the ENP not to be about enlargement. Rather, it provides an alternative. It believes that both the eastern ENP countries and the EU are not ready for enlargement.¹³⁸³ The government is especially concerned about the public opinion. Fear for more countries joining the 'club' was one of the reasons why the Dutch population voted 'No' in the referendum on the Constitutional Treaty.¹³⁸⁴

The government has given thought to other forms of partnerships for the six eastern countries, which in theory are eligible for membership but currently lack such a perspective. It supports the idea of a so-called "partenariat"; an intensive, tailor-made relationship with the EU within which the ENP "reaches its full potential".¹³⁸⁵ In the eyes of the government, the future of the ENP lies in constituting a framework for these kinds of partnerships. Conveniently they, at the same time, keep attention away from enlargement.

The Netherlands considers the newly proposed Eastern Partnership to be an actual example of what a "partenariat" might entail, and has consequently shown support for the initiative. It believes the policy to be an effective catalyst for reform with regard to the eastern neighbours. It is happy though that a membership perspective has been excluded from the European Commission's proposal.¹³⁸⁶

The government has witnessed a trend in the ENP towards differentiation which it very much welcomes, and of which it hopes to see more in the future. For those countries that have shown significant progress, there is now a broad range of options to further strengthen their ties with Europe. Where in the beginning, the ENP involved mainly the action plans, now there is the possibility of incorporating (parts of) the *acquis*, establishing deep and

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¹³⁸¹ Staat van de Europese Unie 2008-2009, Tweede Kamer, vergaderjaar 2008-2009, 31 702, nrs. 1-2, 16 September 2008; Raad Algemene Zaken en Externe Betrekkingen, Tweede Kamer, vergaderjaar 2008-2009, 21 501-02, nr. 859.

¹³⁸² PSI stands for Private Sector Investment.

¹³⁸³ Kamerbrief betreffende notitie inzake het Europees Nabuurschapsbeleid, 28 July 2008; BNC-fiche 10: Mededeling inzake het Oostelijk Partnerschap, 7 January 2009.

¹³⁸⁴ See e.g.: Kees Aarts and Henk van der Kolk (eds.): *Nederlanders en Europa; het referendum over de Europese grondwet*, Amsterdam 2005.

¹³⁸⁵ Kamerbrief betreffende notitie inzake het Europees Nabuurschapsbeleid, 28 July 2008; see also: Kamerbrief over de notitie inzake het partenariaat, 14 May 2008.

¹³⁸⁶ BNC-fiche 10: Mededeling inzake het Oostelijk Partnerschap, 7 January 2009.

comprehensive free trade agreements, as well as participating in European agencies and cooperation in the field of the Common Foreign and Security Policy.¹³⁸⁷

For the Netherlands, the conflict in Georgia of last August has reaffirmed the need for profound relations with the eastern neighbourhood. Modernisation of Georgia is considered to be vital for the security of the region as a whole and Europe. Although hesitantly, it has been indicated by the government that Russian opposition to eastern countries becoming EU members, contributes to the Dutch opposition to eastern enlargement. Foreign Minister Verhagen has stated that partnership rather than membership is more desirable as "this is more acceptable to Russia (less emphasis on incorporation into the EU and spheres of influence)".¹³⁸⁸

Even though the future of the ENP is of relatively high salience to the Dutch government, the issue is not often dealt with in the Dutch media. What is covered more extensively, is enlargement *outside* the context of the ENP, namely with regard to the (potential) candidate countries.

The government's approach towards membership for the (potential) candidate countries is cautious. This can again be explained by public opposition to further enlargement. A national opinion poll conducted in 2007 showed that 59 percent disagrees with the statement that 'the EU should let more countries join' and that 49 percent believes that 'the EU has become too big'.¹³⁸⁹

Even though the government "sticks to agreements already made with candidate countries", it puts strong emphasis on the requirement that all conditions should be met before these countries can become members. It identifies this policy as "strict but fair".¹³⁹⁰ It specifically attaches importance to the fulfilment of the political Copenhagen criteria.

The Netherlands considers 'the pace of approximation to the EU' to be dependent on the extent to which the necessary reforms are implemented by the (potential) candidate countries. In this light, it is opposed to naming specific dates for (steps towards) membership. The fact that the Commission, in its "Enlargement Strategy and Main Challenges 2008-2009"¹³⁹¹, indicates 2009 as the year for new steps in the enlargement process of Serbia and Croatia, was very critically received by the government.¹³⁹² It was satisfied that this objection was later reflected in the conclusions of the General Affairs and External Relations Council of 8 and 9 December 2008, in which the date was no longer mentioned.

The Netherlands also strongly believes that the EU itself should be institutionally ready, before any new members join. The government has indicated to have a strong political preference for the Lisbon Treaty to be adopted first, before further enlargement takes place.¹³⁹³

The country that has been covered by the Dutch media most is Serbia. The Netherlands, together with Belgium, blocks the entering into force of the (already signed) Stabilisation and Association Agreement. It is willing only to lift this block when Serbia cooperates fully with the International Tribunal for the Former Yugoslavia (ICTY) in The Hague. The Netherlands believes this not to be the case at the moment. Foreign Minister Verhagen has indicated that Serbia needs to better protect witnesses of the ICTY as well as cooperate in the arrest of suspected war criminals Mladić and Hadžić.¹³⁹⁴

Media attention has also been given to Croatia's membership process. At present, the Netherlands considers the country not ready to join the EU. Minister for European Affairs, Timmermans, has stressed that Croatia has to cooperate with the ICTY with regard to getting access to documents that the Tribunal needs

¹³⁸⁷ Staat van de Europese Unie 2008-2009, Tweede Kamer, vergaderjaar 2008-2009, 31 702, nrs. 1-2; Staat van de Europese Unie 2007-2008, Tweede Kamer, vergaderjaar 2007-2008, 31 202, nr. 29.

¹³⁸⁸ Raad Algemene Zaken en Externe Betrekkingen, Tweede Kamer, vergaderjaar 2008-2009, 21 501-02, nr. 859.

¹³⁸⁹ Europese Verkenning 6, Europa's bureu, Sociaal en Cultureel Planbureau, Den Haag 2008.

¹³⁹⁰ Staat van de Europese Unie 2008-2009, Tweede Kamer, vergaderjaar 2008-2009, 31 702.

¹³⁹¹ European Commission: Enlargement Strategy and Main Challenges 2008-2009, COM(2008) 674 final, 5 November 2008, available at: http://ec.europa.eu/enlargement/pdf/press_corner/key_documents/reports_nov_2008/strategy_paper_incl_country_conclu_en.pdf (last access: 26 February 2009).

¹³⁹² Kamerbrief inzake de geannoteerde agenda RAZEB van 8 en 9 december 2008, 28 November 2008.

¹³⁹³ Appreciatie Uitbreidingspakket Europese Unie, Brief van de Minister en de Staatssecretaris van Buitenlandse Zaken, Tweede Kamer, vergaderjaar 2008-2009, 23 987, nr. 93.

¹³⁹⁴ NRC Handelsblad: Servië vraagt lidmaatschap EU aan (Serbia applies for EU membership), 2 January 2009.

in the case against ex-general Gotovina.¹³⁹⁵ It also needs to undertake reforms in the field of the judiciary and competition, according to the Netherlands.

Recently, there has been some media coverage of the possible interest of Iceland to join the EU.¹³⁹⁶ The country, and its deploring economic situation, is followed closely by Dutch press after the bankruptcy of its banking sector. This also negatively affected Dutch consumers and local authority who put their savings on Icelandic banks, such as through the popular "Icesave" branch, which entered the market only recently, whilst promising high interest rates. Enlargement with Iceland does not provoke questions with regard to a negative public opinion, neither is it expected to be difficult since the country through the European Economic Area agreement, has already incorporated the vast majority of the *acquis communautaire*.

NATO – Georgia and Ukraine not ready for membership

As became clear during the NATO meeting in December last year, the Netherlands is opposed to offering Membership Action Plans (MAPs) to Georgia and Ukraine. It believes that at this stage, it is premature to take such a step. In the Dutch view, far-reaching reforms are needed before the countries are ready to receive a membership perspective. Georgia still needs to push through major reforms in the areas of foreign and security policy, press freedom and the independence of the judiciary.¹³⁹⁷ With regards to Ukraine, the Netherlands is worried about the internal political situation and the lack of support for membership amongst a big part of the population.¹³⁹⁸

Foreign Minister Verhagen has indicated that if a country joins NATO while it is not ready, the alliance could be undermined. He does not support the argument of some countries that a MAP-status is the key to stimulating the

necessary reforms. He believes this to work the other way around.¹³⁹⁹ The government was satisfied with the agreement of the NATO meeting in December to intensify support for reforms in the framework of the NATO-Georgia and NATO-Ukraine Commissions.

NATO enlargement receives more attention in the media than the future of the ENP. Opinion makers generally agree with the position of the Dutch government on the matter, but are often more outspoken about the need to take into careful consideration the role of Russia in the eastern neighbourhood.¹⁴⁰⁰

ENP and enlargement after 'Georgia'

Poland*

Georgian-Russian conflict: Poland's concerns with Russia

The Georgian-Russian conflict was carefully observed in Poland and arouse keen interest among politicians, political commentators, the public opinion and media, who in turn were following with deep interest the EU reaction and in particular the position of the French Presidency.

In the opinion of both the society and the politicians, one can observe the conviction that Russia's actions towards Georgia not only constitutes threat for Georgian sovereignty, but also marks the beginning of the wider-scale Russian offensive meant to subordinate former Soviet republics and the entire area of the former Soviet Block. This conflict has been seen as an important factor for the future development of EU-Russian relations, the European Neighbourhood Policy, as well as EU and NATO enlargement to the East.

One can observe a certain correspondence between these opinions – regardless of political option – as well as some, yet minor

¹³⁹⁵ NRC Handelsblad: Timmermans: Kroatië niet rijp voor EU-lidmaatschap (Timmermans: Croatia not ready for EU membership), 4 December 2008.

¹³⁹⁶ NRC Handelsblad: IJsland kan in 2011 bij EU (Iceland may join the EU in 2011), 30 January.

¹³⁹⁷ Press release of the Ministry of Foreign Affairs on 28 November 2008, available at: <http://www.minbuza.nl/en/news/newsflashes.2008/11/Verhagen-says-NATO-enlargement-premature.html> (last access: 22 January 2009).

¹³⁹⁸ Trouw: Verhagen: 'Oekraïne en Georgië niet klaar voor NAVO' (Verhagen: Ukraine and Georgia not ready for NATO), 27 November 2008.

¹³⁹⁹ Press release of the Ministry of Foreign Affairs on 28 November 2008, available at: <http://www.minbuza.nl/en/news/newsflashes.2008/12/Ukraine-and-Georgia-not-ready-for-new-step-to-NATO.html> (last access: 22 January 2009).

¹⁴⁰⁰ See e.g.: Jaap de Zwaan: Europa moet relatie met Rusland koesteren (Europe needs to cherish relationship with Russia), De Volkskrant, 20 August 2008; Thomas von der Dunk: Saakasjvili maakt NAVO-uitbreiding onmogelijk (Saakasjvili makes NATO enlargement impossible), De Volkskrant, 19 September 2008.

* **Foundation for European Studies - European Institute.**

differences – regarding more or less drastic sanctions against Russia. We can observe a common understanding about the necessity of Georgia being accepted as a member of the EU and NATO, but also there is an agreement about the fact that the perspective of membership in both organizations may be delayed due to the Russian-Georgian conflict in the situation of lack of will on the side of the Western members of both organizations.

Government position

After the incident on the Georgian border with participation of the Polish President Lech Kaczyński, the Minister of Foreign Affairs, Radosław Sikorski – concluded that “this fact should not however mean that the EU-Russia talks regarding new cooperation agreement should be blocked. This is not in Poland's interest”.¹⁴⁰¹

On 13 September 2008, during the Conference *What Europe for Christianity? What Christianity for Europe?*, Władysław Bartoszewski, Prime Minister plenipotentiary for international dialogue, stated that in his view, the main challenges facing the EU are: striving for increase of welfare and security for the citizens as well as the community enlargement strategy.¹⁴⁰²

In the opinion of the Polish government, Europe should try to bring the Eastern neighbours closer to the EU (among others via “Organization for Democracy and Economic Development” (GUAM)), which could constitute an “alternative for Russian proposals [...] Poland would like to see timely implementation of the Eastern Partnership concept”. Poland stands on the position that the Council should instigate the European Committee to work out the concrete projects within the Partnership. Prime Minister Tusk supported the idea of concluding an association agreement with Georgia.¹⁴⁰³

Experts opinions

According to the Polish Press Agency on 4 December 2008, an independent Polish

member of the parliament, former President of the Sejm¹⁴⁰⁴ Foreign Affairs Committee, Paweł Zalewski, stressed that the key to solving the political Russian-Georgian conflict lies in Europe and that “current EU policy vis-à-vis Russia will certainly not be shape as before the conflict”.¹⁴⁰⁵

Media

The Polish press noted that during the NATO Summit in Brussels on 19 August 2008, the ministers limited their activities only to the presentation of solidarity gestures towards Georgia in relation with the Russian-Georgian conflict. There was no declaration on future membership of Georgia and Ukraine in the NATO.¹⁴⁰⁶ The same tone of skepticism with some undertones of complaint could be heard regarding the position of the EU vis-à-vis Georgia. The publicist of “Tygodnik Powszechny” weekly expressed the opinion that “the Union does not have today a policy vis-à-vis Russia”, while one of the goals – successfully attained – of the Russian aggression against Georgia was to block Georgian aspirations to become a member of NATO and EU.¹⁴⁰⁷

After the summit, a commentator from “Gazeta Wyborcza”, daily stated that Poland should be “a guardian” of NATO's pledge of entry to the alliance “one day” and the “Eastern conscience”.

ENP and enlargement after 'Georgia'

Portugal*

Future enlargement after 'Georgia' shows decline in popular support

The military conflict in Georgia was followed in the press – namely with correspondents being sent to the war zone.¹⁴⁰⁸ But it did not generate a great deal of public attention or any in-depth debate, namely in terms of its possible

¹⁴⁰⁴ Lower house of the Polish Parliament

¹⁴⁰⁵ European Service by Polish Press Agency PAP, 14 December 2008, available at: www.europap.com.pl (last access: 25 January 2009).

¹⁴⁰⁶ “Dziennik” Daily on 20 August 2008.

¹⁴⁰⁷ Wojciech Pieciak “Unia nie ma planu” [Union does not have a plan], “Tygodnik Powszechny” Weekly 20 August 2008.

* Institute for Strategic and International Studies.

¹⁴⁰⁸ See e.g. <http://www.rtp.pt> (Public TV): Geórgia/Rússia: Durão Barroso recusa regresso à guerra fria e apela à manutenção das cabeças frias, available at: <http://www.rtp.pt> (last access: 6 September 2008).

¹⁴⁰¹ European Service by Polish Press Agency PAP, 14 November 2008, available at: www.europap.com.pl (last access: 25 January 2009).

¹⁴⁰² European Service by Polish Press Agency PAP, 13 September 2008, available at: www.europap.com.pl (last access: 25 January 2009).

¹⁴⁰³ Brussels, Summit on Georgia, 1 September 2008, available at: www.europap.com.pl (last access: 25 January 2009).

repercussions for the European Neighbourhood Policy (ENP) and enlargement of the EU. These are not high salience issues in Portugal, since they tend to be relatively consensual.

Official positions of the government regarding the enlargement of the EU have, in line with public sentiment as expressed in successive polls, traditionally been favourable to enlargement. This persistent trend seems to be based largely on normative preferences, for giving other European countries following the path to democratization and economic development the same opportunities that the young Portuguese democracy had in the 1980s and 1990s. Still it is worth noting that for the first time the polls seem to show a trend towards a decline of popular support for future enlargement of the EU.¹⁴⁰⁹

This may be a reversible consequence of the economic crisis – if the latter does not prove enduring and profound – but it may also reflect a deeper change as a result of the fading memories of Portuguese transition to democracy. Perhaps more important at the level of the political elites traditionally favourable to the EU and enlargement is the on-going impasse regarding the ratification of the Lisbon Treaty. The convergence of these factors may well lead to a more cautious Portuguese position regarding future enlargement, particularly regarding countries that are part of the ENP, like Georgia, but have not been promised membership. However, the promises made to countries like Croatia, and others in the Western Balkans, as well as Turkey, tend to be seen as beyond the point of no return, and in effect essential for ensuring present and future European security. That is not the case of the Caucasus.

NATO enlargement is a theme that has deserved very little public attention and debate so far. But the official position tends to be cautious as a result of the concern that this will lead to greater tensions with Russia, which are seen as undesirable for European security, foremostly in terms of energy security. Still there is no sympathy for what many see as Russian bullying of smaller countries; analysts, however, have also pointed to the policy of the

Bush administration regarding Georgia, in particular, as unhelpful and probably having encouraged, even if inadvertently, imprudent Georgian actions. There was therefore support for the mediation of the French Presidency, which was seen as concrete evidence that a more balanced and positive action in the region was possible, and that it was the best strategy for Europe. In terms of analysis, the interest for the crisis tended to be concentrated mostly on the think tanks that have a research interest on the matter.¹⁴¹⁰

ENP and enlargement after 'Georgia'

Romania*

Coping with security threats: a challenge for the European Neighbourhood Policy

The conflict in Georgia shifted back attention from the subtleties of the European Neighbourhood Policy (ENP) – instrument diversification, liberal principles of openness and trust building – to one of its fundamental, hard power related principles: security.

Insofar as security is one of the key dimensions of the ENP, as underlined by the former Romanian Minister of Foreign Affairs, Lazăr Comănescu, the ENP action plans are seen as "instruments that we have at our disposal for pursuing our security policy in the neighbourhood"¹⁴¹¹. From this perspective, the conflict in Georgia raises a threat to the security of the Eastern neighbourhood of the EU and thus to the EU itself. The Romanian President, Traian Băsescu, translated this European security threat in terms of national interest: "Romania is extremely interested in its own security and the events that take place in the Black Sea area, occurrences or developments that might directly affect both the state of Romania's security and the economic developments, especially the energy related ones"¹⁴¹².

The looming threat in terms of security is basically the issue of frozen conflicts, identified

¹⁴⁰⁹ See Bruno C. Reis/Mónica S. Silva: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 7, September 2008, Berlin, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_7.pdf (last access: 25 January 2009).

¹⁴¹⁰ See e.g. Gina Soares: A União Europeia no conflito entre a Geórgia e a Rússia, available at: <http://www.ieei.pt> (last access: 20 December 2008).

* European Institute of Romania.

¹⁴¹¹ Lazăr Comănescu: Keynote address on the occasion of the International Conference on Neighbourhood Policy "A Common Approach to the Neighbourhood", 28 June 2008, Warsaw.

¹⁴¹² See: <http://www.presidency.ro/?RID=det&tb=date&id=10151&PRID=ag> (last access: 20 January 2009).

as such by members of various political parties and different analysts, and it is this issue that needs to be addressed when considering future guidelines for the ENP. Iulian Chifu, director of the "Centre for Conflict Prevention and Early Warning", believes in the need for a deeper EU commitment in the enlarged Black Sea area as well as in the need for a broader EU approach as far as the frozen conflicts in the area are concerned, as opposed to one centred on Georgia alone.¹⁴¹³ Titus Corlăţean, MEP for the PSD,¹⁴¹⁴ touched on the same need for a more visible EU in the region, in the context of an "ENP reconfiguration" from a political, economic but also a security point of view.¹⁴¹⁵ A press release of the "National Supreme Defence Council" meeting from 9 August 2008 underlines how "Romania has repeatedly warned about the risk posed by these conflicts in terms of regional security"¹⁴¹⁶.

In a classical interpretation of security in terms of proximity, frozen conflicts in the Eastern neighbourhood of the EU are a source of insecurity for Romania because Romania is bordered to the East by the Republic of Moldova, a country troubled by its frozen conflict in Trans-Dniester. This perspective was embraced by the Romanian President at the end of his two-day diplomatic 'tour de force' (between 20 and 22 August 2008) in the Ukraine, the Republic of Moldova, Azerbaijan, Georgia and Turkey; a visit aimed at establishing the impact of the conflict in Georgia on the region and implicitly its possible consequences as regards Romania. Notably, three of the visited countries, all included in the ENP, struggle to cope with frozen conflicts.

Incidentally, it seems that the recipe used in solving these conflicts needs to abide by the principle of respect for the sovereignty and territorial integrity of states. This can be safely assumed since these rules of international law appear in the Romanian position (as expressed by the "National Supreme Defence Council") regarding a solution for the conflict in Georgia and are consistent with the previous stance on the issue of Kosovo.

Moreover, as Luca Niculescu, journalist and host of the "Europe Watches Us" TV show notices, the Romanian authorities have proved 'cautious' when talking about the Georgian crisis and its implications, and have certainly tried to avoid being contentious towards Moscow: "Bucharest has not condemned Moscow in harsh terms, it did not join the Baltic-Polish axis (which includes Kiev), but merely called for the need to respect Georgia's territorial integrity and put an end to violence"¹⁴¹⁷. The key to the Romanian message lies in the connection between the nature of the conflict in Georgia and that of the conflict in Trans-Dniester on the one hand, and that of the very sensitive relation between Moldova and Romania on the other, in which case "a statement formulated in radical terms would have shifted the delicate balance of the in the relationship between Bucharest and Chişinău"¹⁴¹⁸.

The main point of reference for Romania in the discussion about the ENP is the Republic of Moldova, which sought tighter relations with Romania in the second half of 2008, amid the traditional periodic ups and downs of the Romanian-Moldovan relationship. The visit of the former Romanian Foreign Affairs minister Lazăr Comănescu in Moldova in July – the first of such a high-ranking Romanian official in Chişinău in well over two years – is a signal that Moldova seeks a rapprochement. A signal which has been nevertheless interpreted in pragmatic terms in the Romanian media: "Romania becomes interesting for the Republic of Moldova only when it can act as a promoter for various Western interests that Chişinău might have."¹⁴¹⁹

Following the conflict in Georgia and the similarities emphasized between the situation in South Ossetia and the one in Trans-Dniester,¹⁴²⁰ the then Prime Minister Călin Popescu-Tăriceanu, voiced the need for a "common position of the European states on

¹⁴¹³ See: <http://www.pndro.ro/stiriext.php?id=5925> (last access: 18 January 2009).

¹⁴¹⁴ Social Democratic Party - Partidul Social Democrat (PSD).

¹⁴¹⁵ See: <http://www.pndro.ro/stiriext.php?id=5925> (last access: 18 January 2009).

¹⁴¹⁶ See: <http://csat.presidency.ro/index.php?page=cp&cp=37> (last access: 18 January 2009).

¹⁴¹⁷ See Luca Niculescu: De ce ne interesează Georgia ("Why are we interested in Georgia"), Dilema Veche, 14-20 August 2008, available at: <http://www.dilemaveche.ro/index.php?nr=235&cmd=articol&id=8865> (last access: 18 January 2009).

¹⁴¹⁸ Ibid.

¹⁴¹⁹ See Vlad Lupan: Moldova – balet între Rusia şi România ("Moldova – ballet between Russia and Romania"), Revista 22, 17 July 2008, available at: <http://www.revista22.ro/moldova-balet-intre-rusia-si-romania-4693.html> (last access: 16 January 2009).

¹⁴²⁰ See for instance Traian Băsescu: press statement in Chişinău, 20 August 2008, available at: <http://www.presidency.ro/?RID=det&tb=date&id=10138&PRID=aq> (last access: 16 January 2009).

the issue of frozen conflicts in the region"¹⁴²¹. In this context, the Romanian perspective regarding a possible resolution of the conflict in Trans-Dniester has been in line with the European view supporting the '5+2' negotiation framework. This support however, may at one point reveal a glitch to the extent that the new Foreign Affairs Minister Cristian Diaconescu hinted at the need for a direct Romanian implication in the solving of the Trans-Dniester quagmire, referring to the lack of results of the above mentioned negotiation format;¹⁴²² the position was later rectified and the course of events is yet to be followed.

EU and NATO enlargement: keep the promises but mind Russia

The events in Georgia did not trigger any revision of the Romanian stance regarding EU enlargement, or the one on NATO expansion. The only new dimension emphasized in both processes by Romanian officials and analysts alike is the need to address the issue of frozen conflicts, which must be understood as a precondition of strengthening the Union's security and indeed Romanian national security. In addition to that, what happened in Georgia was interpreted in Bucharest as a signal that the Republic of Moldova and the Ukraine have to be drawn closer to the Union sooner than envisaged, together with the countries in the Western Balkans, whereas Georgia and Ukraine ought to be offered collective security guarantees by means of a NATO Membership Action Plan.

The Romanian position on the issue of EU enlargement after the events in the South Caucasus was first stated by President Băsescu, whose perspective involves a 'package' enlargement with the countries of the Western Balkans, the Republic of Moldova and Ukraine. In a display of amity frequently encountered in the relation between the President and the former Prime Minister on issues of foreign policy, ex-Prime Minister, Călin Popescu-Tăriceanu, also stated that "We wish to focus more EU attention not only on the region of the Western Balkans, but also on Moldova, and we wish for Moldova to be the object of just as much interest as the region of

the Western Balkans"¹⁴²³. The support voiced for Moldova's European aspirations comes as a result of the conclusions adopted in the General Affairs and External Relations Council reunion in the middle of October, which the former Romanian Foreign Affairs Minister, Lazăr Comănescu, interpreted as "the signal that the EU is ready to push forward with a new and ambitious agreement, meant to bring Moldova closer to the EU, and also that the EU is ready for a deeper commitment in the resolution of the conflict in Trans-Dniester"¹⁴²⁴.

As regards to NATO expansion, Romania supported Georgia and Ukraine's bid for obtaining a Membership Action Plan during the NATO reunion in Brussels in December, in line with the conclusions of the NATO summit in Bucharest and President Băsescu's statement of support for Tbilisi after the events in August. Emphasis is added though when speaking about the issue of frozen conflicts and implicitly the policy towards Moscow, because these issues need to be high on the NATO agenda. Again, reference is made in the media to Trans-Dniester (in an interpretation which qualifies the Russian intervention more like an aggression than a 'disproportionate response' – the NATO qualification to which the Romanian officials subscribed): "Romania, as a NATO member state and holding a direct interest in Moldova's territorial integrity, in meeting Moldova in a common Euro-Atlantic space, has the duty of honour and even the obligation to put forth the issue of Trans-Dniester on the NATO table. [...] The issue of Georgia and Ukraine's NATO membership in the years to come also implies a solution for Abkhazia and South Ossetia. [...] What will the Alliance do face to face with this dilemma in which the main problem are the Russian tanks, always ready to wreak havoc on the territory of an allied state?"¹⁴²⁵.

¹⁴²¹ See: http://www.realitatea.net/tariceanu--integritatea-teritoriala-a-georgiei-este-un-punct-esential-pentru-romania_338942.html (last access: 16 January 2009).

¹⁴²² See: http://www.ziare.com/Diaconescu_Romania_ar_trebuie_im_plicata_direct_in_negocierile_pentru_Transnistri-618817.html (last access: 16 January 2008).

¹⁴²³ See: http://www.euractiv.ro/uniunea-europeana/articles%7CdisplayArticle/articleID_15270/Romania-sustine-perspectiva-europeana-a-Republicii-Moldova.html (last access: 16 January 2009).

¹⁴²⁴ See: <http://www.mae.ro/index.php?unde=doc&id=37201&idlnk=2&cat=4> (last access: 18 January 2009).

¹⁴²⁵ See Radu Tudor: La est de NATO ("East of NATO"), Jurnalul Național, 28 August 2008, available at: <http://www.jurnalul.ro/articole/132394/la-est-de-nato> (last access: 16 January 2009).

ENP and enlargement after 'Georgia'

Slovakia***Slovakia and Eastern Partnership and the future of EU and NATO enlargements**

Slovakia has welcomed the launch of the Eastern Partnership Initiative by Poland and Sweden in June 2008 and the subsequent elaboration of the Eastern Partnership by the European Commission in December 2008. However, the experience with the gas crisis when Russia stopped its deliveries of natural gas due to a conflict with the Ukraine has made Slovakia's diplomacy more lukewarm to Ukraine's ambitions to achieve ultimately both EU and NATO memberships. Most Slovak governing politicians and the Slovak public blamed the Ukraine for the crisis with deliveries of natural gas.¹⁴²⁶ In a public radio discussion, political director general of the Foreign Ministry, Igor Slobodník, questioned whether "the strategic culture of this country [Ukraine] has reached the state when it could be a reliable and responsible ally in this moment in 2009 and the answer is unclear."¹⁴²⁷ While Slovakia's official position vis-à-vis Ukraine has not changed and Slovakia actively supports Kyiv's ambitions to work more closely with the EU and NATO (for example, Slovakia's embassy in Kyiv serves as the contact point for NATO),¹⁴²⁸ Slobodník underlined that Slovakia would be more critical in its evaluation of Ukraine's ability to digest Slovakia's technical assistance to this country. In short Slovakia is likely to be more demanding in relation to the Ukraine since Ukraine's credibility has suffered as a consequence of the recent gas crisis.

Apart from the Ukraine, there is no public discussion of EU relations with Georgia or other ENP countries. Although Slovakia's politicians have generally been less outspoken about prospects for enlarging the EU and NATO with the exception of Croatia (plus Albania due to join NATO), with new Foreign Minister Lajčák who returned to Slovakia as the former high representative and EU special representative for Bosnia and Herzegovina we can expect a greater public emphasis on EU relations with countries of the Western Balkans.

* **Slovak Foreign Policy Association.**

¹⁴²⁶ SITA: "Slováci dávajú krízu za vinu Ukrajine", 8 February 2009.

¹⁴²⁷ See Slovak Radio: "Sobotné dialógy", 7 March 2009, available at: <http://www.slovakradio.sk/> (last access: 18 March 2009).

¹⁴²⁸ See: http://www.nato.int/structur/oip/all-co_p.pdf (last access: 18 March 2009).

ENP and enlargement after 'Georgia'

Slovenia***Bringing the Western Balkans in**

Slovenia's primary interest in Europe's neighbours for a long time has been (almost exclusively, apart from good relations with Russian Federation) in the Western Balkans. Following the 2006 and 2009 gas-crisis, in combination with the experience of holding the EU-presidency, Slovenia's policy towards the region has become more structured. If prior to these events, Slovenia supported European Neighbourhood Policy (ENP) for reasons of principles and legitimacy, it now sees direct interest in (energy) security as well as more structural reasons in terms of human rights policy and general consistency of EU's policies towards its Southern and Eastern (extending over Caucasus to Central Asia) neighbours. A clear example of this is support for continued talks with Ukraine and for a necessity of closer relations with Belarus, provided there is a satisfactory move in Belarus towards respect for rule of law, democracy and human rights.

Criticism of the EU's long-term vision of the Caucasus region emerged in the media in the aftermath of the military conflict in Georgia. It was centred around the premise that the EU should not be forgetting about the neighbourhood prospects of the region at the expense of being focused on other (the Afghan and Iraqi) conflicts. The integration of the states of the Caucasus region to the EU is seen as an alternative to the currently conflicting US and Russian aspirations.¹⁴²⁹ Contrary to this position, Former Foreign Minister Dimitrij Rupel was of a more pragmatic view, stating that the EU should continue building the partnership with Russia in order to stabilise the whole region,¹⁴³⁰ and mentioned the OSCE as the most suitable for resolving the Russia-Georgian dispute.¹⁴³¹

* **Centre of International Relations.**

¹⁴²⁹ Branko Soban: Kavkaški talci (The Caucasus Hostages), Delo, 9 August 2008, available at: <http://www.delo.si/clanek/65185> (last access: 26 January 2009).

¹⁴³⁰ STA: EU enotno za mednarodno preiskavo krize in pomoč Gruziji (EU unanimously for international investigation of the crisis and help to Georgia), 6 September 2008, available at: <http://www.sta.si/vest.php?s=s&id=1317864> (last access: 26 January 2009).

¹⁴³¹ Slovenian Ministry of Foreign Affairs: Dr. Rupel: okvir OVSE najustreznejši za razpravo o Gruziji (Dr. Rupel: The OSCE framework most suitable for a debate on Georgia), 31 August 2008, available at:

Slovenia is a member of the so called 'Olive Group' (a group of EU member countries, devoted to the exchange of opinions and ideas about issues, important for Europe; it consist of ten EU member states from the Mediterranean region). The latest annual meeting took place in December 2008 and the state secretary from the Ministry of Foreign Affairs, Dragoljuba Benčina, attended this meeting. The main conclusion of the meeting was the recognition of the will to invigorate cooperation between members of the group at a state, and EU-representative (Brussels) level. The continuing sustenance for further development of the ENP was agreed upon, emphasizing the Eastern Partnership as well as the Union for the Mediterranean. There was a lot of debate about the Western Balkans and the need to strengthen the European perspective of the countries in this region was recognised as an initiative which could stimulate reforms needed to stabilise and further develop the region.¹⁴³²

It can be said that issues such as the ENP and the enlargement of the EU and NATO, are of a high salience in Slovenia, but as seen in the media coverage, only with a regional focus and preference towards the permanent expression of Slovenian foreign policy priorities, namely the neighbouring countries, especially Croatia, and the Western Balkans.

ENP and enlargement after 'Georgia'

Spain*

Repercussions of 'Georgia'

The military conflict in Georgia during the last summer was mainly perceived in Spain as a clumsy, an even illegitimate, move of Georgia to try to recover control of the region of South Ossetia. Russian reaction against this reintegration was also perceived as disproportionate and therefore criticised but, at the end of the day, it is clear that Russia has been able to take a great advantage of the crisis vis-à-vis the Union and, specifically Spain. First of all, Moscow has preserved its

<http://www.mzz.gov.si/nc/si/splosno/cns/novica/article/141/24797/> (last access: 27 January 2009).

¹⁴³² Slovenian Ministry of Foreign Affairs: Srečanje ministrov za zunanje zadeve sredozemskih držav članic EU, Taormina, 15. in 16. december 2008 (Meeting of Foreign Ministers of Mediterranean EU-member countries, Taormina, 15 and 16 December 2008), 16 December 2008, available at: <http://www.mzz.gov.si/nc/si/splosno/cns/novica/article/141/25045/> (last access: 27 January 2009).

* Elcano Royal Institute.

influence in the Caucasus, reinforcing the pro-Russian and separatist regions in the area. Secondly, Russia has been successful in its opposition to a fast further enlargement of NATO (and, implicitly, the EU in the mid- or long-term) towards Ukraine or the Caucasus, as some Western European countries – including Spain – tend now to see the perils of the entry of any Russian neighbour into the Western organisations rather than its advantages in terms of democratic and economic stability expansion eastwards.¹⁴³³ Finally, Moscow was able to reinforce its weak political, economic (energy, finance and tourism), cultural and security ties with Madrid during the autumn and the winter. For March 2009 an important visit of the Russian President Dimitri Medvedev to Spain was programmed.¹⁴³⁴

The Caucasus conflict has indeed had repercussions for the European Neighbourhood Policy, the relations of the EU with Russia and the future enlargement of the EU itself. The position of Spain is that ENP must be reformed and enhanced in coordination with the launching of other parallel regional cooperation projects for the area surrounding the EU such as the Union for the Mediterranean initiated last 13 July 2008. As it has been mentioned in the section on "The French Presidency" this new forum for gathering political and economically the EU members with the South and East Mediterranean countries is of great interest for Spain. The formal name of the process is in fact "UM: Process of Barcelona" since the project is based on the previous Euro-Mediterranean Partnership started in 1995 with the Barcelona Euro-Mediterranean Conference. The Spanish government was actually able to locate the headquarters of the initiative in Barcelona but, during the second half of 2008, very little progress was achieved. Regarding the Polish-Swedish backed project of the East Partnership, Spain would be willing to promote similar links to the ENP than those of the UM. However, it is obvious that Spain is

¹⁴³³ At the same time, following the the events occurred in August 2008 and the recognition by Moscow of Abkhazia and South Ossetia as new independent states, Spain adopted a much tougher line towards the non recognition of Kosovo. Therefore, Madrid started to become much more aligned with the Russian position in the West Balkans; to some extent paradoxically, since Spain obviously opposed as well the president Medvédev's decision to recognise the two new republics.

¹⁴³⁴ The process of unblocking and giving new substance to the EU relations with Russia through the negotiation of a post-PCA agreement is likely to be promoted by Spanish Presidency of the EU during 2010.

less interested in this Eastern dimension and probably supports those EU countries such as France or Germany that do not wish see this new regional initiative as connected to a future enlargement.¹⁴³⁵

Regarding the full integration of current candidates as new member states in the EU during the near future, the Spanish official position is still that the enlargement has brought considerable benefits to the Union through the strengthening of prosperity and stability throughout the whole of Europe and that the EU-27 has been consolidated with the increasing ability of the new Member States to progressively integrate into the Union's structures and common policies. The semester of the Spanish Presidency or, at least, the period of the SBH Team Presidency (2010-2011) is likely to coincide with the accession of Croatia if negotiations with Slovenia, to solve a bilateral territorial affair, end successfully. It will be much more difficult to achieve substantial progress in the objective of another candidate, Turkey, to join the EU despite the formal support of Spain to this process since the last European Commission's annual report on Turkey's progress showed that little progress had been made over the last year and that the candidate continued to raise serious concerns about freedom of expression, the independence of the judiciary and the military's interference in political life, among other issues.¹⁴³⁶ Finally, and because of the unprecedented and somewhat eccentric new interest of Spain for its relations with Serbia, Madrid is now pushing for acceleration in the process of future enlargement to the countries of the Western Balkans (former Yugoslavia and Albania).

As regards to the enlargement of differentiated integration areas within the EU – such as the Eurozone or the Schengen area), Spain also backs the goal of some of the newer member States, or perhaps the United Kingdom, to join the Eurozone. The same thought is applicable to the Schengen area, which may also be

extended to admit Bulgaria and Romania in 2010 or 2011. Last, the SBH Team Presidency will also have responsibility to finalize the arrangements to bring into force the free movement of labour amongst the 27 Member States by May 2011.¹⁴³⁷

ENP and enlargement after 'Georgia'

Sweden*

Swedish issues: ENP, Eastern Partnership and enlargement

Sweden has since long advocated the importance of good neighbourly relations as well as the need to give the perspective of enlargement also to European countries outside the Balkans. The Polish-Swedish proposal for Eastern Partnership is based on the view that a new impetus is needed in the European Neighbourhood Policy (ENP). It concerns the 27 EU member states and six ENP countries: Ukraine, Moldova, Azerbaijan, Armenia, Georgia and Belarus. (With Belarus, cooperation would take place if and when conditions allow.) Projects within this framework can also be extended to Russia.¹⁴³⁸

It has been stressed by the Swedish Minister for Foreign Affairs Carl Bildt that the idea behind the Eastern Partnership is not to be an alternative to continued enlargement of the EU but rather the opposite, one way towards an eventual one.¹⁴³⁹ The plan is to offer a deepened bilateral cooperation with the six partner countries, starting with Ukraine, in which visa-free travel, free trade, and people-to-people-contact are important parts. The principle of differentiation among the partner countries is a key element and countries would thus integrate according to ambition and performance.¹⁴⁴⁰ The proposal has resulted in

¹⁴³⁵ See Deniz Devrim and Evelina Schulz, 2009, The Eastern Partnership: An Interim Step Towards Enlargement? (Elcano Royal Institute ARI 22/2009), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/ARI22-2009 (last access: 30 March 2009).

¹⁴³⁶ See William Chislett, 2008, The EU's Progress Report on Turkey's Accession: Stalling Reform (Elcano Royal Institute ARI 143/2008) available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/ARI143-2008 (last access: 30 March 2009).

¹⁴³⁷ See "Strategic framework for the Spain-Belgium-Hungary Presidency. Contribution from the Lillafűred Process", in: Agh, Attila & Judit Kis-Varga (eds.), *New Perspectives for the EU Team Presidencies: New Members, New Candidates and New Neighbours*, Budapest: "Together for Europe" Research Centre (2008), pp. 487-496.

* Stockholm International Peace Research Institute.

¹⁴³⁸ Polish-Swedish Proposal, Eastern Partnership, 23 May 2008, available at: http://www.tepsa.eu/docs/draft_proposal_eastern_partnership.pdf (last access: 25 January 2009).

¹⁴³⁹ Dagens Nyheter: Swedish Initiative Aimed to Strengthen Links EU-Eastern Europe, 23 May 2008.

¹⁴⁴⁰ See Polish-Swedish Proposal, Eastern Partnership, 23 May 2008, available at: http://www.tepsa.eu/docs/draft_proposal_eastern_partnership.pdf (last access: 25 January 2009).

a report of the European Commission, delivered on 3 December, which is supported by Sweden. The Swedish ambition is that during the autumn of 2009, Ukraine will have an association agreement with the EU.¹⁴⁴¹

Since Sweden is well known for its support for enlargement, there are great expectations among a number of countries that the enlargement process will take steps forward during the Swedish Presidency. Prime Minister Reinfeldt, is aware of the strong resistance against enlargement among some EU member states. The fact that France and Germany have declared that the Lisbon Treaty is a precondition for Croatia's accession is deplored.¹⁴⁴²

There is also a particular problem for Croatia in that the reform process has not been as fast as expected. The Commission has reported on the lack of reforms of the judicial apparatus as well as administrative capacity in regard to privatisation of certain governmental sectors, including wharfs, certain tax issues and also the fight against corruption. In addition, the prosecutor of the International Criminal Tribunal for the Former Yugoslavia, Serge Brammertz, has reported on the lack of will to hand over material regarding former general Gotovina. Sweden is willing to do what it can to help Croatia to finish its negotiations by autumn 2009 but in order to accomplish this, Croatia must do its part.¹⁴⁴³

As regards to Turkey, the Swedish policy has i.a. been to make sure that the word 'admission' is included in the documents. Considering that a number of demands are made on Turkey, this is seen as reasonable. However, also for Turkey, there are reasons to

be critical regarding the speed of the reform process.¹⁴⁴⁴

Among the Swedish, public enlargement is generally seen as positive: 40 percent see it as positive for Swedish peace and security (whereas 21 percent see it as negative, 21 percent see it as having no importance and 18 percent have no view).¹⁴⁴⁵

ENP and enlargement after 'Georgia'

Turkey*

Turkey: very active in the Caucasus region

The military conflict in Georgia (aka the 5-day war) has been debated largely in Turkey by civil society organisations, political parties and the media. After the outbreak of war in South Ossetia, the Turkish government pursued a very active foreign policy in the region. After Nicolas Sarkozy's visit to the region, Turkish Prime Minister, Recep Tayyip Erdoğan, paid visits to the countries involved and the Foreign Ministry of Turkey revitalised the idea of the Caucasus stability pact under the name of "Caucasus Stability and Cooperation Platform" in order to secure stability by involving Russia, Turkey, Georgia, Azerbaijan and Armenia in the process.

Caucasus stability pact

The idea of the Caucasus stability pact dates back to late the 1990s and early 2000s. Süleyman Demirel, as the Turkish President of the time, suggested establishing a Caucasus stability pact under the umbrella of the OSCE which would be significant in increasing the international community's attention towards the region while increasing the dialogue and possibility of stability in the Caucasus. However, inconducive international environment hindered the development of this idea although the US, France, Germany, the UK, Ukraine, Azerbaijan, Georgia, Russia, Armenia and the EU responded positively to this initiative.

¹⁴⁴¹ Frank Belfrage, state secretary for foreign affairs, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 5 December 2008, pp. 23-24, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=13&dok_id=GW0A13 (last access: 25 January 2009).

¹⁴⁴² Fredrik Reinfeldt, Prime Minister, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 10 December 2008, p. 7, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=14&dok_id=GW0A14 (last access: 25 January 2009).

¹⁴⁴³ Frank Belfrage, state secretary for foreign affairs, in: Committee on European Union Affairs of the Swedish parliament: Stenografiska uppteckningar vid EU-nämndens sammanträden, 5 December 2008, pp. 25-26, available at: http://www.riksdagen.se/webbnav/?nid=3751&doktyp=eunprot&rm=2008/09&bet=13&dok_id=GW0A13 (last access: 25 January 2009).

¹⁴⁴⁴ Ibid., pp. 26-27.

¹⁴⁴⁵ Göran Stütz (ed.): Opinion 2008, Om den svenska allmänhetens syn på samhället, säkerhetspolitiken och försvaret [Opinion 2008, Swedes' Views on Society, Security Policy and National Defence], data collection: 25 August-13 October 2008, Styrelsen för psykologiskt försvar [The National Board of Psychological Defence], 2008, p. 55.

* Center for European Studies / Middle East Technical University.

When the Georgian war commenced in August 2008, the AKP¹⁴⁴⁶ government revisited this idea and perceived it as an opportunity to act as a regional actor/leader in the solution of the crisis. Besides, this platform was perceived as a crucial tool in normalizing relations between Armenia and Turkey. It should be mentioned here that although the platform was welcomed by civil society representatives and mainstream media since it created an environment conducive for dialogue in the region, it was also emphasized that Turkey should not put a lot of hope in this Platform.¹⁴⁴⁷ The Turkish government's efforts in the region in establishing this platform and steps taken by the Turkish President, Abdullah Gül, and the government of Turkey in normalising relations with Armenia, shadowed the NATO and the European Neighbourhood Policy perspective of the debate.

Perspectives on the war

In the media the outbreak of war and the role of the USA in the region took up a lot of room. It was believed that the Georgian government acted with the consent of the American government¹⁴⁴⁸ and American policies in the region have been considered as the continuation of her policies in the Middle East. The era has been identified as the 'new Cold War era' in which the relations between the USA and Russia are redefined and restructured.¹⁴⁴⁹ The crisis has been understood as a result of Russia's discontent about the American policies in the region. NATO's enlargement towards the countries of the region and EU's increasing attention to the region were creating discomfort in Russia.¹⁴⁵⁰ Limited comments on the issue emphasised that conflicts in the Caucasus should be solved by the countries in the region and the external actors like the EU and the USA should be kept away from the regional conflicts while the Russian aggression should be prevented.¹⁴⁵¹ Turkey emphasized the importance of the territorial integrity of Georgia but at the same time refrained from provoking Russia.

¹⁴⁴⁶ Adalet ve Kalkınma Partisi – Justice and Development Party.

¹⁴⁴⁷ İ. Türkmen: 'Kafkasya'da yeni jeopolitik tablo', Hürriyet, 16 August 2008; C. Ülsever: 'Kafkaslar meselesi (I)', Hürriyet, 3 September 2008.

¹⁴⁴⁸ M. Asik: 'Haber Carsaşı', Milliyet, 22 February 2008.

¹⁴⁴⁹ C. Çandar: 'Çırpınırdı Karadeniz', Hürriyet, 1 September 2008.

¹⁴⁵⁰ S. İdiz: 'Türkiye bu krize seyirci kalamaz', 9 August 2008; S. Kohen: 'Balkanlara karşılık Kafkaslar', Milliyet, 13 August 2008.

¹⁴⁵¹ C. Ülsever: 'Kafkaslar meselesi (I)', Hürriyet, 3 September 2008.

EU's role in the region

The EU's role in the region has been debated, but limited. The EU has been perceived as an entity trying to act separately from the USA and Turkey welcomed the EU's efforts in its neighbourhood to increase stability and security. However, confidence in the EU's capabilities has been low and therefore, the EU's efforts in pursuing an active policy in the region were perceived as personal efforts of Nicolas Sarkozy.¹⁴⁵²

ENP and enlargement after 'Georgia'

United Kingdom*

Issues of low political salience

The official position of the British government is that both Georgia and the Ukraine should become members of NATO, in accordance with the conclusions of the NATO ministerial meeting of April 2008 and in due course members of the European Union. These questions are not issues of high political salience in the United Kingdom, although their discussion was temporarily enhanced by the events of August, 2008, and the dispute on energy provision between Russia and the Ukraine at the turn of the year. British public opinion was divided in its response to these issues, with some commentators at least accusing the Georgian and Ukrainian governments of provocative behaviour.¹⁴⁵³ Perhaps for this reason, the British government has not sought to focus public attention recently on the European Union's relations with its Eastern neighbours, a topic certainly rendered less immediate to British voters by the geographical remoteness of these neighbours.

¹⁴⁵² S. Ogan: 'Gürcistan Savaşı ile AB Küresel Aktör Haline Gelirken NATO Ne Yapacağını Tartışıyor', 19 August 2008, available at: <http://www.euractiv.com.tr/genisleme-ve-komsular/analize/gurcistan-savas-ile-ab-kuresel-aktor-haline-gelirken-nato-ne-yapacagini-tartisiyor> (last access: 12 January 2009).

* Federal Trust for Education and Research.

¹⁴⁵³ See e.g.: Tyranny of the red lines, The Guardian, 5 September 2008.

IV

Current issues and discourses in your country

- **Which other topics and discourses are highly salient in your country but not covered by this questionnaire?**

Current issues

Austria***Austrian parties moving away from EU, but Austrians turning more positive towards EU**

General remarks regarding the presence of EU and EU related topics in Austria as well as comments on relevant issues: Since the new Austrian coalition government between the Austrian Social Democrat Party (SPÖ) and the conservative Austrian Peoples Party (ÖVP) came into power in December 2008 (after the early elections held in September 2008) there has been a general change regarding the evaluation of the importance of the European Union. Austria's Chancellor Werner Faymann had announced back in June 2008 – when he was Minister for Traffic, Innovation and Technology – to submit all EU treaties in the future to a national referendum, this was interpreted as a genuflection to the largest and therefore most powerful – populist – newspaper “Kronenzeitung”.¹⁴⁵⁴ The problem with this announcement was that it undermined the government's original pro-European position and the coalition treaty. Eventually this decision signified that a newspaper somehow ordained a political party a position that seemed opportune to them. To complete this information it also should be said, that the “Kronenzeitung” waged a campaign against the decision of the Austrian government to send troops to the mission in Chad. This of course did not only cause the ending of the coalition government under Chancellor Alfred Gusenbauer, but also caused a split within the Social Democrats. This is also the reason why former Minister for European and International Affairs Ursula Plassnik, renounced to continue her work under new Chancellor Werner Faymann and left her post to Michael Spindelegger. During the election campaign Werner Faymann also emphasised national issues and left mostly everything related to the EU behind.

With all this in mind, and adding the fact that the average Austrian newspaper reader sticks to the newspaper “Kronenzeitung” and is highly EU sceptical, as well as highlighting the importance of national politics and international occurrences, there is a permanent neglect in

covering EU topics. There might be an article on meetings, conferences etc., but if the issue does not concern Austria directly or its interests, it's nearly impossible to find any comments or opinions.

Nevertheless Austria's EU scepticism has decreased in the last six to twelve months by several percent points. Austria left the last place to become the fourth-last in row, but is still under the EU-27 average. Reasons for this rather better result can be found in the EU's performance during the conflict between Georgia and Russia, which was mainly perceived as positive, and the steps taken by the European Union to alleviate the effects of the world wide financial and economical crisis.

A study conducted by the “Gallup Institute” among 1,003 Austrian's between October and November 2008, had also other surprising outcomes. 47 percent of Austrians say that EU membership is a positive thing for Austria, this means an increase of 11 percent, also 45 percent of Austrians see the EU as a good protection against the negative effects of globalisation (meaning a plus of 15 percent!). However, regarding the EU enlargement, that did take place over the last years, it is still not approved by 67 percent, although the Austrian economy and therefore also the Austrian labour market have profited far more than other European countries. But it has been communicated poorly to the domestic population, Richard Kühnel, the representative of the EU-Commission in Austria sees here a huge lack of communication between the industry and the people.¹⁴⁵⁵

An article published in the Austrian newspaper “Der Standard” last December made a very interesting observation in the Austrian political landscape, which underlines what has been already observed: The developments over the last months have shown very clearly that Austrian politics and politicians have started to look more inward. This means that they do not longer look at what is going on in Europe and outside the Austrian border, instead they have been turning more and more away from the EU and seem to be more focused on national politics than anything else. This development can be observed not only among the governing parties, but also among the opposition. A

* Austrian Institute of International Affairs.

¹⁴⁵⁴ See: “Government Crisis”, in: Institut für Europäische Politik (Ed.): EU-27 Watch, No. 7, September 2008, Berlin, p. 254, available at: <http://www.eu-consent.net/content.asp?contentid=522> (last access: 17 February 2009).

¹⁴⁵⁵ “EU – Skepsis: ‘Österreich hat die rote Laterne abgegeben’”, Die Presse, 21 January 2009, available at: <http://diepresse.com/home/politik/eu/445775/print.do> (last access: 17 February 2009).

diplomat who preferred to stay anonymous said that this development was fretting.¹⁴⁵⁶

Current issues

Belgium*

The fall of the federal government after the financial crisis

The financial crisis produced unexpected political consequences in Belgium. In the first days of the crisis, the main banks of the country witnessed cash assets problems and a period of mistrust in the population. Related to the surrounding financial events, some of them stood at the edge of bankruptcy. This was especially the case of “Fortis”, one of the largest banks of Belgium, which also had activities located in Luxemburg and the Netherlands. Due to the urgent situation, the Prime Minister Yves Leterme and the Minister of Finances took immediate measures and decided – with the support of the federal cabinet – to nationalise the Belgian parts of the bank (the other parts being acquired by, respectively, the Netherlands and Luxemburg). But in its haste, the government did not request the agreement of the stockholders of “Fortis” as a precondition for the nationalisation. In the following days, the share lost almost all its value and the disappointed stockholders decided to go to court.

After a decision of the court that was favourable to the government, the decision of the judges in the court of appeal gave reason to the stockholders: they should have been consulted during the nationalisation of the bank. However, in the following days, the head of the Brussels court accused the Prime Minister and his personal aides of having tried to influence the decision of the judges. These facts have been widely considered as an interference with the justice and a clear infringement of the separation of powers. The Prime Minister had no other option than to present the resignation of its entire government on the 21 December 2008. The King gave the president of the European People’s Party, Wilfried Martens, a mission of information and, on the 30 December,

¹⁴⁵⁶ “Österreichs EU-Kurs vor einer Zeitenwende”, Der Standard, 2 December 2008, available at: http://derstandard.at/?url=/?id=1227287635736%26sap=2%26_pid=11405515 (last access: 17 February 2009).

* Centre d’étude de la vie politique, Université libre de Bruxelles.

appointed Herman Van Rompuy as new Prime Minister. The governmental coalition stayed the same and few changes occurred in the cabinet, with the exception of the Prime Minister, the Minister of Justice, the Minister of Civil Service and Public Companies, and the Minister of Interior Affairs.

Current issues

Bulgaria*

Conflict over transparency concerning EU funding overshadows relations to Brussels

Bulgaria was the European country that suffered from the consequences of the January 2009 three-week “gas war” between Ukraine and Russia to the greatest extent. Thus, in the very beginning of 2009, both Bulgarian political and economic elite and Bulgarian citizens realized that the country is 100 percent gas-dependant on Moscow. The reaction of Bulgarian officials to the crisis proved to be inadequate and lacking competence. As a result, Bulgarian companies lost about 200 million Euros and Bulgarian citizens felt a strong impact of the gas-war on their well-being and everyday life. At the same time, President Parvanov, as well as some Bulgarian politicians and newly established political parties (“Leader”), and nationalistic formations (VMRO, Internal Macedonian Revolutionary Organization), tried to profit from the crisis launching a campaign for the re-opening of two closed nuclear reactors in the Bulgarian nuclear power plant, “Kozloduy”. The focus of the problem thus shifted from Moscow to Brussels, putting one more time the Bulgaria-EU relations to the test. In the view of many analysts, such an aberration of the debate was undertaken with a many-fold purpose: (i) It was a deliberate attempt by some political circles to divert domestic criticisms away from Russia and Bulgarian-Russian relations towards an “easy target”, which is “Brussels that forced us to close Kozloduy”. (ii) It was to be used as an instrument of pressure on the European Commission in order to extract additional EU funds for the conversion of the closed reactors and for the construction of a second nuclear power station near Belene (on the Danube river). (iii) It was a sort of retaliation in response to severe criticism coming from the Commission about misuse of EU funds and about consistent failures in the functioning of

* Bulgarian European Community Studies Association.

the police and the judiciary. The January gas-war, and the critical situation in which the country found itself, showed once more the lack of strategic vision by Bulgarian officials for the future development of the Bulgarian energy sector and for the Bulgarian national security as a whole.

Another current issue worthy of public and media attention relates to the continuous attempts on part of Bulgaria's policy makers and high government officials to resist the increasing demands by Brussels for more transparency and accountability within the Bulgarian ministries and agencies involved in EU funding programmes. Political actions of some leading Bulgarian politicians demonstrated flagrant refusal to comply with EU requirements and recommendations. The decision (week 2-6, February 2009) of the Bulgarian Parliament to stop the implementation of the law on conflict of interests within the state administration can be interpreted along those lines. EU response to this reluctance was to block huge part of finances coming from SAPARD (Special Accession Programme for Agriculture and Rural Development) and ISPA (Instrument for Structural Policies for Pre-Accession) programmes leaving the country to face possible blockage of structural and cohesion funds. Thus, at the beginning of its third year as an EU member, Bulgaria is becoming more and more isolated from the EU decision making process with no perspective for considerable improvement of its relations with Brussels.

Ongoing corruption scandals within the Bulgarian governing coalition and the incapability of the judicial system to deal with them, provide the ground for growing social discontent. January 2009 was marked by civil protests in Sofia and other cities. Bulgarian students, farmers and internet users, expressed strong disapproval with the government and its policy failure in areas such as education, agriculture, health care and civil rights protection. The culmination was on 14 January 2009 when more than 3,000 citizens were violently dispersed by police. These protests can be understood not only as an issue-driven reaction, but also as an expression of spreading deep distrust of the current political class within the Bulgarian society. In this respect, the results of recent sociological surveys, indicating stable electoral support for nationalistic and populist parties, are not surprising.

The upcoming European Parliament and general elections are the other important political events in Bulgaria this year. Not surprisingly, current discussions are focused not on party programmes and candidates, but on the exact date when these elections are to be held. Two of the governing parties, BSP (PES) and DPS (ELDR), have declared support for a two-month time scheme (European Parliament elections in June and National Assembly elections in July 2009). These positions are based on "calculations" that a low turnout at the general elections will help the parties in receiving better representation in the next parliament. The other governing party, NDSV (ELDR), and some right-wing parties' members of EPP, support the idea of the two elections taking place in one day ("2-in-1" formula). Their opinion is that general elections in July will fail to gain many citizens attention and this will result in low turnout.

Other election-related issues such as the modification of the electoral system with inclusion of the majority element, the right of citizens to initiate referenda and the elaboration and enforcement of party financing legislation are at the moment neglected and have not achieved any concrete results.

Current issues

Croatia*

Accession negotiations, fight against organized crime and uncertain economic prospects

Slovenia blocking Croatia's Accession to the EU

Croatia's ambitious accession agenda that should be completed by the end of 2009 has been jeopardised by bilateral border disputes with Slovenia, who vetoed the opening and closing of negotiations on several chapters at the EU-Croatia intergovernmental accession conference on the grounds that the attached documents prejudice the future borders between the two states. The blockade came as a shock to the Croatian public and the government which was hopeful that by 19 December 2008, the ten remaining negotiation chapters would be opened and five chapters would be provisionally closed for which the benchmarks were already met. The mediation

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and attempts of the French EU Presidency to convince Slovenia to withdraw the veto failed. In the 2004 enlargement round the EU left the bilateral disputes out from the accession process. After all, bilateral disputes of Slovenia with Croatia and with Italia over several matters did not block the accession of Slovenia to the EU. The Prime Minister Ivo Sanader, in his first reactions to the blockade has mentioned that this is an unprecedented situation and stated that "Croatia will not buy its membership in the EU with its territory".¹⁴⁵⁷ President Mesić in his reaction mentioned that the blockade is now also a problem for Brussels and not only for Croatia, keeping in mind that the other 26 members were in favour for the opening of the remaining negotiation chapters.¹⁴⁵⁸ The Croatian media also reported the statement of Kristina Nagy, spokeswoman of Commissioner Olli Rehn, who expressed regrets that the efforts of the French Presidency failed and that Slovenia did not accept its proposal.¹⁴⁵⁹ Instead, only one chapter was opened and three closed, making altogether 22 opened and 7 temporarily closed (out of 35), which does not adequately reflect Croatia's preparedness for accession. Slovenian Prime Minister Pahor proposed continuation of talks, which was accepted by Prime Minister Sanader under condition that the representative of the European Commission should also be present. Czech Prime Minister Topolánek stated that if the issue could not be solved bilaterally, solution for the disputed borders should be found at the International Court of Arbitration.¹⁴⁶⁰ This has been the Croatian proposal for more than two years, but this idea has not been very attractive to Slovenia so far. Czech Foreign Minister Schwarzenberg has stated that the Czech Republic will do all it can to enable Croatia to become a member of the EU, as this is also in the interest of the EU.¹⁴⁶¹ Italy also attempted to assist to find a solution in this dispute during the official visit of Minister of

Foreign Affairs, Franco Frattini to Zagreb in January.¹⁴⁶² Discussions among academic circles seem to be more flexible and innovative than high level politics in simulating possible solutions at bilateral conferences and meetings, as showed at a recent graduate student conference jointly organised by Zagreb and Ljubljana Faculties of political and social sciences.¹⁴⁶³ Most recently, Olli Rehn launched an EU initiative to form a sort of mediation council which will be headed by Finnish Nobel Laureate Marti Ahtisari to assist Slovenia and Croatia in finding the acceptable solution for the 18 year long border dispute and unblock the Croatian accession negotiations.¹⁴⁶⁴

Fight against corruption and organized crime intensified after appointment of new ministers in the last quarter of 2008

Fight against corruption and organized crime remains amongst the top priorities of Croatian government, especially after shocking and brutal murders of journalist Ivo Pukanic, the editor of political weekly Nacional and Ivana Hodak, attorney apprentice and a daughter of the renowned Croatian attorney Hodak, in October 2008. Both murders happened on the streets of Zagreb, underlining the poor state and the lack of coordination of the police and the Ministry of Interior. The public pressure on the government to take all the possible measures to ensure security to ordinary citizens was enormous, resulting in some immediate changes in the top positions of the police and ministers of the interior as well of justice. For the first time the Government of Prime Minister Sanader has replaced these positions with experts and not loyal HDZ party members, which was well received by general public. Some media analysts however consider it as an alibi for inability to find a quick solution to the problem of organized crime which is deeply rooted and sometimes even politically sponsored.¹⁴⁶⁵ New appointed Justice Minister

¹⁴⁵⁷ Statement for HTV (Croatian Television), 16 December 2008.

¹⁴⁵⁸ Statement of Stjepan Mesić at a Press conference on 18 December 2008, available at: <http://www.net.hr/vijesti/hrvatska/page/2008/12/18/0063006.html> (last access: 9 January 2009).

¹⁴⁵⁹ Cf. "Slovenian veto - presedence and scandal", HRT (Croatian Television), 18 December 2008, available at: [http://www.hrt.hr/index.php?id=48&tx_ttnews\[tt_news\]=24247&tx_ttnews\[backPid\]=37&cHash=e294bfe143](http://www.hrt.hr/index.php?id=48&tx_ttnews[tt_news]=24247&tx_ttnews[backPid]=37&cHash=e294bfe143) (last access: 25 February 2009).

¹⁴⁶⁰ Cf. "Topolánek: Slovenia and Croatia to the international court, Javno.hr, 7 January 2009, available at: <http://www.javno.com/hr/hrvatska/clanak.php?id=221665> (last access: 20 January 2009).

¹⁴⁶¹ Vjesnik, on 9 January 2009, p. 5.

¹⁴⁶² Novi list, 9 January 2009, p. 7.

¹⁴⁶³ As shown by the statements of Prof Davorin Rudolf, Zagreb, and Prof. Aleš Gabrič, Ljubljana, at the regional conference "Republic of Croatia and Republic of Slovenia - open bilateral issues", Čatež, 4-6 December 2008, available at: <http://www.fes.hr/E-books/texte/Slowenien/SimulationCatez08.htm> (last access 16 March 2009).

¹⁴⁶⁴ "Marti Ahtisari to solve the Slovenian-Croatian Dispute", comment of Deutsche Welle, available at: http://www.dw-world.de/dw/function/0_82220_cid_3971111_00.html (last access: 30 January 2009).

¹⁴⁶⁵ See for instance Srećko Jurdana: "Severe omissions of security service", Nacional, 3 November 2008, available at: <http://www.nacional.hr/clanak/49677/teski-propusti-sluzbi-sigurnosti-prije-atentata> (last access: 28 January 2009).

is Professor Ivan Šimonović, while Tomislav Karamarko was appointed as new Interior Minister and Vladimir Faber as head of police. The newly appointed minister Šimonović had to act quickly and proposed adoption of immediate legislative changes that further strengthened the authorities of USKOK (Office for the Fight against Corruption and Organized Crime) as well as procedures of prosecution and investigative judiciary.¹⁴⁶⁶ Other changes that followed were the adoption of changes in regulation including the laws that prevent the conflict of interest, changes in court procedures which expedite processes in courts, as well as changes in legislation to speed up the enforcement and execution of financial procedures in favour to creditors.¹⁴⁶⁷ In addition, some presidents of the courts had to step down because of allegations of corruption, such as the president of Trade Court Zagreb due to detected donations from Zagreb Holding which is against the law on courts. In the last months the court processes finally started for the main protagonists from Croatian Privatisation Fund of the USKOK action maestro, after a year of investigation. Furthermore, several actions were undertaken to prosecute the notorious cases of corruption at the University of Zagreb and Cadastre Registers.

Economic prospects for 2009 much bleaker – a year of uncertainty is ahead

As elsewhere in the world, the economic prospects for 2009 in Croatia are much bleaker than before and a further deceleration of the GDP which has slowed markedly in the last quarter of 2008 is being predicted. This shows that the global financial crisis has started to affect the Croatian economy. The estimations of the growth of GDP have been revised and lowered down already several times in the last three months.¹⁴⁶⁸ The Croatian National Bank was much more cautious and predicted the

growth of only 1 percent in 2009 and its Governor Rohatinski was pleading for responsible behavior on all levels in order to overcome the first blows of the crisis in the real sector.¹⁴⁶⁹ The latest Transition Report of the European Bank for Reconstruction and Development (EBRD) predicts that Croatia would not be severely hit by the recession, however it may record a zero growth in 2009.¹⁴⁷⁰ The analysts of the leading banks in Croatia revise the forecasts practically every week and predict that Croatia might even face a negative growth rate.¹⁴⁷¹ Most recently the analysts of the Economic Institute Zagreb have released the gloomiest forecast so far and envisage the negative growth rate of GDP in 2009 of -1.4 percent which will result in a substantial increase of unemployment and decline of state budget revenues.¹⁴⁷² As times goes by, even these prognoses seem to be over-optimistic.

Current issues

Cyprus*

The Cyprus problem, scrapies and water

The second semester of 2008 was marked by major international events, including the global financial crisis, the conflict in Georgia and the election of Barack Obama to the US Presidency. Needless to say, all these developments preoccupied the Cypriot people who had, in addition, a number of further concerns and expectations in mind.

Undoubtedly the most crucial issue for the citizens of the Republic of Cyprus, and the one mostly debated on the island, was the resumption of the direct negotiations between Cypriot President, Demetris Christofias, and Turkish Cypriot leader, Mehmet Ali Talat, aiming at a comprehensive solution of the Cyprus problem. Talks resumed on 3

¹⁴⁶⁶ See the speech of Minister Šimonović at the Croatian Parliament on 29 October 2009, available at: <http://www.pravosudje.hr/default.asp?ru=428&gl=200810290000001&sid=&jezik=1> (last access: 28 January 2009).

¹⁴⁶⁷ Summary of adopted measures in the last quarter of 2008 available in the National Program for Accession of Croatia to the EU for 2009, adopted in December 2008, available at: http://www.vlada.hr/hr/naslovnica/sjednice_i_odluke_vlade_rh/2008/62_sjednica_vlade_republike_hrvatske_1 (last access: 28 January 2009).

¹⁴⁶⁸ The State Budget was made on the optimistic 2 percent GDP growth forecast. See Ministry of Finance: "The Budget Proposal for 2009"; available at: <http://www.mfin.hr/hr/novosti/prijedlog-proracuna-za-2009-deficit-konsolidirane-opce-drzave-16-posto-bdp-> (last access: 29 January 2009).

¹⁴⁶⁹ Interview with Dr Željko Rohatinski, Governor of the Croatia National Bank in business monthly, Banka, January 2009, pp. 18-22.

¹⁴⁷⁰ Peter Sanfey, EBRD, on the occasion of the presentation of the Transition Report 2008 at the Zagreb Stock Exchange, 27 January 2009.

¹⁴⁷¹ See for instance macroeconomic forecasts of Zagrebacka banka in their CEE Quarterly Q4, October 2008.

¹⁴⁷² Institute of Economics Zagreb: "Croatian Economic Outlook Quarterly", no. 37, January 2009, available at: <http://www.eizg.hr/Item.aspx?Id=486&lang=1> (last access: 30 January 2009).

* Cyprus Institute for Mediterranean, European and International Studies.

September 2008 and since then, the two community leaders meet on a regular basis to discuss issues to reach commonly accepted terms which will lead to the reunification of Cyprus. Currently, Christofias and Talat are discussing the thorny property chapter but, although both sides try to be tight-lipped, their positions appear far apart. News reports revealed that the Greek-Cypriot proposals on property are based on the European Court of Human Rights decisions and the United Nation resolutions.¹⁴⁷³ The same sources say that UN experts have exchanged views with the two sides on the governance issue, but stopped short of submitting proposals as this would change the UN's mandate in the present process. Commentators on the issue also suggest that it will not take long – as the two sides are so far apart – that this issue would be put aside and the two negotiators will move to the next chapters – likely to be the economy and the European Union. Minister of Foreign Affairs, Markos Kyprianou, stated on the properties issue that Cyprus will remain steadfast on the principle of the return of property, adding that this basic human right does not clash with the concepts of bi-zonality and bi-communality.¹⁴⁷⁴ Earlier, in the year, Minister of Foreign Affairs Kyprianou commented that the settlement of the Cyprus problem can be achieved in 2009 if the Turkish Cypriot side adopts a more constructive stance at the negotiating table.¹⁴⁷⁵ He emphasised that the conclusion of the direct talks depends on whether the positions expressed are within the agreed framework.

Concerning the positions expressed by the two communities in these negotiations, President Christofias recognised that certain realities have been established on the ground in the past 34 years.¹⁴⁷⁶ Speaking with regards to the property issue, he stressed that the government supports the rights of legal owners, and noted that the basic difference between the two sides is that the Turkish Cypriot side focuses more on the exchange of properties and compensations and not their return. The position of the government, he

said, is that the matter can be solved using four basic principles: the right of owners to use their property; their right to lease it; their right to compensation; and their right to exchange it for properties in the government-controlled areas. On the issue of governance, after a solution to the island's problem, according to Christofias, the two sides hold divergent positions. The Greek Cypriot side supports the election of a president and vice-president from a common ballot for both communities, with the six year presidency term rotating at four years for the Greek Cypriot member and two years for the Turkish Cypriot member. Also, the government proposes a 70 percent to 30 percent distribution in the cabinet. On the other hand, he said, the Turkish Cypriot side proposes the election of two co-presidents, elected by a senate, and the institution of a presidential council with a ratio of four to three members for each community. On legislative issues there is more convergence, according to Christofias. The government proposes equal representation in a senate and proportional in a house of representatives. However, he admitted there are still great differences on the issue of dispute-resolving mechanisms. The basis of the solution, Christofias said, is a bi-zonal, bi-communal federation, as it was clearly agreed upon; and yet, Turkey now views it quite differently. He stressed that the existence of guarantor powers is unacceptable and insulting to the political maturity of the people of Cyprus. Christofias also took the opportunity to reiterate his opposition to Cyprus' application for membership in the Partnership for Peace. Finally, he warned Turkey that its EU accession is impossible as long as it keeps the occupation troops in Cyprus.

In January 2009, the Cypriot people were shocked by the statements made by Turkish actor, Attila Olgaç, during a TV programme in Turkey. Olgaç revealed that he had executed 10 Greek Cypriot prisoners of war, during the Turkish invasion of 1974, including a 19-year-old man at point blank. The Cypriot government and public opinion were deeply affected by the revelations of such executions. As the government spokesman noted, the revelation reaffirmed the atrocities conducted by the Turkish army in 1974 and the blatant violation of the Geneva Conventions by Turkey.¹⁴⁷⁷

¹⁴⁷³ Cyprus Broadcasting Corporation: Main evening news bulletin, 4 February 2009.

¹⁴⁷⁴ Markos Kyprianou, Minister of Foreign Affairs: Statements, Nicosia, 4 February 2009 (as reported by all Cypriot Media).

¹⁴⁷⁵ Markos Kyprianou, Minister of Foreign Affairs: Statements, Nicosia, 9 January 2009 (as reported by all Cypriot Media).

¹⁴⁷⁶ Demetris Christofias, President: Statements to foreign correspondents in Cyprus, Nicosia, 5 February 2009 (as reported by the Cyprus News Agency).

¹⁴⁷⁷ Stefanos Stefanou, spokesperson of the government: Statements, Nicosia, 25 January 2009 (as reported by the Cyprus News Agency).

The Cypriot authorities were immediately mobilised to further scrutinise the issue, and the government's legal services investigated possible legal action. 24 hours after the Turkish actor's admission, he retracted his earlier statements on the executions by saying that he had confused reality with one of his scripts and that he wanted to gauge the public's reaction, even though he had confirmed the content of his interview to the daily newspaper "Radikal" shortly after it was broadcasted. All Cypriot media gave extensive coverage to the actor's contradictions and to the distress caused to relatives of missing persons and those killed during the war. There is widespread speculation that Olgaç changed his statement following pressure by the Turkish army and the 'deep state'. As announced, the government intends to report the testimony of the Turkish actor to the Council of Europe committee of permanent representatives, as well as to the European Court of Human Rights.¹⁴⁷⁸ In addition, in association with the House of Representatives, the government will also inform all EU member states and bodies, referring specifically to the European Parliament.

On this issue, the European Commission reminded Turkey of its obligation to secure proper investigations into the fate of all Greek Cypriots missing since the 1974 events. Enlargement Commissioner Olli Rehn's spokesperson, Krisztina Nagy, commented that an investigation should be launched into establishing what had really happened.¹⁴⁷⁹ If, according to the Enlargement Commissioner, the statements are confirmed, the Turkish actor's actions would constitute a violation of the Geneva Conventions. Nagy reiterated Olli Rehn's statements that the Olgaç revelations are a tragic and shameful story. The Commission assured that it recognises the urgency of solving the missing persons issue and to this end it is releasing 1.5 million Euro in support of the work of the missing persons investigative committee.

The issue of animal health is also of high salience in Cyprus. In November 2008 the publication of an opinion by the "French Food Safety Agency", which suggested that milk from goats and sheep contaminated with

scrapies should not be consumed by humans because of potential health risk, alarmed the Cypriot authorities. Cyprus is concerned that an export embargo might be imposed and about 130,000 animals could be culled, seriously affecting farming and thereby the economy of the island. In February 2009, daily newspaper "Politis", revealed the main provisions of the national plan on scrapies prepared by the veterinary services according to which 250 animals will be culled per day over the next 18 months.¹⁴⁸⁰ The plan needs the Cabinet's approval in order to be implemented by 1 March.

Another major issue mostly debated during the second half of 2008 was Cyprus' severe water shortage, commonly regarded as the country's "second national problem". The water situation remained critical despite a certain increase in reserves compared to 2008. By early March, the Cypriot dams' capacity had reached 25 percent. Intense debates on the government's handling of the problem were held among members of the opposition parties and the government. The opposition mostly advocated that the government should have prepared an emergency action-plan to combat water scarcity and promote the creation of more desalination units capable of producing more quantities of water in order to avoid water cuts all over the island. Minister of Agriculture, Natural Resources and Environment, Michalis Polinikis, however, has been reassuring the public of the government's commitment to continue the implementation of the long-term desalination programme so as to disengage Cyprus' water needs from the caprices of the weather.

Finally, in the early days of February 2009, it was announced in Washington that two American officials and among the closest aids to President Obama – Senator of Illinois Richard Durbin and the Illinois State Treasurer, Greek-American Alexis Giannoulas – were to visit soon the triangle of Cyprus, Greece and Turkey for investigative talks. Needless to say, Cypriot elites and public opinion were elated at the possibility that President Obama's probable involvement in sending such a delegation at this time may well imply serious interest in the 'fair resolution' of the triangle's problems on a win-win basis.

¹⁴⁷⁸ Stefanos Stefanou, spokesperson of the government: Statements, Nicosia, 27 January 2009 (as reported by the Cyprus News Agency).

¹⁴⁷⁹ Kristzina Nagy, spokesperson of the European Commissioner for Enlargement: Statements, Brussels, 28 January 2009 (As reported by all Cypriot Media).

¹⁴⁸⁰ POLITIS (newspaper), 12 February 2009.

Current issues

Czech Republic***The country's first presidency increases the attention paid to EU affairs**

The Czech Presidency, which began on 1 January 2009, has increased mass media interest in EU affairs in general. Both the gas crisis and the Gaza conflict received extended coverage in the Czech Republic. The gas crisis further stressed the topic of energy security, which already before this event was a priority of the Czech government. One of the main priorities of the Czech Presidency is energy, including finding solutions to both climate change and energy supply vulnerability.¹⁴⁸¹ From a Czech perspective, however, the dependence on Russian energy sources has always been more of a priority than the discussions on climate change.¹⁴⁸² Yet, despite the awareness of the importance of the topic, the governing coalition is split on how to provide energy to the country in the future, due to a split on the future of nuclear energy.

During the autumn it was widely discussed whether the Czech Presidency will be discredited due to the eurosceptic image of the country. It was the lack of progress concerning the ratification of the Lisbon Treaty in the Czech Republic¹⁴⁸³ as well as the behaviour of President Václav Klaus that caused worries among parts of the domestic political elite, analysts and journalists.¹⁴⁸⁴ Klaus' meeting with Declan Ganley during a state visit to Ireland in November was largely discussed and not only in the Czech Republic. Later, Klaus got into a quarrel with a delegation from the European Parliament during their visit to Prague, and Klaus was also criticised by

* **Institute of International Relations.**

¹⁴⁸¹ Work Programme of the Czech Presidency Europe without Barriers, available at: <http://www.eu2009.cz/en/czech-presidency/programme-and-priorities/programme-and-priorities-479/> (last access: 31 January 2009).

¹⁴⁸² Energy security tops Czech Presidency agenda, 7 January 2009, available at: <http://www.euractiv.com/en/opinion/energy-security-tops-czech-presidency-agenda/article-178322> (last access: 31 January 2009); Czechs push for greater EU focus on electricity, 3 February 2009, available at: <http://www.euractiv.com/en/energy/czechs-push-greater-eu-focus-electricity/article-179083> (last access: 3 February 2009).

¹⁴⁸³ See question 1.

¹⁴⁸⁴ Klaus-Ganley meeting not to affect Czech position in EU – analysts, 11 November 2008, available at: http://www.ceskenoviny.cz/news/index_view.php?id=343733 (last access: 31 January 2009)

French President Sarkozy for his refusal to hoist the EU flag on the Prague Castle.¹⁴⁸⁵

Current issues

Denmark***EU rules hollowing out Danish immigration legislation**

The European Court of Justice's ruling in the Metock case caused severe political outcry in Denmark as it challenges Danish immigration policy. According to the ruling, with the directive on free movement as point of reference, a non-community spouse of an EU citizen can move and reside with that citizen in the EU without having previously been lawfully a resident in a member state. As a consequence, with a short stay in another member state, a Dane can now be exempted from the Danish rules like the minimum age of 24, the presence of stronger ties to Denmark than to the home country of the spouse, financial guarantees, immigration test etc. The Danish government is concerned that the directive and the ruling undermine the strict Danish immigration legislation.¹⁴⁸⁶

The Danish interpretation of the EU rules has until recently limited Danish citizens' opportunities to obtain family reunification, but with the Metock ruling it has now been made clear that Danish demands were incompatible to the freedom of movement directive.¹⁴⁸⁷

A report from the Danish Ombudsman concluded that the Danish Immigration Service has to a considerable extent refrained from administering the directive appropriately and has failed to inform the citizens about their rights to family reunification through the EU rules on free movement.

The only way to ensure the strict Danish immigration legislation is to amend the directive and the government has expressed

¹⁴⁸⁵ Foreign Min. dismisses Sarkozy's criticism of no EU flag by Klaus, 16 December 2008, available at: http://www.ceskenoviny.cz/tema/index_view.php?id=350400&id_seznam=2019 (last access: 25 February 2009), see also Grumpy Uncle Vaclav, 4 December 2008, available at: http://www.economist.com/world/europe/displaystory.cfm?story_id=12724780 (last access 31 January 2009).

* **Danish Institute for International Studies.**

¹⁴⁸⁶ Mandag Morgen, no. 27: Fogs kamp mod opholdsdirektivet kan give bagslag, 18 August 2008.

¹⁴⁸⁷ Mandag Morgen, no.28: Syv års udlængstramninger kan være spildt arbejde, 25 August 2008.

optimism about reaching this solution although it requires the support of the remaining member states.

In a political agreement between the government and its supporting party, the Danish People's Party, the interpretation of the directive has been changed and it has been accepted to extend Danish citizens' possibility to achieve family reunification when using the freedom of movement directive. At the same time, the government has promised to pave the way towards a change of the directive by referring to a possible misuse of the directive.

This possibility was, however, provisionally turned down by the European Commission in a report on the directive which was published in the beginning of December 2008. The Commission explained that there was no proof of misuse of the directive and therefore no need to initiate changes. Furthermore, Denmark was ranked as the third worst member state in implementing the directive.¹⁴⁸⁸ Nevertheless, José Manuel Barroso came to the rescue of the Danish Prime Minister, Anders Fogh Rasmussen, when stating that he was willing to consider amendments if member states can prove the existence of significant problems regarding illegal immigration. But even if the directive was to be amended this would not change the precedence and legal practice of the European Court of Justice.¹⁴⁸⁹

The Tunisian case

In December 2008 the Danish parliament, with a tiny majority, passed a controversial law tightening the demands on foreigners under the so-called 'tolerated stay'. People under 'tolerated stay' are now obliged to live in a refugee camp, and report themselves to the police every day. The tightening came after a political struggle over two Tunisians suspected of terrorism.

In February 2008, two Tunisian nationals were arrested suspected of plotting to kill cartoonist Kurt Westergaard. Westergaard's controversial cartoon of the prophet Mohammed with a bomb in his turban was one of the 12 images that caused the Cartoon Crisis in 2005.

The Danish Minister for Refugee, Immigration & Integration Affairs, Birthe Rønn Hornbech,

decided to administratively deport the two Tunisians without a trial. The administrative deportations of people posing a threat to state security are in accordance with Danish anti-terror law from 2002. They were, however, allowed to remain in Denmark under 'tolerated stay' due to a risk of facing persecution or ill-treatment in their home country. While one of the Tunisians left Denmark, the other lived with his family only ten minutes from the cartoonist's home. This caused an intense political debate and led to the Danish People's Party demand the passing of a law aiming at tightening the control over the Tunisian.

The Danish Institute for Human Rights criticized the political initiative and found it inappropriate to implement a law change which is directed at one single person and also warned that the new duty of notification at the police could lead to infringement of the rights of individuals.¹⁴⁹⁰ The law also received strong criticism from the UN High Commissioner for Refugees (UNHCR), stating that the unwanted immigrants on 'tolerated stay' risk being punished unreasonably hard and twice for the same criminal offence. UNHCR is of the opinion that immigrants should receive the same treatment as Danes who are posing a threat to national security.¹⁴⁹¹

Pirates off the coast of Somalia

Increasing pirate activity off the coast of Somalia became a concern in Denmark because of its large maritime interests. Pirate action against Danish-owned ships "Georg Maersk" and "CEC Future" raised considerable concerns about the safety of shipping in the Gulf of Aden.¹⁴⁹² One of Denmark's largest companies, A.P. Møller Mærsk, was forced to reroute its ships around the Cape of Good Hope to avoid piracy in the Gulf of Aden.¹⁴⁹³ Mærsk also found itself cutting staff as a fall in shipping volumes forced corporate reorganization.¹⁴⁹⁴ Increased international

¹⁴⁹⁰ The Danish Institute for Human Rights: Integrationsministeriet glemmer rettigheder, available at: <http://www.menneskeret.dk/Nyheder/Kritik+Integrationsministeriet+glemmer+rettigheder> (last access: 26 January 2008).

¹⁴⁹¹ Ritzau Bureau: FN kritiserer tuneserlov, 27 November 2008.

¹⁴⁹² Copenhagen Post: 'The crew of a Maersk container ship spotted possible pirate vessels following them', 8 October 2008; Copenhagen Post: 'Company pays pirates to release ship', 16 January 2009.

¹⁴⁹³ Copenhagen Post: 'Pirates force Maersk off course', 21 November 2008.

¹⁴⁹⁴ Robert Wright: 'Maersk reports fall in volumes on Asia-Europe route', *Financial Times*, 13 November 2008;

¹⁴⁸⁸ Mandag Morgen, no. 43: EU slukker lyset for dansk udlændingeaftale, 8 December 2008.

¹⁴⁸⁹ Politiken: Nyhedsanalyse: Barrosos politiske julegave til Fogh, 21 December 2008.

cooperation in response to such piracy includes the international Task Force 150 and the launching of the first ever EU anti-piracy security operation (EU NAVFOR) off the coast of Somalia in December 2009.¹⁴⁹⁵ However, because of its opt-outs from EU security and defence policy, the Danish navy is unable to join the 9-nation EU force helping to protect Danish shipping despite the presence of "HMS Absalon", a Danish warship, in Task Force 150.¹⁴⁹⁶

Current issues

Estonia*

Budget cuts in the financial crisis

The dominant theme of the past six months is clearly the economic crisis. The Estonian economy has been in recession since mid-2008 and the Bank of Estonia predicts a 5.5 percent decline of GDP in 2009. The gravity of the situation became evident only in December 2008 when it turned out that the accrual of budget revenues had been very low due to a very fast cool-down of both the global and Estonian economies. While the government has reserves worth about 15 billion Kroons (and has not yet had to turn to the International Monetary Fund (IMF) for help, like the neighbouring Latvia), it decided to drastically cut the 2009 budget. After long debates between the coalition partners, an agreement was reached to cut the budget by eight billion Kroons, the equivalent of eight percent of 2009 spending. The cuts involve painful measures such as across-the-board reduction of 10 percent in public sector wages. The cuts will be formalised in a bill to be presented to the Estonian Parliament in February 2009. These measures are designed to help Estonia meet the Maastricht convergence criteria (now that inflation rates are down) but more importantly, to avoid bankruptcy of the Estonian state.

Estonia has watched with concern the recent anti-government riots in the Latvian and Lithuanian capitals. It is not clear whether similar violent demonstrations could occur in Estonia. Until recently, Estonians have been quite satisfied with their government.

Damian Brett: 'Maersk cuts 100 jobs in HQ shake up', *International Freight Week*, 21 January 2009.

¹⁴⁹⁵ BBC News: 'EU force to fight Somali pirates', 2 October 2008.

¹⁴⁹⁶ Copenhagen Post: 'Opt-out puts Navy on sidelines in pirate hunt', 15 January 2009.

* University of Tartu.

According to the most recent Eurobarometer survey (fall 2008), 48 percent of the Estonian public trusted the national government. This figure is significantly above the EU average (34 percent) and dramatically different from government support rates in Latvia and Lithuania (16 percent in both cases). However, it is possible that the dramatic budget cuts will take a toll on the government's popularity in the near future. At the same time, loyalists of the governing parties are likely to regard the budget cuts as a major achievement and an example of responsible behaviour in difficult times.

Current issues

Finland*

Climate change and migration create discussion in Finland

The Climate and Energy Package stirs emotions

The climate and energy package got a lot of attention in Finland. According to a survey conducted earlier this year, 77 percent of the Finnish citizens said that they were worried about climate change and environmental problems. 72 percent of Finns see them as issues which the EU can have a positive impact on.¹⁴⁹⁷ Professor Esko Antola warned that it should be realised that there is a gap between Finns' expectations and what the EU can actually do.¹⁴⁹⁸

The climate and energy package has also a lot of attention amongst the officials in Finland. Minister of Migration and European Affairs, Astrid Thors, was of the opinion that without the EU, Finland would hardly be progressing with the use of renewable natural resources as it is now.¹⁴⁹⁹ Member of the European Parliament, Satu Hassi (Greens), has expressed her disappointment about the

* Finnish Institute of International Affairs.

¹⁴⁹⁷ Survey conducted between 1-11 January 2009 by TNS Gallup Oy on behalf of the European Parliament's Information Office in Helsinki and MTV3, available at: http://www.europarl.fi/ressource/static/files/dokumenttipankki/EU-2009-RAPORTTI_1.pdf (last access: 10 March 2009).

¹⁴⁹⁸ "Suomalaiset odottavat EU:lta toimia ilmastomuutoksen hillitsemiseksi", *Maaseudun Tulevaisuus* (web edition), 23 January 2009, available at: http://www.maaseuduntulevaisuus.fi/uutiset/paauutiset/01/fi_Fi/eu_barometri/ (last access: 29 January 2009).

¹⁴⁹⁹ Astrid Thors, Minister of Migration and European Affairs: Speech at FIIA seminar, 16 December 2008.

climate and energy package. Hassi stated that the EU copped out and gave too many concessions to the industries' lobbying. The Finnish Prime Minister Matti Vanhanen considered the package a good thing from Finland's point of view. Industry has also had mainly positive views on the package, for example, the forest industry got about 80 percent of their emissions for free. Finland also got through its goal about the reference year: the emission rights to be auctioned off are now based on more than one reference year.¹⁵⁰⁰ Finland is especially keen on the forest industry being among the industries getting free emission rights.¹⁵⁰¹

The environmental organisations have stated their disappointment about the climate and energy package. "Friends of the Earth Finland", the "Finnish Association for Nature Conservation" ("Suomen Luonnonsuojeluliitto"), and "WWF Finland", all considered the package as "a disgraceful failure". According to Leo Stranius from the "Finnish Association for Nature Conservation", the leaders of the European government's went back on their words and turned their backs on the global fight against climate change.¹⁵⁰²

The "Confederation of Finnish Industries" (EK) considers the package as a very heavy burden to Finland and is afraid that the demands of the Commission mean diminished chances for the Finnish companies in the international markets.¹⁵⁰³ The "Confederation of Unions for Professional and Managerial Staff" (AKAVA) considers the package as challenging but obtainable. AKAVA stated that the Commission has acted commendably in this difficult matter, since without its initiative not much would have happened.¹⁵⁰⁴ The "Central

Union of Agricultural Producers and Forest Owners" (MTK) thinks the package is a positive and challenging issue for the Finnish agriculture.¹⁵⁰⁵

Finland agreed with the UK on the fact that controlling climate change is a part of solving the financial crisis. Prime Minister Matti Vanhanen reminded that during the last recession, Finland invested in developing new technology which in time led to a huge rise in the economy. Vanhanen thinks this is a good time for the EU members to invest into developing renewable energy sources and energy efficiency.¹⁵⁰⁶ The leader of the Green Party, Tarja Cronberg, agrees with Vanhanen that this is the right moment to invest into climate and energy. However, she considered that there should be more emphasis on services and that from the climate point of view, Vanhanen's vision is short-lived.¹⁵⁰⁷

Finns concerned about migration

Migration became a much discussed topic in Finland last year. This was largely due to the increasing popularity of the True Finns Party, which enabled them to bring the issue up in the public debate. The True Finns Party pushes for work-based migration and the effective assimilation of immigrants into Finnish culture.¹⁵⁰⁸ At the same time, the migration pact was discussed at the European level. For Finland, the pact was acceptable, but Finland underlined the fact that the development of a comprehensive migration policy needs to be continued. Finland emphasises that there is a need to create a common asylum system and cooperation on practical level between the member states.¹⁵⁰⁹ In a survey conducted

http://www.akava.fi/files/32/Tiedote_ilmastonmuutos_2301_2008.doc (last access: 10 March 2009).

¹⁵⁰⁰ "Ilmastopaketti iski riitasoinnun", Suomen Kuvalehti, 22 December 2008.

¹⁵⁰¹ "EU-kokous taiteilee talouden ja ilmaston edun välillä", Helsingin Sanomat, 10 December 2008.

¹⁵⁰² "EU:n ilmasto- ja energiapaketti vesittyi – Euroopan parlamentin tulee hylätä esitys vastuunjakodirektiivistä", Suomen Luonnonsuojeluliitto, 12 December 2008, available at: <http://www.sll.fi/tiedotus/tiedotteet/liitto/2008/eu-n-ilmasto-ja-energiapaketti-vesittyi-2014-euroopan-parlamentin-tulee-hylata-esitys-vastuunjakodirektiivistä> (last access: 22 January 2009).

¹⁵⁰³ Confederation of Finnish Industries: "Ilmasto- ja energiapaketti kova taakka Suomelle", 23 January 2009, available at: http://www.ek.fi/www/fi/index.php?we_objectID=7072 (last access: 22 January 2009).

¹⁵⁰⁴ Confederation of Unions for Professional and Managerial Staff: "Akava vaatii julkista tutkimuspanostusta ilmastonmuutokseen", 23 January 2009, available at:

¹⁵⁰⁵ Central Union of Agricultural Producers and Forest Owners: "EU:n energiavoitteet tuovat työtä ja toimeentuloa maaseudulle", 23 January 2009, available at: http://www.mtk.fi/maaseutu/ajankohtaista_maaseutu/maaseutu_uutiset/maaseutu_uutiset_2008/fi/FI/uusiutuva_ener_gia/ (last access: 29 January 2009).

¹⁵⁰⁶ "EU-maiden sitoutumista ilmastopakettiin", Helsingin Sanomat, 16 October 2008.

¹⁵⁰⁷ "Cronberg: Vanhasen visiot ympäristölle kestävämmiksi", Helsingin Sanomat, 22 January 2009.

¹⁵⁰⁸ "Ulkomaalaisten kotouttamisesta voitava keskustella", Perussuomalaiset Naiset ry:n hallitus, 29 November 2008, available at: <http://www.perussuomalaiset.fi/ajankohtaista/?issue=94> (last access: 30 January 2009).

¹⁵⁰⁹ "OSA-neuvosto 25.9. Brysselissä: Maahanmuutto- ja turvapaikkasopimuksesta yhteisymmärrys", bulletin of the Ministry of Interior, available at: http://www.intermin.fi/intermin/bulletin.nsf/PFBD/3D14EE2_405CB5701C22574CF00412D46?opendocument (last access: 20 January 2008).

during year 2008, nearly three out of four (72 percent) Finnish citizens saw immigration as an EU wide problem and an issue needing a joint EU-level policy. Only a small minority (15 percent) disagreed.¹⁵¹⁰ In a survey held at the beginning of January 2009, 44 percent of Finns said that immigration-related problems were a concern for them and 43 percent reported that they felt the EU was in a position to be able to affect these problems.¹⁵¹¹

The Minister of Migration and European Affairs, Astrid Thors, presented a new migration law late last year that would have been the most liberal in Europe. The proposal got immediately a lot of visibility. In three days nearly 13,000 people signed an address against the new law. The organiser of the address, Juha Mäki-Ketelä, said that he is worried about Finland opening its borders while its neighbours (Sweden and Denmark) are tightening their migration policies.¹⁵¹² The committee later rejected the governments' proposal for the new migration law.¹⁵¹³

Edvard Johansson and Sixten Korkman from "The Research Institute of the Finnish Economy" argued that the Finnish migration policy has to be reconsidered. Due to the ageing of the population, Finland needs a more qualified work force and needs to be able to attract skilful immigrants. This calls for better migration policy. With the support of well managed integration policy, immigration can be beneficial in improving both employment and the financing of the public sector.¹⁵¹⁴ Pentti Arajärvi has just finished an investigation for the Ministry of Interior on the employment situation of immigrants in Finland. According to the investigation, language training should be offered faster and an integration plan should be drafted for all immigrants. The Ministry of Interior will review the integration policy for immigrants this spring and Arajärvi's

suggestions will be utilised in this work. According to Arajärvi, the resources targeted in migration are far too limited at the moment.¹⁵¹⁵

The "Association of Finnish Local and Regional Authorities" ("Kuntaliitto") agrees with the European Commission's green paper¹⁵¹⁶ that immigrants' training and development of training services should be connected with integration of immigrants.¹⁵¹⁷ The association states that in the long term, more substantial migration will profit the whole Finnish society.¹⁵¹⁸

Current issues

France*

Lukewarm reactions to the compromise on the "energy and climate" package

Both because of the Poznan Conference and the EU-27 climate summit in Brussels, environmental issues have been largely covered by the French media. In its editorial, "Le Monde" emphasises the importance of these conferences: "the EU not only plays for the future of the international climate change treaty, but also for its economic future and international statute".¹⁵¹⁹ Therefore, in view of these challenges, reactions to the final agreement have been lukewarm.

The French government is rather satisfied with the final agreement: "Mission accomplished. Now onto Copenhagen", French Environment Minister J. L. Borloo told the French press agency AFP, referring to the global summit in December 2009.¹⁵²⁰ According to President Sarkozy, the final agreement respects the goals that had been set by the European

¹⁵¹⁰ Ilkka Haavisto/Pentti Kiljunen: "Kenen joukoissa seisot? EVA:n Suomi, EU ja maailma-asennetutkimus 2008", available at: http://www.eva.fi/files/2166_kenen_joukoissa_seisot.pdf (last access: 30 January 2009).

¹⁵¹¹ Survey conducted between 1-11 January 2009 by TNS Gallup Oy on behalf of the European Parliament's Information Office in Helsinki and MTV3, available at: http://www.europarl.fi/ressource/static/files/dokumenttipankki/EU-2009-RAPORTTI_1.pdf (last access: 10 March 2009).

¹⁵¹² "Thorsin ulkomaalaislakia vastaan 13,000 nimeä", Aamulehti, 12 December 2008.

¹⁵¹³ "Järki päihitti pilvilinnat", Aamulehti, 13 December 2008.

¹⁵¹⁴ Edvard Johansson/Sixten Korkman, researchers: "Maahanmuuttopolitiikka on pantava uusiksi", Talouselämä, 28 November 2008.

¹⁵¹⁵ "Arajärvi: Lyhtykin työjakso edistää maahanmuuttajien kotoutumista", Helsingin Sanomat, 29 January 2009.

¹⁵¹⁶ European Commission: Green Paper. Migration & mobility: challenges and opportunities for EU education systems, COM (2008) 423 final, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2008:0423:FIN:EN:PDF> (last access: 20 January 2009).

¹⁵¹⁷ "Maahanmuutto- ja liikkuvuus- EU:n koulutusjärjestelmien haasteet ja mahdollisuudet", statement of the Association of Finnish Local and Regional Authorities to the Education and Culture Committee of the Finnish Parliament, 23 September 2008, available at: http://www.kunnat.net/k_perussivu.asp?path=1;29;63;376;135102;141553;142166 (last access: 30 January 2009).

¹⁵¹⁸ "Monikulttuurisuus ja maahanmuutto", Association of Finnish Local and Regional Authorities, available at: http://www.kunnat.net/k_perussivu.asp?path=1;29;121;437;19 (last access: 30 January 2009).

* Centre européen de Sciences Po.

¹⁵¹⁹ Le Monde, 11 December 2008.

¹⁵²⁰ AFP, 17 December 2008.

Parliament. However, he admitted that some concessions were necessary to reach an agreement.¹⁵²¹ In this context, the MEDEF, the French employers' union, welcomed this agreement. Thanks to the concessions, the text "sets equilibrium between ambitious targets and competitiveness of EU firms".¹⁵²² Some sectoral actors appear as winners in these negotiations. This is the case of the renewable energy industry. The SER (French Renewable Energy Organisation) also expressed its satisfaction regarding "an historical agreement".¹⁵²³

However, French Socialist Party expressed a mixed opinion. It welcomed the compromise but considered it as a lacklustre success, given that many concessions were made in order to reach it.¹⁵²⁴ More radical criticisms come from environmental organisations and the Green Party. In a common press release, French representatives of the World Wide Fund for Nature (WWF), Climate Action Network, Greenpeace and Friends of the Earth claimed that the compromise was in total contradiction with European long-term targets to reduce global warming.¹⁵²⁵ Thus, according to Green MEP Daniel Cohn-Bendit and other ecologists, "the compromise on the table is one weakened by national selfishness. The triple 20 percent climate targets have been diluted to legitimise a 4x4 economy".¹⁵²⁶ Mathieu Wemaëre, from the "Institut du Développement Durable et des Relations Internationales" (IDDRI), expresses a critical point of view on these conferences and believes that "real effort from Europeans has been reduced drastically".¹⁵²⁷

¹⁵²¹ Discours de Nicolas Sarkozy devant le Parlement européen, 15 December 2008, available at: http://www.europarl.europa.eu/news/expert/infopress_paq_e/004-44609-350-12-51-901-20081216IPR44608-15-12-2008-2008-true/default_fr.htm (last access: 26 February 2009).

¹⁵²² MEDEF, Communiqué de presse, 12 December 2008, available at: http://www.medef.fr/main/core.php?pag_id=133216 (last access: 26 February 2009).

¹⁵²³ SER, Communiqué de presse, 12 November 2008, available at: http://www.enr.fr/dossiers-presse/CP_Conseil_Europeen_Paquet_energie_climat_12_12_08.pdf (last access: 26 February 2009).

¹⁵²⁴ Parti Socialiste, "Paquet énergie – climat: le Conseil européen conclut un accord en demi-teinte", 16 December 2008, available at: <http://presse.parti-socialiste.fr/2008/12/16/paquet-energie-climat-conseil-europeen> (last access: 26 February 2009).

¹⁵²⁵ Réseau Action Climat, WWF, Les Amis de la Terre, Greenpeace, "Honte aux dirigeants européens !", 12 December 2008, available at: <http://www.greenpeace.org/france/news/honte-aux-dirigeants-europeens> (last access: 26 February 2009).

¹⁵²⁶ *Le Monde*, 17 December 2008.

¹⁵²⁷ *Ouest France*, 13 December 2008.

Sarkozy, Merkel and Franco-German relations

Negotiations on anti-crisis measures and climate package have placed Franco-German relations under the spotlight. French media insisted on a German 'defensive' attitude during these discussions.¹⁵²⁸ According to "Le Figaro", the end of the EU French Presidency came as a relief to Angela Merkel. The French daily newspaper considers that Chancellor Merkel adopted a defensive position on both fronts (crisis and climate issues) in her effort to curtail the exuberance of Nicolas Sarkozy. "Les Echos" underlines an exceptionally bad communication management, which made the German Chancellor appear as obstructing the 'refounder of the new global financial order'.¹⁵²⁹ As a consequence, reports "Le Nouvel Observateur", German media became more critical towards Angela Merkel and surprisingly supportive of Nicolas Sarkozy. It transformed its taunting towards the French President into criticism towards the Chancellor, accusing her of immobility in the face of the worst recession in post-war history.¹⁵³⁰ In an editorial for "Le Figaro", Alain-Gérard Slama observed an ironic inversion in Franco-German relations at the EU level. Whereas France appealed for voluntarism and action, Germany called for caution and consultation.¹⁵³¹ In this context, the task of French President Sarkozy at the EU summit was uneasy. It had to find an acceptable compromise between France and Germany and to resist to the temptation to play the part of the lone ranger.¹⁵³²

If the current cooling of Franco-German relations persists, it will have a negative impact on the EU's capacity to take decisions. This led D. Moïse, special counsellor for the "Institut Français des Relations Internationales" (IFRI), to claim that the circumstances of an economic crisis could only force N. Sarkozy and A. Merkel to join forces and points of view.¹⁵³³ Besides, "Le Nouvel Observateur" already saw signs of improvement in relations between Paris and Berlin: Sarkozy's invitation to Merkel to attend the inauguration of the de Gaulle Memorial in Colombey was significant, and the joint letter to the European press – published on the eve of the tenth French-German ministerial council under the title 'We can wait

¹⁵²⁸ *Le Figaro*, 12 December 2008.

¹⁵²⁹ *Les Echos*, 24 October 2008.

¹⁵³⁰ *Le Nouvel Observateur*, 14 December 2008.

¹⁵³¹ *Le Figaro*, 17 December 2008.

¹⁵³² *Le Figaro*, 12 December 2008.

¹⁵³³ *Le Monde*, 14 December 2008.

no longer' – shows the objectives of the two countries are still the same, despite the wrangling.¹⁵³⁴

The choice of the new State Secretary for European Affairs, Bruno Le Maire, recently confirmed this tendency. B. Le Maire, an expert in German issues and a good German speaker, conceded that one of his main tasks will be to recreate strong relations between both countries. He declared on radio RTL: "When France and Germany are in agreement, things progress including on issues that are not self-evident. If they fail to reach a compromise, then the EU comes to a halt".¹⁵³⁵

Current issues

Germany*

The jubilee and memorial year 2009 and the shadows of elections

The national elections on 27 September 2009 cast a shadow on policy making and public debates in 2009. Chancellor Merkel will run again for the Christian Democrats (CDU/CSU) while Foreign Minister Steinmeier is the candidate of the Social Democrats (SPD) for the chancellorship. Steinmeier will prefer to lead a SPD/Green/FDP coalition as chances for a red-green majority are quite meagre. If the CDU/CSU/FDP, the so called bourgeois camp (bürgerliches Lager) will not gain a sufficient majority, a 'grand coalition Merkel II' with a however weakened SPD is most likely. National elections are preceded by the election of the state president (23 May 2009). The significance is that the two parties of the grand coalition nominated their own candidate so that the outcome will indicate the strength of the two opposing camps (CDU/FDP versus SPD/Greens/Left). Moreover, 13 elections at the regional (Länder) and local level have been scheduled:

- 18 January: state parliament election in Hesse
- 7 June: local elections in Baden-Württemberg, Mecklenburg-Vorpommern, North Rhine-Westphalia, Rhineland-Palatinate, Saarland,

Saxony-Anhalt (partly), Saxony (partly), Thuringia

- 30 August: state parliament elections in Saarland, Sachsen, Thuringia
- 27 September: state parliament election in Brandenburg

2009 is a year full of historic dates to be remembered. Media have already started to work through the long list:

- 60 years Federal Republic of Germany
- 20 years fall of the Berlin Wall and hence
- 20 years of (re-)unified Germany
- 70 years onset of World War II

It will be interesting to note in how far the European dimension, e.g. in the case of 20 years of fall of the Berlin Wall will be reflected. It will tell us a lot about the current state of mind and feelings of Germans, who, according to a recent survey,¹⁵³⁶ by a large majority consider post-war Germany overall as a success story. However, there are still notable differences in the perceptions of West and East Germans: Whereas 83 percent of West Germans consider post-war Germany as a success story only 61 percent of East Germans share that view. That does not mean, though, that East Germans look particularly favourable at the time of the communist German Democratic Republic: Only 28 percent of them see the time of 1949-1989 as the best time for Germany in the 20th century against 58 percent who favour the time after the German reunification. West Germans in contrast show a larger extent of nostalgia with about two-thirds considering the time of the 'old Federal Republic', i.e. (West) Germany before reunification, as the best time for Germany.

The inauguration of the first African American President of the US triggered a debate on "would Obama be possible in Germany?", meaning when, if ever, can we imagine a Chancellor or President with a migrant background? This continues the debate on failures and innovations in migrant integration policy.

Moreover, the implications of the crisis of the financial system and the world economy for Germany and the EU and how to protect the EU and manage the crisis will remain high on the agenda.

¹⁵³⁴ *Le Nouvel Observateur*, 14 December 2008.

¹⁵³⁵ B. Le Maire, *Interview*, RTL, 15 December 2008, available at: <http://www.rtl.fr/fiche/2781406/bruno-le-maire-la-relation-franco-allemande-a-connu-des-crises-beaucoup-plus-importantes.html> (last access: 26 February 2009).

* Institute for European Politics.

¹⁵³⁶ Cf. Frankfurter Allgemeine Zeitung: Eine Erfolgsgeschichte, 28 January 2009.

German troops in Afghanistan and a revision of the Afghanistan strategy will intensify also in public debate as the new strategy of the Obama administration takes shape.

At the end of the day, the surrounding deleterious political atmosphere continues to put pressure on the recently reshuffled Karamanlis government 'to do something drastic' or to call an early election.

Current issues

Greece*

Mass protests disrupting normal life

The last few months of 2008 left a rather unpleasant feeling to the vast majority of Greeks. The government, haunted by rumors of a major politico-financial scandal, found itself unable to defend itself adequately on moral grounds while the situation of the economy was becoming alarming even before the eruption of the world financial crisis. On top of all that, the killing of a 15 year old boy by a policeman in the center of Athens on 6 December led to a wave of protests of unprecedented violence that disrupted normal life not only in the capital but in many other towns as well. These events were widely reported/publicised internationally and paved the ground for those who wanted to depict Greece as the ideal 'victim' for rumors about the country's expulsion from the Eurozone, due to its bad financial situation.¹⁵³⁷ Meanwhile, Greek eastern islets are continuously disputed by Turkey, a fact that brings forward the argument that there are some contradictions in the overall Greek foreign policy: The political system in Greece continues supporting the Turkish candidature for EU membership for strategic reasons, despite certain conceptions of the Greek public opinion, experiencing a sense of threat once more. However, the 'perpetuating myths' are a necessity in foreign policy.¹⁵³⁸

The fact that Greece undertakes the Presidency of OSCE is not given significant importance in Greece, despite the fact that the role of this organisation in 2009 will be quite significant.¹⁵³⁹

* Greek Centre of European Studies and Research.

¹⁵³⁷ See K. Moschonas: "The back-stage rumors on Greece's 'expulsion' from the Eurozone", in *Eleftherotypia-Economia*, 18 January 2009, p. 4.

¹⁵³⁸ See the references in footnote 10; Tassos. Giannitsis (ex Foreign Minister) in the January 2009 issue (No 21) *VIMA IDEON*; J. Kartalis: "The new tension [between Greece and Turkey]", in *To Vima*, 7 December 2008.

¹⁵³⁹ See P.C. Ioakimidis: "Greece in the Presidency of OSCE", in *Ta Nea*, 16 January 2009.

Current issues

Hungary*

Weak Hungarian economy seriously hit by the crisis

In Hungary, the focus of current public discourses is the country's critical situation due to economic recession. In fact, Hungary is extremely vulnerable because the economy has already been in bad shape for the past couple of years. Contrary to all other new member states, Hungarian growth, real convergence and gross fixed capital formation has been sluggish since accession; unemployment and inflation as well as interest rates were rising, and public debts have been increasing (diverging from and not converging to the Maastricht limit of 60 percent of GDP). In parallel, a huge public deficit was accumulated in 2006 (above 9 percent) which the government started to cut back via restrictions on the expenditure side but without any major reform on the revenue side. The restrictions and now the effects of the crisis are seriously felt by the majority of the population. Layoffs are reported every day, and the great number of citizens who are indebted in foreign currencies find themselves now in huge trouble, as the exchange rate of the Euro skyrocketed from 230 Hungarian Forint (in August 2008) to well above 300 in February 2009.

The problem is aggravated by the fact that Hungary has a minority government which already lost a lot of its credibility and legitimacy; moreover, it is unable to find ways out of the crisis. The government took up huge (total of twenty billion Euros) concerted loans from the International Monetary Fund, the World Bank and the European Central Bank which is an additional burden on the country – without any clear strategy how to spend the money (worth one fifth of Hungarian GDP). The law on the budget for 2009 already collapsed in the beginning of January and – although technically it remained in force –

* Institute for World Economics of the Hungarian Academy of Sciences.

since then the key macroeconomic figures necessary for a potential new budget are revised (and deteriorating) nearly every day. The Prime Minister is trying to tackle the situation via a series of consultations with the opposition, the trade unions, the former and present National Bank presidents, etc. Although such consultations strengthen democracy, these moves actually reflect the lack of a clear vision of how to mitigate the painful effects of the crisis and how to find ways leading back to balanced growth, new jobs and better social cohesion.

Current issues

Ireland*

Salient topics in Ireland

Most analysts would agree that the most salient topics in Ireland are a) the financial crisis and b) the Lisbon referendum, both of which have been addressed by the questions above.

Current issues

Italy*

Concerns about public order and illegal immigration

- Rise in prices: In the last year the prices of basic goods, such as food, oil and energy, have increased considerably. This issue has been the centre of press articles and interventions by politicians.
- Security and crime: Italian public opinion is getting increasingly worried about the lack of public order in some areas of Italy. Episodes of violence are given a lot of space in Italian press and TV shows.
- Immigration: This issue is partly connected to the previous one, because in the last months there has been an increase in illegal immigration. This had led to some episodes of tension in the so-called "Centri di Prima Accoglienza" – the temporary shelters in which the illegal immigrants are hosted until they are repatriated to their country of origin – and

sometimes to racist reactions by the Italian public opinion.

- Reform of international institutions and the Italian G8 Presidency: This is an issue of high political salience. The Italian Foreign Minister, Franco Frattini, has repeatedly declared the Italian government's will to promote and participate in the reform of the international governance system. From the Italian point of view, this is a particularly important topic, since it will be one of the top priorities of the Italian Presidency of the G8 in 2009.
- The conflict in the Middle East: Both the Italian public opinion and the press have shown a particular interest in this topic, which has probably been one of the most covered by the political debate in the last weeks.

Current issues

Latvia*

Political uncertainty and economic recession

At the beginning of 2009 Latvia is facing political uncertainty and the onset of what is likely to be deep economic recession. Public discourse tends to concentrate on those two general themes.

The current political uncertainty is closely linked with that fact that the national government as well as the parliament and political parties no longer enjoy the public's confidence. According to an opinion poll, published in late January 2009, 64 percent of Latvia's citizens would favour dissolving the parliament.¹⁵⁴⁰ Another public opinion poll in December 2008, reveals that 51 percent of the people were totally dissatisfied with the performance of the government and only 10 percent said that they were satisfied.¹⁵⁴¹

This is the lowest rating of any government since 1996 when thousands of Latvians lost their life's savings owing to the folding of "Banka Baltija".

* Institute of International and European Affairs.

* Istituto Affari Internazionali.

* Latvian Institute of International Affairs.

¹⁵⁴⁰ BNS, news agency: dispatch of 24 January 2009.

¹⁵⁴¹ LETA, news agency: dispatch of 3 February 2009.

Public confidence – while never particularly high – in elected representatives, officials and political parties, especially at the national level in Latvia, started to erode steadily about a year after the parliamentary elections of October 2006. The People's Party¹⁵⁴² won the greatest number of seats and formed a coalition with other right-of-centre parties, except the New Era.¹⁵⁴³ Owing to strict discipline, the coalition could decide any issue before the parliament. The coalition's disregard for the views of the political opposition and proverbial man in the street, elicited complaints from the electorate of a dictatorship of the majority in the parliament and public petitions in spring 2008 to change the constitution so as to permit the electorate to initiate the dissolution of the parliament.

Aigars Kalvītis (People's Party), who had been a very self-confident Prime Minister from 2004 to 2006, was asked again to form the new government in autumn 2006 after the parliamentary elections. In his second tenure as Prime Minister, he was noted for his arrogance and high-handedness; his government – for being deaf to the voice of the electorate. Owing to widespread public complaints, Kalvītis resigned in December 2007. He managed, nonetheless, to ensure that the reins of power remain in the hands of the existing ruling coalition. Ivars Godmanis of Latvia's Way-Latvia's First Party¹⁵⁴⁴ became the next Prime Minister. Party politics determined the choice of ministers in the cabinet rather than professional competence and good reputation as a public servant. This was demonstrated by the government's inability to act promptly to reduce the risks of an overheated economy – these dangers were already perceptible during the years before Godmanis became Prime Minister. Not having the full backing of his government, Godmanis was not able to implement the hard decisions, which in his opinion were necessary to try to stabilise Latvia's economy.

Early in November 2008 it became public knowledge that "Parex Bank", Latvia's second largest bank, was unable to meet the payment schedule on the syndicated loans that it had taken. The government's decision to bail out the bank revealed the precarious state of Latvia's economy as a whole. Latvia did not have the resources for the bailout and needed outside financial assistance.

This news further undermined public confidence in the government and the parliament and served to encourage more demonstrations by farmers and other groups encountering economic difficulties. A large demonstration demanding change, including the dissolution of the parliament, was announced for 13 January 2009. The organisers were political opponents of the ruling coalition. Despite the freezing temperatures many thousands of people gathered in the historic centre of Rīga and peacefully voiced their complaints and demands. Just as the demonstration was ending, groups of mostly inebriated young people headed for the parliament and tried to storm the building. Failing to succeed, they turned to other violent activities, reminiscent of the riots in other European capitals in recent years. The Latvian public was shocked and could not believe that this could happen in Rīga. The government and the ruling coalition in the parliament reacted by ignoring the grievances of the demonstrators and by deploring the disorders and casting the blame on the organisers of the demonstration.

President Zatlers reacted on 14 January 2009 by accusing the government and the parliament of losing sight of the people and asked deputies to revise the law on parliamentary elections, voting on amendments to the constitution allowing the voters to initiate the dissolution of the parliament, and establishing a council to monitor the spending of the loans from abroad and the implementation of the plan to stabilise the economy. He asked that these tasks be completed by the end of March, otherwise he could consider dismissing the parliament so as to permit new elections.¹⁵⁴⁵ After complaining loudly about the President's ultimatum, the parliament has been attending to the three tasks.

In the meanwhile, discord among the politicians of the ruling coalition was growing, especially over the suitability of Godmanis as the Prime Minister. Discontent had also been expressed by the President. Finally on 20 February 2009 the People's Party and the Green¹⁵⁴⁶ and Farmers' Party¹⁵⁴⁷ decided to call for the resignation of the Prime Minister; later that day, the Prime Minister Godmanis stepped down. President Zatlers has asked Valdis Dombrovskis of the opposition right-of-

¹⁵⁴² Tautas Partija.

¹⁵⁴³ Jaunais laiks.

¹⁵⁴⁴ Latvijas Ceļš.

¹⁵⁴⁵ Delfi, news agency: dispatch of 14 January 2009.

¹⁵⁴⁶ Latvijas Zaļā Partija.

¹⁵⁴⁷ Centriskā partija Latvija Zemnieku Savienība.

centre New Era Party to form a new government.

The most urgent tasks of the new government will be to ward off the threat of bankruptcy and to regain public confidence in the government. Toward these ends the new ministers will have to listen closely to the electorate and make the decisions that are best for the country. Regarding the economy, the new government will have to show that Latvia is meeting the conditions for receiving the promised loan of 7.5 billion Euro from the International Monetary Fund. This will entail drafting a viable programme to stabilise the economy and adopting promptly very unpopular measures, such as cutting the budget by at least 20 percent, so as to ward off the threat of bankruptcy. The deadline is the end of March. The implementation of these steps will also ensure the smooth allocation of the promised assistance from the European Commission, to be distributed in parcels in the years from 2009 to starting with 2.9 billion Euro in the first years and followed by 100 million Euro in 2010 and 2011.¹⁵⁴⁸

Current issues

Lithuania*

Lithuanian energy security – a high salience issue

Lithuanian politicians keep on talking intensively at all levels about the Lithuania's difficult situation in the energy sector and Lithuanian energy security which will be endangered when "Ignalina nuclear power plant" – the main provider of energy in Lithuania – has to be closed according to the Treaty of Accession to the European Union. For example, during the October European Council meeting, the Lithuanian President, Valdas Adamkus, emphasized that without the electricity interconnections with Sweden and Poland, Lithuania can face energy bankruptcy.¹⁵⁴⁹ The Prime Minister, Andrius Kubilius, claims that the Russian and Ukrainian

gas crisis has clearly demonstrated that each European state can face big problems of energy security. Following him, we have to do everything with the European Union that next year, i.e. after the closure of the "Ignalina nuclear power plant", we will not come across such problems as Slovakia did.¹⁵⁵⁰

Victory of the right-wing parties in the national elections

In autumn of 2008, a new Lithuanian parliament was elected. The Conservative party, Homeland Union – Lithuanian Christian Democrats,¹⁵⁵¹ received the biggest number of seats in the Parliament (45 seats out of 141); the Lithuanian Socialdemocrats¹⁵⁵² got 25 seats; National Awakening Party¹⁵⁵³ – 16 seats; right wing radical party Order and Justice¹⁵⁵⁴ – 15 seats; Liberal Movement¹⁵⁵⁵ – 11 seats; Liberal and Center Union¹⁵⁵⁶ – 10 seats. Other 4 parties and independent members shared the remaining 25 seats. Therefore comparing with the last elections, the victory during those elections went to the right-wing parties.

Four parties formed the governing coalition: conservatives, the National Awakening Party, the Liberal Movement, and the Liberal and Center Union. After signing an agreement upon the coalition formation, the new government has declared to work for the following goals: to complete an audit of the current situation, initiate a plan for crisis management, and to take measures to fight corruption.¹⁵⁵⁷

¹⁵⁴⁸ LETA, news agency: dispatch of 30 January 2009.

* Institute of International Relations and Political Science, Vilnius University.

¹⁵⁴⁹ Bernardinai (news portal): V. Adamkus įspėjo ES vadovus, kad Lietuvai gresia energetinis bankrotas (V. Adamkus warned the EU leaders that Lithuania might face the energy bankruptcy), 16 October 2008, available at: <http://www.bernardinai.lt/index.php?url=articles/86364> (last access: 25 January 2009).

¹⁵⁵⁰ Lithuanian government: Premjeras A. Kubilius susirūpinęs dėl energetinio saugumo (Prime Minister A. Kubilius is worried about the energy safety), press release, 12 January 2009, available at: http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=7004 (last access: 25 January 2009).

¹⁵⁵¹ Tėvynės sąjunga – Lietuvos krikščionys demokratai.

¹⁵⁵² Lietuvos socialdemokratų partija.

¹⁵⁵³ "Tautos prisikėlimo partija" is a newly created party composed mainly of Lithuanian showmen.

¹⁵⁵⁴ Partija Tvarka ir teisingumas.

¹⁵⁵⁵ Lietuvos Respublikos liberalų sąjūdis.

¹⁵⁵⁶ Liberalų ir centro sąjunga.

¹⁵⁵⁷ Balsas (news portal): Pasirašytas susitarimas formuoti valdančiąją koaliciją (An agreement to form the ruling coalition has been signed), 27 October 2008, available at: <http://www.balsas.lt/naujiena/220798/pasirasytas-susitarimas-formuoti-valdanciaja-koalicija-atnaujinta-11-50-nuotr-video/rubrika:naujienos-lietuva-politika> (last access: 25 January 2009).

Crisis management plan adopted to fight the crisis in Lithuania

Coalition government signed a plan to fight the economic crisis in Lithuania, which foresees various measures to deal with this challenge. As it is stipulated in the plan, "many macroeconomic indicators demonstrate that Lithuania faces the economic crisis and quickly declines into economic recession" and that the situation with state finances is difficult and the government sector deficit of 2008 is not equal to 0.5 percent of the gross domestic product (GDP) as planned, but might be as high as 2.5-3 percent GDP, and in 2009 might reach 4 percent instead of the planned 2.7 percent.¹⁵⁵⁸

According to the plan, actions are to be taken to decrease the wages of the highest Lithuanian officials (parliament members, government members, etc.) and the appropriations for different state institutions. It is also proposed to make changes to the tax system (to increase the VAT, while decreasing the personal income tax, and to eliminate different tax exemptions, etc.), while also stimulating business and balancing money flows. By implementing this plan it is expected to decrease the budget expenses by two billion Litai (the annual Lithuanian budget is about 20 billion Litai) and to increase the revenues to the budget by two billion Litai.

This plan currently has been probably the most discussed issue in Lithuania both by the politicians and the general public. There have been various evaluations of this government crisis management plan. Speaking about the evaluations of finance analytics, part of them criticize the plan, others call it not a good one but inescapable, the rest of them say that this plan is a far-reaching but unpopular move. Some recognized finance specialists would like to see a stricter plan. For example, European Commissioner from Lithuania, and former Finance Minister, Dalia Grybauskaitė, claimed that this plan is "yet too soft for Lithuania", but she positively evaluated the government efforts to decrease internal consumption.¹⁵⁵⁹

¹⁵⁵⁸ Alfa (news portal): Ugnė Naujokaitytė, Andrius Sytas, Galutinai paaiškėjo antikrizinis planas (The anti-crisis plan has finally become clear), 15 November 2008, http://www.alfa.lt/straipsnis/10236732/?Galutinai.paaiskejo_antikrizinis_planas_plano.tekstas_apzvalga.=2008-11-15-12-12 (last access: 25 January 2009).

¹⁵⁵⁹ Kauno diena (newspaper): D. Grybauskaitė: antikrizinis planas yra „per švelnus“ (D. Grybauskaitė: the crisis management plan is "too soft"), 10 December 2008, available at: <http://kauno.diena.lt/naujienos/lietuva/d-grybauskaite-antikrizinis-planas-yra-per-svelnus-189207> (last access: 25 January 2009).

Finance analyst, Rimantas Rudzkis, is convinced that Lithuania will come across the recession despite the crisis management plan. According to him the "crisis management plan is already too soft, the situation is getting worse in the eyes; therefore, the plan should be revised. Government must borrow more bravely to save enterprises"¹⁵⁶⁰.

Current issues

Luxembourg*

Luxembourg's banking sector hit by financial crisis, unforeseen constitutional crisis

Little Luxembourg was badly shaken both by the global financial crisis and by the home-made constitutional crisis in the last quarter of 2008.

The international financial crisis nearly threw into bankruptcy the two biggest private banks of the country. Both banks represented not only national pride in finance matters: a long expertise and a high prestige doped with 'triple A'-ratings. "Dexia-Bil", the oldest bank of the Grand Duchy, and "Fortis" formerly "Banque Générale du Luxembourg" are of focal importance for the national economy. Had they disappeared, the consequences for the national economy could not have been worse, as Jean-Claude Juncker put it in a TV address to his fellow citizens.¹⁵⁶¹ In both cases, heavy losses of the Belgian or French mother agencies brought their Luxembourg daughter agencies big trouble. Only a concerted action by the Belgian and Luxembourg government and at a certain moment also by the Dutch government – did save those two banks from bankruptcy. A strong public intervention could persuade new investors to take participation in the banks' capital. Hence, the Luxembourg state became a major shareholder of the banks and could rely on accurate public reaction to sign public bonds in order to finance the operation, at least partially.

¹⁵⁶⁰ Alfa (news portal): Kubilius: antikrizinis planas turėtų sušvelninti ekonomikos nuosmukį (Kubilius: crisis management plan should soften the economic recession), 20 January 2009, available at: <http://www.alfa.lt/straipsnis/10247731> (last access: 25 January 2009).

* Centre d'Etudes et de Recherches Européennes Robert Schuman.

¹⁵⁶¹ RTL TV Luxembourg language service: Spezial, 31 December 2008.

Luxembourg's Treasury Minister, Luc Frieden, also had to deal with the problems of the Luxembourg daughter agencies of the bankrupt Icelandic banks in order to help the employees and save the saver's interests. Most recently, Luxembourg's investment fund industry, one of the best performing in Europe, has come into troubled waters with the 'Madoff financial scandal'.¹⁵⁶² At this moment it is still too early to foresee and document all the consequences and implications.

Until the very last moment, Luxembourg bank managers tried to make the larger public believe that the international banking crisis could be confined to the US. Unfortunately, this policy soon revealed to be a fairy tale and had to be attributed to a certain extent to some bank managers' incompetence. In this way, the financial crisis might have been foreseeable, but the constitutional crisis hit Luxembourg totally unprepared.

Luxembourg's monarchs, unlike Britain's or Monaco's royals, do not usually appear in the yellow press. Since the 1919 constitutional reform, when universal suffrage was introduced, the country has been a full-scale democratic state: a constitutional monarchy where the sovereign is supposed to reign, but not to govern.

Since the implementation of the 1868 constitution (when Luxembourg still was united with the Netherlands in a personal union – the Dutch King was at the same time Grand Duke of Luxembourg) the Grand Duke signed the laws and ordered their application through publication in the official bulletin. By signing a law already voted on in parliament, the monarch approved it ipso facto. By refusing to sign a bill already voted on, he could veto it and thereby prevent its implementation. Since the late 19th century, the written constitution is no longer in harmony with the current practice in Luxembourg, as the reigning Grand Dukes never used their right to veto a law already voted on.

In February 2008, a new law was passed in parliament making euthanasia, in certain controlled cases, legal. The Greens,¹⁵⁶³ Liberals¹⁵⁶⁴ and most Socialists¹⁵⁶⁵ approved it,

¹⁵⁶² La voix du Luxembourg: Jeannot Krecké (Minister of Economic Affairs) "On l'a échappé belle", 3 January 2009; Luxemburger Wort: Madoff. La liste des fonds luxembourgeois concernés, 24 January 2009.

¹⁵⁶³ Déi Gréng.

¹⁵⁶⁴ Demokratesch Partei.

¹⁵⁶⁵ Lëtzebuerg Sozialistesche Aarbechterpartei.

whereas the Christian Democrats¹⁵⁶⁶ voted against it and were defeated, although they were a part of the ruling coalition.¹⁵⁶⁷ The Catholic church opposed the law all together with the most influential newspaper, the "Luxemburger Wort".¹⁵⁶⁸ A few days before the second reading of the law, Grand Duke Henri informed the political leaders of the country that he would not sign the bill "for reasons of conscience". Traditionally, the sovereigns have always maintained a position of political neutrality. This was the first time in Luxembourg's history that a sovereign attempted to block a decision which had been agreed on in parliament.

The Prime Minister, who had been informed earlier about the Grand Duke's decision, tried to convince the monarch to stick to the normal constitutional unwritten practice that his predecessors had always respected. Apparently, the Grand Duke's decision was irrevocable. Juncker responded quickly by saying the country would change its constitution to reduce the powers of the sovereign: "Because we wish to avoid a constitutional crisis, but at the same time respect the opinion of the Grand Duke, we are going to take the term of 'approve' from article 34 out of the constitution and replace it with the word 'promulgate'".¹⁵⁶⁹ The French newspaper "Le Figaro" called Juncker's act a "constitutional *Coup d'Etat*".¹⁵⁷⁰ The decision came after two hours of emergency talks with the political leaders who gave their support to the measure taken. A constitutional change would require a two-third majority in parliament. Being also opposed to the euthanasia bill, Juncker said: "I believe that if parliament votes a law, it must be brought into force".¹⁵⁷¹ Luxembourg's Minister of Justice, Luc Frieden, said that the Grand Duke would no longer participate in the legislative process; he would just sign the law to mark the completion of the procedure".¹⁵⁷²

¹⁵⁶⁶ Chrëschtlech Sozial Vollekspartei.

¹⁵⁶⁷ Tageblatt: 30 Abgeordnete sagten Ja, 20 February 2008.

¹⁵⁶⁸ Luxemburger Wort: Fataler Irrweg, 20 February 2008.

¹⁵⁶⁹ 352 Luxembourg news: Luxembourg constitutional crisis averted, 20 December 2008.

¹⁵⁷⁰ Le Figaro.fr: Créativité politique au Luxembourg, 2 December 2008.

¹⁵⁷¹ La Voix du Luxembourg: Un changement important, 3 December 2008.

¹⁵⁷² 352 Luxembourg news: Luxembourg constitutional crisis averted, 4 December 2008; The Times: Grand-Duke stripped of power after stand against euthanasia, 4 December 2008.

Malta***Managing the challenge of illegal migration in Malta**

Parliament passed a historical vote on 11 December 2008: with 56 votes and one abstention the revision of the article 34 of the constitution was approved. The amendment voted reads as follows: “The Grand Duke enacts laws within three months of the vote of the house”¹⁵⁷³. According to article 114 of the constitution, any change in the constitution must be adopted by the “Chamber of Deputies” in two successive votes with a minimum of a two-third majority and with an interval of at least three months between them. The text adopted at the first reading may, under certain circumstances, be subject to a referendum, which will replace the second vote of the house.¹⁵⁷⁴

Henri’s choice to refuse to put his signature to the law brought the Luxembourg’s monarchy question back into discussion. The most recent polls in December 2008 show that only 62 percent of the Luxembourgers still want the monarchy to be preserved.¹⁵⁷⁵ Just after World War I, and a failed proclamation of the republic in 1919, a referendum proved that 80 percent of the Luxembourg people voted in favour of the new Grand Duchess Charlotte, the grandmother of the present Grand Duke, thus saving the monarchy. In 2005, 82 percent of the Luxembourg population could not even imagine living in a republic.¹⁵⁷⁶ In his New Year’s address Grand Duke Henri proclaimed: “It was never my intention to stand against the will of the majority of the people’s representatives. That is a right to which I am not entitled!”¹⁵⁷⁷ Henri also dismissed the initiative of a citizens committee to organise a referendum on the constitutional amendment stripping the Grand Duke of his rights. He declares to support the constitutional reform fully.¹⁵⁷⁸

Over recent years, Malta has increasingly moved into the international spotlight as a frontline state for irregular migration from the African continent towards the EU. Since 2002, Malta has experienced a growing influx of migrants predominately from the horn of Africa, practically all of which have departed from the Libyan coast towards Europe. Even though, in absolute terms, the number of seaborne migrants landing on Malta has been rather modest, given the country’s small size and very high population density, the impact in proportional terms has been higher than in most if not all European countries.

Consequently, illegal immigration has become one of Malta’s top policy priorities, nationally as well as at the EU level, where Malta has been calling for burden-sharing mechanisms and support from other EU countries in coping with the growth in irregular immigration. Moreover, boat migration across the Mediterranean has also become an increasingly pressing humanitarian challenge: it is estimated that, over recent years, several hundred would-be immigrants have died every year in the Mediterranean trying to reach the EU from the south.

Total arrivals between 2002 and August 2008 equal 11,057. Relative to population size, this equates to around 1.5 million immigrants arriving in France or the UK, 2.2 million in Germany, and about 1.1 million in Spain. However, while on a per capita basis, Malta has thus experienced one, if not *the* largest, influx of undocumented immigrants among EU countries over recent years; it should also be noted that Malta’s total foreign-born population — estimated at around *2.7 percent* — remains very small in European comparison. (Among EU countries, only Slovakia with 2.3 percent, and Poland with 1.8 percent, have smaller foreign-born populations, whereas in most western European countries, the foreign-born population ranges between seven and 15 percent). The challenge for Malta has thus not really been one of coping with a comparatively large immigrant population, but rather with a population of (irregular) immigrants which has

¹⁵⁷³ Chambre des Députés: Compte-rendu des séances publiques, 11 December 2008.

¹⁵⁷⁴ In January 2009 a referendum procedure has been launched by a citizens committee: 25,000 of about 230,000 listed voters have to sign in their local town houses the petition calling for a referendum. The necessary quorum was not met. The referendum will not take place.

¹⁵⁷⁵ Le Jeudi: La monarchie écorchée, 11 December 2008.

¹⁵⁷⁶ Le Jeudi: Monarchie plébiscitée, 6 October 2005.

¹⁵⁷⁷ See: http://www.monarchie.lu/fr/Presse/Discours/2008/12/Discours_Noel_EN/index.html (last access: 25 January 2009).

¹⁵⁷⁸ De Volkskrant: Vlekkeloze paleisrevolutie Luxemburg, 27 December 2008.

* Mediterranean Academy of Diplomatic Studies, University of Malta.

increased dramatically over a very short period of time.

As in many other European countries, the growth in irregular immigration into Malta has been accompanied by a rise in anti-immigrant, racist movements and activities. Even though these have overall remained at a relatively low level, and one can thus not yet speak of a 'racist backlash', the emergence of overtly xenophobic movements and parties has been a complete novelty in Malta's political landscape. Moreover, and somewhat more worrying, there has been a rise in attacks against organizations and individuals working to protect the rights of immigrants, or against people denouncing racism. In 2006, for the first time, a number of violent acts were committed against the Jesuit Refugee Service in Malta, and the houses of two journalists who had written articles condemning racism were also attacked.

A recent study on xenophobic attitudes among the Maltese population has also revealed some disturbing results. According to a survey conducted in 2005, 95 percent of respondents had no objections to having a European neighbour while an almost equally high number were unwilling to live next to Arabs (93 percent), Africans (90 percent) or Jews (89 percent). Moreover, more than 75 percent of respondents said they would not give shelter to refugees who had fled their home country because of political persecution, war, hunger or poverty.

Politicians, church leaders and opinion-formers more generally have a responsibility, at least in part, to counteract these racist tendencies, and the earlier action is taken, the easier it will be to avoid a real 'racist backlash' which some European countries have had to confront in recent years. (The Catholic Church in Malta, in particular, has been practically silent on the immigration issue). This will require that politicians and other opinion leaders generally avoid language which could incite racism or aggravate tensions between communities, and also highlight the potentially positive effects of a managed immigration scheme.

The media, as well, in their role as educators of public opinion, bear a responsibility in this regard. Efforts should be made, if necessary with the help of EU financial support, to implement a sustained information exercise in the media through which professionals can articulate the plight of illegal migrants and the

challenge that all countries in the world are facing as a result of displaced persons. Such a campaign needs to air regularly so that everyone concerned becomes more familiar with the socio-economic and socio-cultural reality these people are facing and the ways in which Malta intends to deal with them – humanely and in a properly managed manner.

It is clear that Malta does not have sufficient assets to effectively control its vast search and rescue zone. With only three off-shore patrol boats, as well as a handful of smaller vessels, the Armed Forces of Malta are responsible for an area which measures around 250,000 square kilometers. Moreover, the challenge in this regard is not only to deter irregular migration, but also to prevent the loss of life at sea – a particularly difficult task as the would-be immigrants typically travel in overloaded and unseaworthy boats across the Mediterranean and accidents are frequent. According to estimates of the Maltese government, at least 600 would-be immigrants drown in the Mediterranean every year, with the real figure probably being much higher.

With the launching of Frontex operations in the Central Mediterranean (so-called "Operation Nautilus") in 2006, the EU has begun providing some support in this regard. However, Frontex has had a rather slow start; its operations have repeatedly been delayed and interrupted, mainly due to uncertainties over Libya's role as well as budgetary constraints. In 2008, Frontex patrol missions, are for the first time, carried out throughout the entire migration season.

Nevertheless, the assets deployed in Frontex operations have thus far been very limited. In "Operation Nautilus" 2007, for example, contributions from other EU countries were limited to two German helicopters and an occasional presence of a Greek and a Spanish vessel as well as an Italian patrol aircraft. EU countries have generally been reluctant to provide the usually most needed patrol boats, as this entails the 'risk' that the country providing the vessels will remain responsible for migrants rescued or intercepted at sea. As a result, at least according to officials of the Armed Forces of Malta, Malta has remained responsible for 90 percent of the surface coverage in Malta's search and rescue area, even in the framework of Frontex's operations.

The most serious shortcoming of Frontex's operation in the Central Mediterranean, however, has been the lack of Libya's

participation, as Libya seems to consider measures such as joint maritime patrols as incompatible with the country's sovereignty. It is commonly agreed that the Frontex's maritime patrols can ultimately only be successful if Libya, as the main transit country, can be involved in these efforts. In this respect, there is also a fundamental difference between Frontex's maritime patrols in the Central Mediterranean and its operations between the Canary Island and the West African coast, which have been carried out under Spanish leadership. In the latter case, Spain has been able to engage in very close collaboration with the main transit countries, Mauritania and Senegal, in the form of joint patrols and readmission of intercepted immigrants. And arguably as a consequence of this close collaboration, there has in recent years been a sharp decline of irregular migration from the West African coast towards the Canary Islands.

Given the still rather limited contribution from other EU countries to the Frontex operation in the Central Mediterranean, Malta should continue to lobby for a strengthening of Frontex. More EU countries should be encouraged to contribute, and those countries which are already contributing should provide more assets. Moreover, there is need to engage more closely with Libya in this area. Ultimately this will, of course, require a concerted EU effort, as Malta alone will hardly be able to elicit more collaboration from Libya. Nevertheless, the Armed Forces of Malta should further pursue their thus far rather low-key collaborative activities with Libya, such as training and information exchange in the area of search and rescue, in the hope that eventually Libya will be fully integrated into Frontex's maritime patrols.

In doing so, Malta should also explore possible ways of building on the recently concluded agreement between Italy and Libya on border and immigration controls. In December 2007, the two countries signed an agreement which inter alia provides for joint maritime patrols between Italy and Libya, coupled with the provision of border control equipment and technical assistance by Italy to Libya. However, as collaboration with Libya is stepped up in the area of immigration control, Malta (and other EU countries) should also encourage Libya to sign and respect the Geneva Refugee Convention, as Libya is one of the few countries which have thus far not signed this essential document, and abuses of

irregular immigrants in Libya have reportedly been rather wide-spread.

As a next step, one should also investigate the feasibility of upgrading the Frontex operation in the Mediterranean into a permanent Euro-Mediterranean Coastguard Agency (EMCA) that would be mandated to co-ordinate the co-operative security network with a mission statement and plan of action similar to those carried out by a coastguard. As with the case of Frontex, it is essential that this initiative should involve collaboration not only between EU countries but also between EU and southern Mediterranean states.

As experiences with irregular migration over recent years have shown, the challenges in coping with sea-borne migrants concern not only Malta's (and other countries') naval forces, but also the role of fishermen, as in the large majority of cases the would-be immigrants are first spotted or encountered by fishing vessels, which have a much larger presence at sea. However, while the fishermen could, in principle, play a crucial role in saving the lives of migrants who are in distress at sea, Maltese fishermen themselves have felt "under threat" from the growth in illegal immigration, and have criticized the insufficient support they have received from the government in coping with migrant encounters at sea.

According to representatives of the country's main fishermen association (Ghaqda Kooperativa tas-Sajd), Maltese fishermen, who often sail with a crew of only two or three, usually avoid coming too close to a boat carrying 20 to 30 migrants, as they fear being overpowered. Moreover, if they alert the authorities, it can take several hours to arrive on the spot, meaning that the fishermen's day of work is lost without compensation. As a consequence, as Maltese fishermen themselves readily admit, in most cases when they come across irregular migrants at sea, they simply 'put the engine in full thrust', leaving the migrants to fend for themselves.

From a humanitarian perspective, this situation seems unacceptable, and some kind of mechanism should be introduced whereby fishermen, who, as a consequence of rescue activities lose work, are compensated for this loss. Moreover, there is a need to inform Maltese fishermen more clearly about their obligations to rescue immigrants in situations of distress.

Port reform and transport reform

Two other issues that are currently receiving attention in Malta and are linked to necessary reform, as a result of EU membership, are those of port reform and reform of the public transport system.

The port reform process has resulted in a complete dismantling of government ownership of Malta's main drydocks with a process of privatization currently underway. After years of debate and difficult negotiations, most of the Port workers have opted for early retirement when it became obvious that the government would not continue to guarantee their livelihoods.

With regards to the public transport sector, the government is determined to move ahead with a dismantling of the current monopoly that the Transport Authority has in this sector. Differences on the reform process between the government and the Transport Authority reached a high in August 2008 when the transport sector went on a national strike at the height of the tourist season causing immense harm to the economy. The government has since unveiled a plan of action for reform of the sector for public consultation, and has indicated that it will start liberalizing the sector in 2009.

Current issues

Netherlands*

Concerns over recent gas crisis

There is one issue not yet mentioned in the specific sections above that has been discussed quite prominently in recent months in relation to the European Union. This is the EU role regarding the gas conflict between Ukraine and Russia. With regard to this dispute, the observers sent by the EU and the effects for EU member states, like Bulgaria and Hungary, were most often referred to.¹⁵⁷⁹ Although the Netherlands was not directly affected, it promised its European partners to increase its gas production by 10 percent (if

* Netherlands Institute of International Relations 'Clingendael'.

¹⁵⁷⁹ Trouw: EU kan niet om gasconflict heen (EU cannot ignore gas conflict), 7 January 2009; NRC Handelsblad: EU worstelt met zijn rol in gascrisis, 8 January 2009.

proven possible technically).¹⁵⁸⁰ It also offered technical expertise on how to measure gas transits. For the future, the Netherlands considers it important to improve the security of supply position of the European Union. It considers the first responsibility with regard to security of supply lies with the member states, which have to be smart with regard to keeping energy stocks, diversifying sources, and so on.

Current issues

Poland*

Energy, Euro, climate, and EU funds

Energy

Among the topics that enjoyed lively interest of both politicians and public opinion in Poland, was the question of energy including both energy sources imported from Russia, as well as the problem of climatic change occurring due to energy production technologies linked with emissions of greenhouse gases.

The first problem is treated by public opinion not as a purely business issue, but rather as the one that is being linked with Russia's policy, tending to treat energy sources as instruments of foreign policy. Therefore, Poland is deeply interested in both the EU member states solidarity on the energy question and diversification of supply sources in order to diminish dependence on Russia. Poland is also against building the Baltic and Black Sea underwater gas pipes and supports at the same time the Nabucco and Jamal two pipes, running via Belarus and Poland. Therefore, "Gazprom" maneuvers aiming at the establishment of a gas cartel following OPEC or the attempts at controlling gas deposits outside Russian borders are very carefully observed in Poland.¹⁵⁸¹ On the other hand, all signals and decisions on the EU side reflecting

¹⁵⁸⁰ Maria J.A. van der Hoeven (Minister for Economic Affairs): Verslag extra Energieraad 12 januari 2009 gasconflict Oekraïne-Rusland (report of the extra Energy Council meeting on the Ukraine-Russia gas conflict), 23 January.

* Foundation for European Studies - European Institute.

¹⁵⁸¹ Jędrzej Bielecki, "Unia uzależniła się od Rosji, Raport: Wspólnota prawie połowę gazu kupuje od Kremla" [Union dependent on Russia. Report: Community buys almost 1/2 of oil from Kremlin] "Dziennik" daily, 12 November 2008.

the implementation of energy solidarity are being welcomed with great satisfaction.¹⁵⁸²

Poland's energy industry is mostly based on hard coal. Therefore, the government and Polish public opinion are being highly involved in the debates over the Energy and Climate Change Package, whose adoption in the original form would mean serious troubles for the Polish economy and the drastic price rise of energy for households.¹⁵⁸³ At the same time, one should note that Poles are not against environmental policies aimed at climate preservation: according to the poll of 14 November 2008, 71 percent of the respondents are convinced that we should combat climatic changes even if it is disadvantageous for economic growth. However, only 1-5 of the respondents would accept the energy price rise higher than 20 percent,¹⁵⁸⁴ while the adoption of the original version of the package would mean the increase in energy prices even by 100 percent.

Introduction of the Euro in Poland

First, government announcements came during the Economic Forum in Krynica in September 2008 and were later repeated in the declaration by Prime Minister Donald Tusk, who announced that the government will see to finish the preparatory works until mid 2011¹⁵⁸⁵ with adoption of appropriate road map measures. Later on, the decision was modified yet the Finance Minister, Jacek Rostowski, declared its determination to introduce the Euro in Poland in 2012.¹⁵⁸⁶ On 30 December 2008 the government adopted the *Convergence Programme*. The government adopted on 28 October 2008 a *2008 Update*, which contains a macroeconomic and fiscal

prognosis with the view of fulfilling nominal convergence criteria to exchange Polish Zloty with the Euro on 1 January 2012, what is in accordance with the *Timetable of integration with the Eurozone*.¹⁵⁸⁷

The government declaration of September 2008 (consulted with the Monetary Policy Council and the Head of the National Bank of Poland¹⁵⁸⁸) and later announcements regarding introducing the Euro in Poland have raised a vivid debate over the proposal among the political parties in Poland accompanied by a number of media comments and public opinion polls.

Experts' views

In view of the experts, 2011 is an extremely short time for the adoption of the Euro; however, this is good news for Poland, especially after Poland has lost the opportunity to adopt the Euro in 2009. With this fast track way to the Euro, Poland still seems to be capable of fulfilling the economic criteria on time.¹⁵⁸⁹ Dariusz Filar, a member of the Monetary Policy Council, noted that there is a chance of Poland joining the Eurozone in 2011 on the condition that inflation is kept below the reference threshold.¹⁵⁹⁰

According to Bohdan Wyżnikiewicz, from the "Institute for Market Economics", the declaration by the Prime Minister on Poland's entry into the Eurozone is the best possible message for businesses in Poland. According to the expert, the decision is right and will help the Polish economy; however, the main tasks are 1) to convince the society that introducing the Euro does not necessarily mean a rise of prices and 2) controlling the process so that change of currency will not cause price rise.¹⁵⁹¹

Business views

According to the "Polish Confederation of Private Employers Lewiatan", the introduction of the Euro may strongly support economic growth in Poland or, it may not bring any significant effect. The realization of the first scenario requires – according to the

¹⁵⁸² Dominika Pszczółkowska, Konrad Niklewicz, "Bruksela chce więcej solidarności w dostawach energii i większego uniezależnienia się od Rosji, zaś polski rząd walczy o specjalne traktowanie naszej energetyki" [Brussels wants more solidarity in energy supplies and greater independence from Russia, Polish government strives for special treatment for our energy industry], "Gazeta Wyborcza" daily, 14 November 2008.

¹⁵⁸³ Ibid.; Edwin Bendyk, "Polska weszła w konflikt z Komisją Europejską o to, jak chronić klimat. Nie jesteśmy już jednak sami, co potwierdził ostatni szczyt Grupy Wyszehradzkie [Poland entered into an argument with European Commission on the question of climate. But we are not alone anymore as was confirmed by last Visegrad Group Summit]" "Polityka" weekly, 12 November 2008.

¹⁵⁸⁴ Dominika Pszczółkowska, Konrad Niklewicz, op. cit.

¹⁵⁸⁵ Internetowa Agencja Radiowa, 17 September 2008, available at: <http://www.polskieradio.pl/iar/> (last access: 25 January 2009).

¹⁵⁸⁶ European Service of PAP, Polish Press Agency, 17 December 2008, available at: www.euro.pap.com.pl (last access: 25 January 2009).

¹⁵⁸⁷ News Archive of the Ministry of Finance, 30 December 2008, available at: www.mf.gov.pl (last access: 25 January 2009).

¹⁵⁸⁸ Internet service: www.money.pl on 16 September 2008.

¹⁵⁸⁹ Prof. Witold Orłowski quoted by European Service of PAP, Polish Press Agency on 10 Sept. 2008.

¹⁵⁹⁰ Ibid.

¹⁵⁹¹ Ibid.

Confederation – fast and significant reforms to take place, the ones that will make Poland's economy more flexible, more responsive to changes in demand and supply in the lack of monetary policy and exchange rate mechanisms. The confederation has also formulated five conditions for the successful and secure adoption of the Euro: 1) lowering fiscal burden to increase savings and private investments; 2) increase in vocational activities, especially among those over 50 to increase work supply and limit budgetary spending; 3) to increase spending on infrastructures, education, research and development with accompanying decrease in public spending in GDP; 4) speeding up the privatization process to better use the existing resources and decrease the borrowing needs of the state; 5) liberalization of the economy and the abolition of obstacles in entrepreneurship development by simplification of economic and fiscal laws, administrative procedures as well as the improvement of functioning of the economic administration and courts.¹⁵⁹²

According to the declaration signed by the Vice-President of the "Business Centre Club", the Prime Minister's announcement of the government's plans regarding the adoption of the Euro were both surprising and excellent decisions, especially taking into account the business representatives who had for a long time, requested fast integration within the Eurozone. According to the same document, Poland has lost last three years, when Poland was able to fulfill the criteria enabling her to take decision on adoption of the Euro. The declaration by the Prime Minister has been welcomed with satisfaction and the author expressed his hope that the declaration will also really mean strong determination.¹⁵⁹³

Political parties views

The series of consultations with the major political forces in Poland, including the Prime Minister's talks with the heads of the parliamentary clubs of major parties represented in Sejm, as well as numerous media interviews, have shown that the main division line is that between the Law and

Justice (PiS) Party and the rest of the parliamentary parties (both governmental Civil Platform (PO) and the Polish Peasants' Party (PSL) as well as the opposition force left parliamentary club). A position similar to that of PiS has also been demonstrated by the President of the Republic and its Chancellery.

The main questions concerned: the very idea of introducing the common European currency, the date of introducing the Euro and the necessary changes in Poland's constitutional law as well as the question of a referendum.

The head of the Law and Justice Party (PiS), Jaroslaw Kaczynski, declared already on 19 September 2008 that the Euro in Poland "will ruin the pensioners", while – in his view – the very proposal to introduce the Euro by the governing Civic Platform marks the beginning of the Civic Platform's European Parliament electoral campaign. Jaroslaw Kaczynski stressed that introducing the Euro in Poland in 2011 would be harmful for the citizens and that Poland could enter the Eurozone in 2020 or 2025 when the gap between Poland and richer EU members will be smaller.¹⁵⁹⁴ On 8 December 2008, Jaroslaw Kaczynski declared that Poland should not introduce the Euro in the light of the current economic crisis;¹⁵⁹⁵ while after a series of talks with the Prime Minister, he declared that the Law and Justice party will support the necessary constitutional changes on condition that a Euro referendum is held together with the European Parliament elections in June 2009.¹⁵⁹⁶

The talks on the introduction of the Euro in Poland proved that the Civic Platform, the Polish Peasants' Party (governing coalition), and the Left representatives support the fastest introduction of the Euro as possible, while the Law and Justice party upheld the idea of a nation-wide referendum.¹⁵⁹⁷ Earlier, the Civic Platform considered the possibility of holding a referendum together with the European Parliament elections on condition that the 50 percent turnout threshold for

¹⁵⁹² Polish Confederation of Private Employers Lewiatan, Euro na EURO 2012? [EUR for EURO 2012], 18 September 2008, available at: www.pkpplewiatan.pl (last access: 25 January 2009).

¹⁵⁹³ Business Centre Club, *Position: Announcement on EUR beneficial for the economy*, Warsaw, 11 September 2008, available at: www.bcc.org.pl (last access: 25 January 2009).

¹⁵⁹⁴ Internatowa Agencja Radiowa, 19 September 2008, available at: <http://www.polskieradio.pl/iar/> (last access: 25 January 2009).

¹⁵⁹⁵ European Service of PAP, Polish Press Agency, 17 December 2009, available at: www.euro.pap.com.pl (last access: 25 January 2009).

¹⁵⁹⁶ Polish Press Agency PAP, 17 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

¹⁵⁹⁷ Polish Press Agency PAP, 9 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

validity is eliminated,¹⁵⁹⁸ also in the light of the Law and Justice party's proposal to support the constitutional changes on condition that a referendum is held.¹⁵⁹⁹ Such a stance by Law and Justice was assessed by the Civic Platform, the Polish Peasants' Party,¹⁶⁰⁰ and the left parliamentary club¹⁶⁰¹ as using the Euro for the party's own political games and interests.

The very issue of what questions to ask in the referendum was also the subject of discussion among major political forces, mainly between the Prime Minister and the head of the Law and Justice party. After successive rounds of talks, the Prime Minister declared that the referendum, on the introduction of the Euro, will not be held and the constitution will be changed when such a possibility occurs in the parliament (new elections to be held in 2011), while the government will anyway proceed with implementation of the road map.¹⁶⁰²

President Lech Kaczynski, while commenting on the government's proposal already on 30 September 2008, declared that in his view, the year 2011 is completely unfeasible and 2012 is also premature as the date of entry into the Eurozone. The President stressed as well that the decision must necessarily be subject to nation-wide referendum.

Public opinion views

As regards to the public opinion position, vis-à-vis the introduction of the common currency, the poll conducted by "TNS OBOP" for "Dziennik" daily suggests that 52 percent answered "Yes" to the question "should Poland in your view introduce the Euro?" with 37 percent of "No" answers. Additionally 55 percent of the respondents would like to see the Euro in their pockets in 2011 (with 32 percent votes against).¹⁶⁰³

In the poll conducted in November 2008 by "Public Opinion Research Center" (CBOS), the question was asked "would you agree to replace Polish Zloty with the common

European currency the Euro?" 19 percent of the respondents answered "definitely Yes", another further 28 percent answered "rather Yes", while the number of "rather not" and "definitely No" answers, was respectively 21 percent and 24 percent, with 8 percent undecided. Among the supporters of the Euro's introduction, 63 percent want the Euro in 2012, while 29 percent of Euro supporters would like to see it introduced at a later stage. As regards to the potential referendum, three-fourths of Poles would like to take part while over half (56 percent) declares that in the case that the referendum is held, they will definitely go to the polls.¹⁶⁰⁴

Poland and the CO₂ issue

In the second half of 2008, climate change and greenhouse gas emissions issues were present in the public discussion. On 1-12 December 2008, the 14th Conference of the Parties to Climate Convention – COP14 – serving as the 4th Meeting of the Parties to the Kyoto Protocol (COP14/MOP4), was held in Poznan, Poland. The Convention's output achieved so far, as well as that under the Kyoto Protocol, was summarized there.

Poland arranged this important international meeting in a manner leading to the achievement of specific results aimed at stopping climate change and at an adaptation to inevitable changes. The Poznan meeting seems to be a milestone on the way towards a consensus on the commitments concerning greenhouse gas emissions reduction that is to be reached during the Copenhagen COP in 2009.

During the Poznan conference, particular emphasis was put on the identification of specific examples of successful technology transfer and of the actions aimed at adaptation to climate change, so that these good practices could be disseminated. The conference attracted about 10,000-12,000 participants from 190 countries. In connection with the convention panels, the conference formed an important step leading towards specific actions aimed at the protection of Earth's climate. In his recent address delivered at the UN General Assembly, Professor Maciej Nowicki, Polish Environmental Minister, declared to organise a world exhibition in

¹⁵⁹⁸ Internetowa Agencja Radiowa, <http://www.polskieradio.pl/iar/> on 27 Oct. 2008 and Polish Press Agency PAP, www.pap.com.pl on 9 Dec. 2008.

¹⁵⁹⁹ Polish Press Agency PAP, 17 December 2008, available at: www.pap.com.pl (last access: 25 January 2009).

¹⁶⁰⁰ Rzeczpospolita daily on 25 November 2008.

¹⁶⁰¹ Internet service www.money.pl on 26 October 2008.

¹⁶⁰² Polish Press Agency PAP on 30 December 2008.

¹⁶⁰³ Internetowa Agencja Radiowa, 15 September 2008, available at: <http://www.polskieradio.pl/iar/> (last access: 25 January 2009).

¹⁶⁰⁴ Centrum Badania Opinii Społecznej CBOS, Research Communiqué No. BS/180/2008, Warsaw, December 2008, available at: www.cbos.com.pl (last access: 25 January 2009).

Poznan that will present innovative inventions and management solutions serving for the reduction of greenhouse gas emissions, beginning from the simplest solutions through most advanced technologies. "We now have a much clearer sense of where we need to go in designing an outcome which will spell out the commitments of developed countries, the financial support required and the institutions that will deliver that support as part of the Copenhagen outcome," said UNFCCC Executive Secretary, Yvo de Boer.

The United Nations Climate Change Conference in Poznań ended with a clear commitment from governments to shift into full negotiating mode next year in order to shape an ambitious and effective international response to climate change, to be agreed upon in Copenhagen at the end of 2009. Parties agreed that the first draft of a concrete negotiating text would be available at a UNFCCC gathering in Bonn in June of 2009.¹⁶⁰⁵

At the same time but in Gdansk, before the December EU Summit, the talks between French President Nicolas Sarkozy and high representatives of east European countries concerning climate and carbon dioxide took place. "Things are moving in a good way. I am convinced we will arrive at a positive conclusion" said French President Nicolas Sarkozy after meeting Polish Prime Minister Donald Tusk and eight other East European leaders.

Poland, which relies on high-polluting coal for more than 90 percent of its electricity, has threatened to veto an EU plan to cut greenhouse gas emissions by 20 percent below 1990 levels by 2020 unless Warsaw wins a fossil fuel concession. Poland argues it needs until 2020 to curb carbon emissions, for example by using more efficient boilers and carbon-scrubbing equipment, and possibly building a first new nuclear power plant. Prime Minister Donald Tusk said that Nicolas Sarkozy and the European Commission agreed to extend the period limiting mandatory purchases of greenhouse gas emissions permits for Eastern Europe coal plants. Tusk also pointed at the willingness to reach compromise at the summit "at the very end, maybe at the very last minute, we may decide

this is a solution we can accept" Donald Tusk said.¹⁶⁰⁶

Poorer Eastern European states say that limits on carbon emissions will harm their economies at a time of a global financial crisis, preventing them from catching up with wealthy Western Europe.

President Sarkozy saw reasons for optimism after meeting the leaders of Bulgaria, Hungary, Czech Republic, Slovakia, Romania, Poland, Estonia, Lithuania and Latvia. "It is very strong political signal that despite the financial crisis, no state wanted to change the deadline or the objectives of axing greenhouse gases by one fifth, as President Sarkozy said.¹⁶⁰⁷

Following the meeting in Poland, the EU Summit in Brussels brought a final compromise in the Energy and Climate Change Package. Poland, and other new member countries, received a long transition period in adjusting coal power plants. As underlined by Polish Prime Minister, Donald Tusk, "Poland received a great, great chance to modernize the energy sector. Chance, which will allow Poland in 2020 to have modernized energy sector enough to be able to fulfill the most difficult challenges of the climatic package".¹⁶⁰⁸

Looking at the issue of climate change and greenhouse gas emissions from the point of view of the Polish society, "TNS OBOP" conducted a poll among Polish citizens in October 2008.¹⁶⁰⁹ According to the research, a significant majority of respondents (92 percent) agrees that climatic changes are a threat that needs to be fought against; 79 percent of the researched population believes that climate change can have a direct influence on their life. For the researched population, resistance to climatic changes can bring advantages such as: clean environment (79 percent), higher life standards (51 percent), improvement of energy security (50 percent of indications). The most common threat among Polish respondents was the increase in energy prices (66 percent).

¹⁶⁰⁶ Gazeta Wyborcza daily edition from 9 December 2008, available at: www.gazeta.pl (last access: 25 January 2009).

¹⁶⁰⁷ Gazeta Wyborcza daily, edition from 9 December 2008, available at: www.gazeta.pl (last access: 25 January 2009).

¹⁶⁰⁸ See: www.pap.pl (last access: 25 January 2009).

¹⁶⁰⁹ Research done among Polish citizens above the age of 18, on a research sample of 500 respondents. Research done by TNS OBOP on demand of Representation of the European Commission in Poland. 17-19 October 2008, available at: www.ukie.gov.pl (last access: 25 January 2009).

¹⁶⁰⁵ See: <http://unfccc.int/2860.php> (last access: 25 January 2009).

However, the majority (69 percent) is keen on paying a bit more for clean energy – energy from renewable resources or “clean technologies” – six out of ten agree to pay up to 10 percent more and every fifth respondent is ready to pay up to 20 percent more for clean energy. Almost the whole researched population (92 percent) believes that small actions taken in everyday life can have a positive influence on the decreasing of greenhouse gases emission and 99 percent declares having already taken at least one of these actions, which can influence positively climate change. 75 percent declares to take actions like reduction of central heating while being not at home, rubbish segregation, using bio-bags, using eco-safe home equipment and reduction of water consumption.

Public discourse on the EU regional policy and absorption of the European funds

In the second half of 2008, there was rather discrete and technical public discourse on a big scale on issues related to the EU regional policy as well as absorption of the European funds in Poland. However, one can point out to some issues, that were, to some extent, subject to the more vocal public debate such as: 1) absorption of EU funds concerning the programming periods 2004-2006 and 2007-2013; 2) challenges for EU regional policy related to the world financial crisis; 3) consultations of the so-called key projects and other documents related to the implementation of the EU cohesion policy in Poland in the years 2007-2013; 4) state of public debate on the EU cohesion policy post-2013, that is to say in the programming period 2014-2020 as well as 5) state of the debate on the new concept of the Polish regional policy.

As far as the public debate on the current state of absorption of EU funds in 2004-2006 and 2007-2013 is concerned, in general, the discourse on this issue was reflected in the mass media by the presentation of statistical data on the current state and the hitherto results of the implementation of the structural programmes, information on successful EU-funded projects as well as information on the structural programmes which would be available in the years 2007-2013, including information on current competitions within different programmes.¹⁶¹⁰ Certainly, this

information positively influenced the increase of awareness among the Polish society about the financial contribution of the EU to the social and economic development of Polish regions.

As far as the public debate on the current state of absorption of EU funds in 2004-2006 is concerned, in the opinion of the present Minister of Regional Development, Elżbieta Bieńkowska, we are the leaders among European countries in terms of the absorption of these funds and all these funds will be spent.

It is worth mentioning that in the second half of the year 2008, a huge variety of seminars and conferences devoted to the closure of programmes related to the 2004-2006 financial perspective took place. They were an excellent occasion for debates as well as exchange of information and experience between different actors engaged in the implementation of the EU regional policy in Poland. For example, in October 2008 a conference devoted to the Integrated Regional Operational Programme (IROP) – the biggest EU-funded operational programme carried out in Poland in the years 2004-2006 – was organized in Warsaw.

According to the Prime Minister, Donald Tusk, Poland effectively used EU funds available within the IROP. In his opinion, EU funds have a significant impact on life of the so called “ordinary” people as they trigger energy and involvement of the people. According to the Prime Minister, effective absorption of EU funds 2007-2013 will be a greater challenge for Poland than the EU funds 2004-2006. In the view of the minister of regional development, Elżbieta Bieńkowska, IROP as the EU programme with the highest dynamic of absorption, is the example of successful spending of EU funds.¹⁶¹¹

December 2008, approximately 30,1 bln zlotys have already been spent. As a result, the payments/commitments ratio amounts to over 92 percent. Over 6,6 bln Euro from the structural funds and from the Cohesion Fund (over 77 percent of the commitments of these funds for Poland in the programming period 2004-2006) have already been refunded by the European Commission. As far as the absorption of EU funds 2007-2013 is concerned, from the beginning of the functioning of these programmes till the end of December 2008, the level of qualified expenses indicated by beneficiaries in the applications for payments (in the part concerning EU funds) amounted to over 992,5 mln euro. 22 January 2009, available at: <http://www.funduszezstrukturalne.gov.pl/> (last access: 25 January 2009).

¹⁶¹¹ According to the data of the Ministry of Regional Development (October 2008), the results of the IROP interventions in Poland were the following: over three thousand and a half of new roads, 596 thousands square meters of sport and didactic buildings, over 4,6 thousands

¹⁶¹⁰ Absorption of EU 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

In the second half of the year 2008, there are a number of events that were organized with the aim to increase the awareness of the Polish society about changes which took place thanks to projects co-financed within IROP. The examples of these undertakings are the ones organized by the Ministry of Regional Development: the competition concerning commune which was the most active in applying for EU funds within IROP as well as photographic competition concerning the best photographs depicting the results of IROP projects, entitled "ZPORRe zmiany w regionach"¹⁶¹².

As far as the debate on the absorption of EU funds in the period 2007-2013 is concerned, in general, the government (which consists of the Civic Platform and the Polish Popular (Peasant's) Party) ensured that EU funds in 2007-2013 would be spent without problems, while the opposition parties were skeptical about this declaration.

According to the minister of regional development, delays in the start-up of the EU structural programmes in 2007-2013 were caused – to a large extent – by the fact that negotiations with the European Commission finished only in 2007. As a result, 2008 was the first year of the actual implementation of these programmes. Moreover, in the view of Bieńkowska, delays in absorption of EU funds in 2007-2013 were caused by the fact that the previous government (in which the Law and Justice was the main party and Jarosław Kaczyński was the Prime Minister) did not prepare necessary legal adjustments in the field of environment protection to the EU law (in particular in the field of assessing the impact of investments on environment). Aforementioned, incompatibilities caused confusion among self-governments. Some of them decided to suspend competition procedures within the so-called Regional Operational Programmes (carried out at regional level in all Polish voivodeships) until the Polish act on environment protection would be compatible with the EU law. They were afraid that the European Commission would

not clear these funds as they were spent in conflict with *acquis communautaire*, and that they would have to give them back to Brussels. For these reasons, the present government had to make huge progress in the field of adjustments of Polish laws to the European ones.

According to the Minister of Regional Development, Elżbieta Bieńkowska, Poland is not lagging behind in the field of absorption of EU funds available in the programming period 2007-2013 in comparison with other member states of the European Union.

However, according to the deputies of the Law and Justice party as well as the Democratic Left Alliance, the government did not make satisfactory efforts in order to increase the level of absorption of the EU funds in 2007-2013. Moreover, deputies of these parties blamed the government for delays in announcing the competition for EU funds within the programmes implemented at the national level, such as for example, the Operational Programme "Innovative Economy".

According to Grażyna Gęsicka, at present a deputy of the Law and Justice party and earlier in the government of Jarosław Kaczyński, responsible for regional development, prepared the project of law on environment protection but – for unknown reasons – the present government did not use it properly.¹⁶¹³ In the opinion of Grażyna Gęsicka, delays in EU funds in 2007-2013 absorption were caused by political, legal and administrative factors. As far as the political factors are concerned, Gęsicka criticized the current government for the verification of the lists of the so-called key projects that were originally prepared under her direction.¹⁶¹⁴ According to

pieces of medical equipment. "Tusk: zdany egzamin z wykorzystania środków UE" [Passed exam in EU funds spending]. Polish Press Agency, 30 October 2008. Source: <http://euro.pap.com.pl> (last access: 25 January 2009); "Konferencja: Zintegrowany Program Operacyjny Rozwoju Regionalnego 2004-2006 - tak wiele dla tak wielu", 30 October 2008, available at: <http://www.funduszeuropejskie.gov.pl/> (last access: 25 January 2009).

¹⁶¹² Word play: "FUNDamental changes in regions".

¹⁶¹³ "Polsko-polski spór o unijne fundusze" – interviews of Konrad Niklewicz with Grażyna Gęsicka – the former minister of regional development and Elżbieta Bieńkowska – the present minister of regional development, 22 September 2008, available at: <http://gospodarka.gazeta.pl/gospodarka> (last access: 25 January 2009).

¹⁶¹⁴ At the beginning of the year 2008 the minister of regional development Elżbieta Bieńkowska verified the indicative list of the so-called key projects which will be co-financed in the years 2007-2013 within the following Operational Programmes "Innovative Economy", "Infrastructure and Environment" and "Development of Eastern Poland". Key projects are the projects that have a strategic significance for the social and economic development of Poland. They are accepted individually by the Ministry of Regional Development and are not subject to the competition procedures. The original list of these projects was elaborated by the previous government, in which Grażyna Gęsicka was the minister of regional

her, the announcement of the intention to verify the lists of these projects by the government led to the suspension of the preparation of these projects by the beneficiaries. As far as legal factors are concerned, Gęsicka criticised the government for making inappropriate legal regulations which delayed carrying out and accounting EU-funded projects. Finally, as far as administrative barriers of delays in EU funds 2007-2013 absorption are concerned, Gęsicka blamed the government for delays in signing contracts with beneficiaries of the key projects.¹⁶¹⁵

However, according to the present Minister of Regional Development, Bieńkowska, the predominant majority of the key projects accepted by the previous government within the operational programme "Infrastructure and Environment", were not properly prepared to carry out. They were of low quality. E.g. In case of 90 percent of them a necessary documentation was not elaborated.

As far as the debate on the absorption of EU funds in the period 2007-2013 is concerned, one should mention that in August 2008, the Ministry of Regional Development launched an action entitled "Simple funds", which had as its aim to monitor and systematically reduce excessive and redundant bureaucratic formalities related to EU-funded structural programmes that are implemented at central level in the years 2007-2013 (Operational Programmes: "Human Capital", "Infrastructure and Environment", "Innovative Economy").

development. All in all 853 projects (of which 541 basic and 312 reserve ones) were set on the original list. The verification of this list was executed by the Ministry of Regional Development which took into account recommendations given by different ministries of the Polish government which will be engaged in the implementation of EU funds in the coming years. These ministries gave to the Ministry of Regional Development its recommendations and proposals of the verified lists of projects. The lists were also consulted with experts. As a consequence of the projects' verification, the number of key projects was reduced by almost a half (from 853 to 433 projects). As a result, 22 percent of financial means originally allocated to the key projects (29 mld Zlotys) was shifted to the ones that would be chosen in the frames of the competition procedures. Verified lists of key projects have to be reviewed and verified every six months in the process of social consultations. Those projects which are not ready to carry out (that is to say in case of which preliminary or final contracts are not signed) are to be removed from the list.

¹⁶¹⁵ "PiS krytykuje rząd za opieszałość w wydawaniu unijnych pieniędzy", Polish Press Agency, 20 October 2008; "Bieńkowska: o wykorzystaniu środków unijnych", Polish Press Agency, 23 October 2008, available at: <http://euro.pap.com.pl> (last access: 25 January 2009).

A special e-mail service started to function in order to enable potential beneficiaries to send information about obstacles and problems which they faced when applying for EU funds or while carrying out projects. E-mails would be analysed by a special team composed of the representatives of institutions involved in the implementation of the EU regional policy in Poland in the programming period 2007-2013 as well as beneficiaries. This team acts permanently and consists of three working groups which deal with three problem areas: self-governments and infrastructure, entrepreneurship as well as the European Social Fund.

The action "Simple funds" was positively appreciated by experts of the non-governmental organization – "Polish Confederation of Private Employers "Lewiatan". In the opinion of specialists of "Lewiatan", despite simplification of procedures that were carried out on the initiative of the Ministry of Regional Development, there still exist redundant formalities in the EU-funded programmes in 2007-2013, especially within the Regional Operational Programmes (ROPs). In particular, "Lewiatan" indicated that the criteria for choosing projects should be clear, understandable and unambiguous. Therefore, this organization prepared a proposition of the set of formal criteria – a point of reference for ROPs in all voivodeships.¹⁶¹⁶

As far as formal burdens in applying for EU funds are concerned, in the second half of the year 2008, the "Polish Confederation of Private Employers Lewiatan" conducted the survey concerning the opinion of Polish entrepreneurs on the system of EU funds' absorption in Poland (representative sample size amounted to 1100 firms). According to almost 55 percent of respondents, the objectives of EU subventions were not correlated with the real needs of enterprises (for example too much EU funds were allocated to "soft" projects such as trainings instead of "hard" investments). Moreover, as many as over 51 percent of entrepreneurs stated that formal requirements were too complicated. Finally, almost 47 percent of the participants of the survey

¹⁶¹⁶ "Akcja Proste Fundusze", 14 August 2008, available at: www.pkpplewiatan.pl (last access: 25 January 2009); "Ocena formalna projektów w RPO", 8 September 2008, available at: www.pkpplewiatan.pl (last access: 25 January 2009).

indicated that the criteria of choosing projects were completely unclear for them.¹⁶¹⁷

One should mention that in October 2008, the Ministry of Regional Development launched a campaign aimed at promoting and informing about EU funds concerning the programming period 2007-2013.¹⁶¹⁸ Radio and TV spots, as well as billboards that appeared in 51 Polish cities, will be used in order to inform 14 million people about possibilities that give EU funds. A special internet portal devoted to EU funds started to function. It is assumed that within the aforementioned campaign, 16 regional and 90 sub regional information points related to EU funds will be created.

In addition to this, as far as EU funds' absorption issues are concerned, in the second half of the year 2008, a huge scope of conferences and seminars devoted to different aspects of regional development policy took place in Warsaw. Examples are the following: the conference "European cohesion policy as a factor of growth and reduction of development disparities" – July 2008; the debate "Is Poland able to create an innovative economy?" – August 2008; the conference devoted to the implementation of the principle of good governance in Poland – September 2008; the conference "Poland and regions – perspectives of development in the XXI century" – October 2008; and the Fourth Evaluation Conference "Evaluation – crucial instrument for improving public administration performance" – October 2008. These events gave an excellent occasion for debates as well as exchange of information and best practices between different institutions, firms and individual persons involved in the process of implementation of the EU structural policy in Poland.¹⁶¹⁹

As far as challenges for EU regional policy related to the world financial crisis are concerned, the government side declared to do its best to make EU funds the principal impulse of the development of the Polish economy. In particular, the Council of the European Union planned to support – to a larger extent – with the help of EU funds,

development of public infrastructure and private investments. The government declared to reduce the number of documents required when applying for EU funds. Moreover, the Council of the European Union planned to increase an availability of EU funds for enterprises and self-governments and, as a result, to increase the number of contracts signed with the beneficiaries of EU funds by increasing the amount of installments of EU funds available for them. As a consequence, they would not have to take bank credits in order to finance investments supported within EU funds. According to Minister Bieńkowska, there is no threat that banks will not give credits to enterprises which will profit from EU funds as the firms that applied for EU-funds in the past are attractive clients for them.¹⁶²⁰

Plans of the government concerning EU funds' spending in the face of the world financial crisis were positively appreciated by independent experts in the field of EU funds such as for example, Jerzy Kwieciński, a former Vice-Minister of Regional Development as well as experts of the consulting company "Ernst & Young", Poland.¹⁶²¹

One should mention that some deputies of the Polish parliament were afraid of the negative impact of the world financial crisis on the dynamics of EU funds' absorption. However, in the opinion of Minister Bieńkowska, the main problem could be related to the availability of credits to Polish enterprises.

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 second half of the year 2008, 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. A wide range of partners including representatives of government, self-governments, entrepreneurs, socio-economic partners, non-governmental organizations, high schools, research centres, trade unions, deputies, media, independent experts etc.,

¹⁶¹⁷ Konrad Niklewicz, "Jak rozruszać unijne fundusze", 28 November 2008, available at: <http://gospodarka.gazeta.pl> (last access: 25 January 2009).

¹⁶¹⁸ This information campaign is co-financed by EU funds within the Operational Programme "Technical Assistance 2007-2013".

¹⁶¹⁹ Information available on the official website of the Ministry of Regional Development, available at: <http://www.mrr.gov.pl> (last access: 25 January 2009)

¹⁶²⁰ "Banki nie ograniczą kredytów przedsiębiorcom", interview of Anna Cieślak-Wróblewska and Paweł Jabłoński with the minister of regional development Elżbieta Bieńkowska, "Rzeczpospolita", 8 November 2008, available at: <http://www.rp.pl> (last access: 25 January 2009).

¹⁶²¹ Anna Cieślak-Wróblewska, "Zaliczki na projekty unijne mogą pomóc polskim firmom", "Rzeczpospolita", 10 November 2008, available at: <http://www.rp.pl> (last access: 25 January 2009); Konrad Niklewicz, "Wielkie przyspieszenie za unijne miliardy", "Gazeta Wyborcza", 27 November 2008.

could present their critical remarks on the consulted documents as well as recommendations via e-mail, post as well as by posing questions during the meetings. In particular, one can distinguish consultations of the following documents: forecast of assessment of the project of the strategy of social and economic development of the Eastern Poland till the year 2020, up-date of the list of key projects (including the so-called "big projects") which will be carried out within the operational programmes (for example within the operational programmes "Infrastructure and Environment" and "Innovative Economy"), projects of the detailed descriptions of the priorities of the operational programme "Development of Eastern Poland" as well as Green Paper on Territorial Cohesion – a document prepared by the European Commission.

As far as the state of public debate on the EU cohesion policy post-2013 is concerned, the debate was reflected, among others, by a variety of initiatives undertaken by the Ministry of Regional Development. In particular, the Ministry was the author of the initiative addressed to the scientific environment, entitled "Challenges for the cohesion policy". It announced a competition for expert's reports devoted to different aspects of EU cohesion policy post-2013 such as: territorial cohesion in the sectoral policies of the EU; thematic concentration of the EU cohesion policy post-2013 – propositions of reforms and recommendations for the position of Poland in this field; ways of measuring effectiveness of the European cohesion policy.

In addition to this, in December 2008, the Ministry of Regional Development organized a meeting entitled "Regional policy from the European and national points of view" which had as its aim to present reports concerning EU regional policy, prepared in 2008 by the British research center – EoRPA ("European Regional Policy Research Consortium"). These reports concerned, among others, the debate on the understanding and practical use of the term of territorial cohesion. This meeting turned out to be an excellent occasion for debate devoted to different aspects of regional development and conducting regional policy.¹⁶²²

¹⁶²² "Konferencja: Polityka regionalna w aspekcie wspólnotowym i krajowym" – information of the Ministry of Regional Development, 10 December 2008, available at: <http://www.mrr.gov.pl> (last access: 25 January 2009).

As far as the debate on the new concept of the Polish regional policy is concerned, it is worth mentioning that the Ministry of Regional Development put a strong emphasis on the strategic attitude towards developing and implementing policy of regional development in Poland. Between May and July 2008, the Ministry conducted a survey addressed to institutions of public administration at the central and regional level (ministries and Marshall offices). The survey was an element of the efforts of the Ministry aiming at elaboration of the comprehensive concept of regional policy conducted by the Polish state. The aim of this survey was to get to know the opinions of public administration about the necessary changes in the Polish regional policy. As a result of the survey, the following thematic areas turned out to be important: the role of self-governments in the sectoral policies, factors determining the competitiveness of voivodeships, cohesion and complementarity of financial support for rural areas. Respondents indicated several weaknesses of the Polish regional policy such as, for instance, lack of a cohesive strategic document concerning regional development which would be less general than the existing National Development Strategy 2007-2015. According to respondents, there is a need to increase competences and the responsibility of self-governments in the field of conducting development policy at regional level. Moreover, the most frequent problem area indicated by respondents was the relation between urban and rural areas in Poland (the most urgent issues are the following: quick communication between these areas, development of access to Internet, improvement of the quality of education).

On the basis of the aforementioned survey conducted among the representatives of public administration of central and regional levels as well as findings of working groups composed of representatives of ministries, self-governments, experts and scientists, in December 2008, the Council of Ministers approved the document "Concept of the new regional policy. Thesis and foundations for the National Strategy of Regional Development". Three main objectives of the Polish regional policy were proposed by the Ministry: increase in competitiveness of voivodeships, utilisation of their inner potential as well as ensuring equal development chances between Polish regions.¹⁶²³

¹⁶²³ "Konferencja: Nowa koncepcja polityki – rekomendacje dla polityki regionalnej państwa" – information of the

Pre-term parliamentary elections and the EU Presidency in 2011

An important subject of recent political debate in Poland is the question of the date for the next parliamentary (Sejm and Senate) elections in 2011, which are scheduled to take place in autumn of 2011 and thus will coincide with Poland's term of the EU-presidency.

Basically, all major political forces (governing and opposition parties as well as the president) share the opinion that the electoral campaign cannot be reconciled with a successful and efficient EU-presidency.

Two solutions are being discussed currently: one, the self-dismissal of the parliament and new elections to be held in the spring of 2011 and the second: exchanging the presidency period with one of the EU partners (namely Denmark) as proposed by the Left Democratic Alliance.¹⁶²⁴

According to the head parliamentary club of the governing Civic Platform, Poland should consider both possibilities, yet he also presented himself as a supporter of pre-term elections.¹⁶²⁵ The concept of pre-term elections has been supported also by the spokesman of the Law and Justice party, Adam Bielan¹⁶²⁶ and one of the party members Pawel Poncyliusz, who stressed that earlier elections are less complicated than changing the order of the presidency.¹⁶²⁷ The head of the Left Club in the Sejm¹⁶²⁸ suggested that Poland needs already now to discuss the problem with EU partners so that to work out an alternative variant (changed presidency order) as otherwise it would be difficult to expect change of the date for Poland's next parliamentary elections.¹⁶²⁹

Ministry of Regional Development, 4 August 2008, available at: <http://www.mrr.gov.pl> (last access: 25 January 2009).

¹⁶²⁴ Proposal by Left Democratic Alliance, *Gazeta Wyborcza* daily on 18 January 2009 after Polish Press Agency, available at: www.gazeta.pl (last access: 25 January 2009).

¹⁶²⁵ Zbigniew Chlebowski for Radio ZET, after *Gazeta Wyborcza* daily on 18 January 2009, available at: www.gazeta.pl (last access: 25 January 2009).

¹⁶²⁶ Adam Bielan for Radio RMF, after TVN24 TV station, 19 January 2009, available at: www.tvn24.pl (last access: 25 January 2009).

¹⁶²⁷ Magazyn 24 godziny, 18 January 2009, available at: www.tvn24.pl (last access: 25 January 2009).

¹⁶²⁸ Lower house of the Polish Parliament.

¹⁶²⁹ Wojciech Olejniczak, Head of Sejm Parliamentary Club, "Gazeta Wyborcza" daily, Polish Press Agency on 18 January 2009, available at: www.gazeta.pl (last access: 25 January 2009)

President Lech Kaczynski,¹⁶³⁰ stressed clearly that a new parliamentary elections campaign cannot be ran parallel to the EU-presidency and he described the pre-term elections as "an interesting proposal". The President stressed also that announcement of new elections by the President can take place only if constitutional reasons occur,¹⁶³¹ while self-dismissal of the Sejm would require compromise among the two largest parties.¹⁶³²

Current issues

Portugal*

Economic crisis and national electoral season take front stage in Portugal

Public debate in Portugal has tended to be very largely focused on the economic crisis, and the fast approaching national electoral season, crowding out all other matters. News regarding companies filing for bankruptcy, the impact of the crisis on some banks, and rising unemployment, are dominant topics. Again, as in 2002, the fast approaching elections have seen news over the alleged involvement of the current Prime Minister or those close to him in a number of scandals. Particularly salient has been the apparent attempt by a British company to bribe Portuguese officials in order to get permission for a major shopping outlet near Lisbon. It is uncertain whether these speculations together with the current crisis will damage the electoral prospects of the Socialists in the parliamentary elections due to be held in the autumn of 2009 and which will decide the shape of the future government.¹⁶³³

Attention to international matters has been dominated by concerns with the crisis and more specifically with its impact on Portugal. There has therefore been less room for matters of traditional interest to Portugal, like relations between the EU and Africa, the Mediterranean and Brazil, even if they have not been completely eclipsed. This was the case namely of the second EU-Brazil summit adopting a joint road-map for this strategic

¹⁶³⁰ President Lech Kaczynski at a press conference in Ostrow Wielkopolski, "Gazeta Wyborcza" daily after Polish Press Agency on 19 January 2009, available at: www.gazeta.pl (last access: 25 January 2009).

¹⁶³¹ Lack of budget bill and non-establishment of government in third attempt.

¹⁶³² Civic Platform and Law and Justice.

* Institute for Strategic and International Studies.

¹⁶³³ See e.g. Público: Licenciamento do outlet de Alcochete põe primeiro-ministro em xeque, 24 January 2009.

partnership.¹⁶³⁴ And of the conflict in Gaza, that again ignited Portuguese concerns regarding the Arab-Israeli conflict as a constant source of tension in the Mediterranean region.¹⁶³⁵

Current issues

Romania*

A new parliament amid fears of a financially difficult 2009

The main issue in today's Romania is that related to the current financial and economic crisis that haunts the world economy. The effects of the crisis are beginning to be felt also in Romania, and the government; the main political parties and the social partners are trying to figure out how to resist the crisis while maintaining as many jobs as possible. To put it in a simple way, the main dilemma is how to fulfil all obligations while keeping the budgetary deficit under control, in a time where the budgetary revenues are going down.

It all began with the elections of 30 November 2008. The result was a close one as there was no definite winner.¹⁶³⁶ Thus, last year ended with a tumultuous December that was marked by intense negotiations between the two main Romanian political parties, the PD-L and the PSD, that resulted in the formation of a coalition government – a government needed to help the country to overcome the crisis. After the political turmoil generated by the nomination of Theodor Stolojan (PD-L) as Prime Minister by the Romanian President and his sudden retreat a couple of days later,

followed by his replacement with Emil Boc (PD-L president) and the inherent political negotiations for government positions, the new government came into place in mid December. It was a surprise alliance for many political commentators who saw in it something impossible. Yet, as the President said in the speech at the inauguration ceremony: "[...] taking into consideration the political tradition of the two parties, I would dare to say that maybe from '92 until nowadays being in a continuous dispute, they have succeeded to exhaust any resources of staying in dispute with each other, to hate or to wish evil one to one another."¹⁶³⁷

It was a tough decision, yet a decision that had to be taken due to the economic crisis: "It was a compromise made to overcome a difficult period and I want to believe that this government will fulfil its mission until 2012, with the period of economic difficulty overcome. It is probably the strongest government from the post-revolution period from the point of view of the parliamentary support. I don't believe that there ever was a government with such a support".¹⁶³⁸

This alliance had a difficult start from the beginning. Many could not comprehend this choice and spoke about it as a sad but inevitable choice while everyone tries to support his or her favourite party while criticizing the others. The resentment from a part of the media was so great that a political commentator, Adrian Ursu, when referring to this alliance, spoke about what he calls "the partnership with the devil": "Twenty five points listed on five pages. The pact signed last night by PD-L with the PSD is this long, and it establishes the new fraternity with the devil, after 16 years since [former Romanian President] Ion Iliescu joined [the nationalist party leader] Corneliu Vadim Tudor in the Red Quadrangle, under the same excuse of the national interest."¹⁶³⁹

Yet, all those previous critics seem to pale if we think of the severity of the current situation. The government finds itself in a difficult position being forced to cut down public

¹⁶³⁴ Lusa (news agency): UE/Brasil: União Europeia e Brasil adoptam no Rio "roteiro" para parceria estratégica lançada em Lisboa, 19 December 2008.

¹⁶³⁵ See e.g. Diário de Notícias: Editorial. Guerra em Gaza sem fim fácil à vista, 9 January 2009; public letter signed by Mahdu Abdul Hadi et al.: Gaza: Cessar-Fogo Imediato, available at: <http://www.iecei.pt/> (last access: 30. January 2009).

* European Institute of Romania.

¹⁶³⁶ According to the final data offered by the central electoral office, the centre-right Partidul Democrat-Liberal (PDL) won the parliamentary elections. Thus, for the "Chamber of Deputies", the PDL obtained 115 mandates, the Partidul Social Democrat (PSD)-Partidul Conservator (PC) alliance obtained 114 mandates of deputy, the Partidul Național Liberal (PNL), 65, and the Uniunea Democrată Maghiară din România (UDMR), 22 mandates. For the "Senate" the PD-L obtained 51 mandates, the PSD-PC Alliance 49, while the PNL obtained 28 and the UDMR 9 mandates. See: <http://www.realitatea.net/bec-rezultate-finale-pd-l-a-castigat-cele-mai-multe-mandate-de-parlamentar-406976.html> (last access: 19 January 2009).

¹⁶³⁷

See:

http://www.presidency.ro/?_RID=det&tb=date&id=10559&PRID=ag (last access: 19 January 2009).

¹⁶³⁸

See:

http://www.presidency.ro/?_RID=det&tb=date&id=10559&PRID=ag (last access: 19 January 2009).

¹⁶³⁹

See:

http://www.cotidianul.ro/s_a_semnat_parteneriatul_cu_dra_cu-67640.html (last access: 20 January 2009).

spending on salaries. By blocking all new hiring in the public sector and trying to eliminate the possibility for a retiree to work in publicly-financed institutions (thus cumulating both the pension and the salary), the government tries to promote a rigorous regime of public spending while trying to invest in infrastructure and to attract European Union funds. During that process, the decision, to eliminate the possibility to cumulate the pension and a salary paid from public money, that the government took through an emergency ordinance of 23 December 2008, led to a serious controversy. For many public figures, it was a decision taken in a hurry, without any detailed analysis of the social effects; an indiscriminate measure designed to cast away useful public employees such as teachers or doctors. The former Romanian President, Ion Iliescu, declared on his blog that from his point of view: “mechanically applied, this rule generates serious problems, in various domains. [...] I believe that it was acted hastily, without a serious analysis of all the consequences.”¹⁶⁴⁰ The entire debate continued into the month of January and finally the constitutional court declared the emergency ordinance unconstitutional.

The seriousness of the situation also resulted from the Commission’s interim economic forecast of January 2009 for the Romanian economy: 1.75 percent economic growth and a budget deficit of 7.5 percent of GDP.¹⁶⁴¹ These figures have been contested by the Romanian officials, such as the Finance Minister Gheorghe Pogea, who declared that “the prognosis of the European Commission regarding the budgetary deficits of 7.5 percent in 2009 and 7.9 percent in 2010 is not correct” and that the government wants to reduce the budget deficit to only 2 percent in 2009.¹⁶⁴²

Another hot topic on the Romanian agenda is the constitutional issue. A commission of constitutional experts presented on 14 January 2009 a report on the status of the current Romanian constitution.¹⁶⁴³ It is a complex document that tackles what are perceived as

being the current flaws of the current constitution. President Traian Băsescu, in a speech given on that occasion, presented what he thought to be the best solutions for Romania’s constitutional system: 1) the political regime – Romania needs a semi presidential regime; 2) the mechanism for dissolving the parliament should be put in accord with the new regime; 3) as for the parliament, the best solution may be a unicameral parliament; 4) the immunity of the officials elected should be rethought – thus it should refer only to their political actions and not criminal acts; 5) we should restore the parliament’s credibility; 6) the current departments should be reorganised, we should have only 9-12 regions that would be easier to manage; 7) a new status and importance for the constitutional court; 8) the compulsory character of a referendum – the parliament should be obliged to adopt a law that was supported by the citizens in a referendum; 9) the new role and structure of the superior council of magistracy; 10) citizen’s rights – the economic and social rights should be defined as fundamental rights.¹⁶⁴⁴

As any such grand scale initiative, this proposal has generated a division between those who are in favour of it (such as the Romanian President) and those who oppose it. Leaving aside the legal arguments regarding those provisions, there is also the moment of timing. Is it really the best moment, as the President claimed, or should we wait until the economic crisis passes away? For Adrian Năstase, a former Prime Minister of Romania, the timing is wrong: “I don’t believe that revising the constitution represents, this year, a priority for the Romanians, even if it is on the personal agenda of Băsescu, in the idea that the referendum for its approval should take place at the same time with the presidential elections. In this period, I consider that the political leaders and the government should concentrate on finding solutions to the serious economic and social issues determined by the economic crisis and the increase of the unemployment.”¹⁶⁴⁵

Finally, another important topic in Romania’s public life was the new gas crisis generated by

¹⁶⁴⁰ See: <http://ioniliescu.wordpress.com/2009/01/02/inceput-de-an-2009/> (last access: 13 March 2009).

¹⁶⁴¹ See: <http://www.euractiv.ro/index.html/articles%7cdisplayArticle?articleID=16104> (last access: 20 January 2009).

¹⁶⁴² See: <http://www.zf.ro/zf-24/pogea-prognoza-ce-privind-deficitele-bugetare-2009-si-2010-nu-este-corecta-3770918/> (last access: 20 January 2009).

¹⁶⁴³ See: http://cparpc.presidency.ro/upload/Raport_CPAPCR.pdf (last access: 20 January 2009).

¹⁶⁴⁴ See: <http://www.evz.ro/articole/detalii-articol/835671/O-noua-constitutie-pentru-Basescu/> (last access: 21 January 2009). For the full text of the speech see: <http://www.presidency.ro/?RID=det&tb=date&id=10586&PRID=lazi> (last access: 21 January 2009).

¹⁶⁴⁵ See: <http://nastase.wordpress.com/2009/01/15/constitutia-lui-basescu/> (last access: 21 January 2009).

the commercial conflict between Russia and Ukraine. While many European Union countries (such as Bulgaria) suffered greatly from the lack of the natural gas, Romania's authorities took a softer stance as the availability of domestic supplies guaranteed a safer position. Thus, the Romanian Prime Minister, Emil Boc, made reassuring statements at the beginning of January: "I can assure you that we have the situation under control and that no domestic user is going to be affected because of this situation that exists between Russia and Ukraine."¹⁶⁴⁶

The following negotiations turned out to be successful ones and the gas flow started once more. The problem remains open as it is a serious issue that needs a profound analysis based on facts and on the European Union strategy in the sector of energy resources.

Current issues

Slovakia*

Slovakia and domestic discourse on energy security and Single European Market

The beginning of 2009 was affected by a shutdown of gas supplies from the Russian Federation. The Russian-Ukrainian row pointed out Slovakia's weakness in dependency on Russian natural gas and in its domestic management of gas reserves. The government insisted from the beginning of the crisis that it would sustain supplies to households and therefore industries, especially car and steel production, which were asked to limit their activities. However, with the continuing crisis Slovakia would not have been able to draw sufficient gas reserves even to satisfy all household consumption. Thanks to close cooperation with the Czech Republic and France and Germany gas was supplied to Slovakia from foreign reserves and through a pipeline in the Czech Republic.

Natural gas also constitutes important supply for the electricity network support services after the second block of the "V1 Nuclear Power Plant" in Jaslovské Bohunice was phased out on 31 December 2008.¹⁶⁴⁷ The closure of the "V1 block" was part of our obligations under

EU accession treaty. Prime Minister Fico, strongly criticised the previous government of Mikuláš Dzurinda for accepting this obligation without having strong objections. The ministry of economy proposed already in November 2008 that Slovakia might not turn off the power plant because of the effects of the global financial crises however, the proposal was rejected. Prime Minister Fico and the Minister of Economy, Ľubomír Jahňátek, announced the intention to turn on the "V1 block" again on 9 January 2009. The government informed the President of the European Commission José Manuel Barroso and member states governments about this eventuality.¹⁶⁴⁸ An immediate negative reaction came from Austria, long-year opponent of nuclear power plants in Central Europe. Opinions in Slovakia on turning on "V1" were diverse; environmentalist warned that it would take months to turn the block on and again off but the ministry and the state-owned company "Javys"¹⁶⁴⁹ argued that it would take only seven days. The danger of energy black-out was enhanced by the electricity failure in thermal power plant Nováky according to the Ministry of Economy. The Prime Minister stated his full responsibility should Slovakia break the obligations of the accession treaty.¹⁶⁵⁰ The solution of supplying some gas from Russian Federation through the Jamal pipeline was found thanks to close cooperation with Czech Republic and its companies. The Prime Minister strongly appreciated the Russian Federation for these supplies and repeatedly accused Europe for not being helpful to Slovakia.¹⁶⁵¹ The leader of the opposition party Slovak Democratic and Christian Union – Democratic Party¹⁶⁵² and former Prime Minister Mikuláš Dzurinda, expressed that the crisis was not a suitable time for political rows and opposition even thought of supporting the turning on of the "V1 block" of Jaslovské Bohunice.¹⁶⁵³ The specific reaction to the gas crisis was an energy law amendment that allowed more state control over using gas reserves and created new obligations for companies in case of interrupted gas supplies in the period from 1

¹⁶⁴⁸ Aktuálne.sk: "Vláda oznámila Európskej únii zámer spustiť Bohunice", 9 January 2009.

¹⁶⁴⁹ "Javys" is responsible for phasing out the nuclear devices and processing the burnt fuels.

¹⁶⁵⁰ Aktuálne.sk: "Vláda oznámila Európskej únii zámer spustiť Bohunice", 9 January 2009.

¹⁶⁵¹ SME: "Fico: Nepomohol nám dobrý západ. Tečie k nám ruský plyn", 18 January 2009.

¹⁶⁵² Slovenská demokratická a kresťanská únia – Demokratická strana (SDKÚ-DS).

¹⁶⁵³ SME: "Fico: Nepomohol nám dobrý západ. Tečie k nám ruský plyn", 18 January 2009.

¹⁶⁴⁶ See: <http://www.ziua.ro/news.php?data=2009-01-06&id=18740&keyword=criza+gazelor> (last access: 21 January 2009).

* Slovak Foreign Policy Association.

¹⁶⁴⁷ The Slovak Spectator: "Energy crisis looms as all gas imports cease", 12 January 2009.

November to 31 March. This should provide for supplies of consumers at the average daily gas consumption at least for the period of 30 days.¹⁶⁵⁴ General director of Russian "Gazprom", Alexander Medvedev, also visited Slovakia and talked with Prime Minister Fico about a potential common gas company.

Slovakia launched a legal dispute with the European Commission because of "Slovenská pošta, a.s." (Slovak Post).¹⁶⁵⁵ According to the European Commission Slovakia violated the competition policy in the case of hybrid mail sector.¹⁶⁵⁶ Law amendment from February 2008 that entered into force on 1 April 2008 revoked already existing competition and established the monopoly of the state company "Slovenská pošta". Slovakia did not satisfactorily reply to the Commission's complaints from June 2008 and after a decision of the government from October 2008 to support the domestic status quo in an action before the European Court of Justice. The Prime Minister and Ministry of Transport, Post and Telecommunications are supporting "Slovenská pošta" because it is a big employer and a source of substantial state revenue as this liberalisation is in favour of private sector that is weakening the post's earnings.¹⁶⁵⁷ Alongside the government "Slovenská pošta" is arguing that the EU liberalisation is threatening small customers.¹⁶⁵⁸ Meanwhile the Commission continued the process by requesting further actions.

The ministry of Transport, Post and Telecommunications got in a dispute with Brussels also in the issue of removal of Branislav Máčaj, former director of the telecommunication office of the Slovak Republic. The ministry blamed Máčaj for a failure of public tender on digital television operator that was stopped by the court's provisional proceeding. The European

Commission decided to investigate the case to find out if the independence of Slovakia's telecommunications office has not been violated. Former director Máčaj argued that the ministry did not fulfill the legal requirements for his removal and that the financial group "J&T", owner of one private television in Slovakia, has tried to influence the tender. He also blamed the Prime Minister for unwillingness to face new critiques¹⁶⁵⁹ from future televisions to be established in Slovakia through digitalization. The process of digitalization of television broadcasting has already been postponed for several reasons and should be finished in 2012.

Problems with a public tender have been also at the Ministry of construction and regional development of the SR under the management of Marián Janušek from Slovak National Party.¹⁶⁶⁰ Tender on consultative and legal services for investing structural funds for almost 120 million Euros was accompanied by several doubts but the ministry exclusively contracted the chosen consortium of companies friendly with the SNS leader Ján Slota.¹⁶⁶¹ There were several problems with this tender. First, the information about the tender was available only for a few days on the notice board of the ministry building. Second, a subliminal procurement method was used for such large amount of money. Third, the ministry abandoned its competencies for future procurements and prices of some services were overvalued (especially advertising spots, logos and lectures).¹⁶⁶² The public procurement office and the supreme audit office have made investigations into the tender but results have been delivered to the ministry only lately. The procurement office, lead by opposition Party of Hungarian Coalition¹⁶⁶³ nominee Béla Angyal, itself had problems with the investigation process that incited the Prime Minister's declaration that head of procurement office should restore order at his office.¹⁶⁶⁴ A head of one of the Public Procurement Office's departments refused to sign the investigation protocol because she believed that the shortcomings found during investigations were

¹⁶⁵⁴ Aktuálne.sk: "Štát bude mať väčšiu kontrolu nad zásobníkmi plynu", 17 February 2009.

¹⁶⁵⁵ SME: "Štát bude žalovať Európsku komisiu pre rozhodnutia o hybridnej pošte", 26 November 2008.

¹⁶⁵⁶ Hybrid mail is a specific form of postal service where the content is electronically transferred from the sender to the postal service operator who then prints, envelopes, and sorts and delivers the postal items. Hybrid mail is an important feature for such companies as banks, insurances and telecommunications undertakings who regularly have to send large amounts of mail (for example invoices). European Commission: Antitrust: Commission opens infringement proceedings against Slovakia to ensure compliance with Commission hybrid mail decision, press release, IP/08/1997, 17 December 2008.

¹⁶⁵⁷ Aktuálne.sk: "Pošta vracia úder, monopol si chce nechať", 11 November 2008.

¹⁶⁵⁸ Ibid.

¹⁶⁵⁹ ČTK: "Máčajovo odvolanie vyšetrí Európska komisia", 5 December 2008.

¹⁶⁶⁰ Slovenská národná strana (SNS).

¹⁶⁶¹ The Slovak Spectator: "Ministry tender linked to SNS allies", 8 December 2008.

¹⁶⁶² Hospodárske noviny: "Janušek exkluzívne pre HN: Výber firiem som prebral aj so Slotom", interview, 30 January 2009.

¹⁶⁶³ Strana maďarskej koalície – Magyar Koalíció Pártja (SMK-MKP).

¹⁶⁶⁴ The Slovak Spectator: "Minister Janušek's fate remains unclear after coalition session", 3 February 2009.

negligible.¹⁶⁶⁵ Later she was recalled from her office. The tender caused strong critique not only from opposition that unsuccessfully tried to remove Minister Janušek from office but also Vladimír Mečiar, the head of a coalition party, expressed his strong dissatisfaction. Prime Minister Fico decided to wait for the official investigation results but his party, the Social Democrats,¹⁶⁶⁶ supported Minister Janušek in Slovakia's parliament.

The first days of the Euro in circulation in Slovakia (Slovakia has been a member of the Eurozone since 1 January 2009) did not record any dramatic problems with the availability of coins for households that previously raised some concerns by the European Commission and the public. Actually, many small businesses got the needed proportion of coins and were willing to give them back to buyers but the Slovak bank charge for deposits of high number of Euro coins was high. The main coalition party SMER-SD reaction was a short-term legal arrangement prohibiting charges for coins deposits for six months. European Commissioner, Joaquín Almunia, was very positive about Slovakia's process of entering the Eurozone.¹⁶⁶⁷ With the entry to the Eurozone, the Slovak National Bank governor gained a permanent vote in the governing council of the European Central Bank. The Austrian National Bank governor proposed in August 2008 to postpone the rotating system of votes to be implemented with the entry of the new, sixteenth member of the Eurozone.¹⁶⁶⁸ The right to vote in the European Central Bank was restricted to 15 member states but the entry of Slovakia would discriminate just one country.¹⁶⁶⁹ Therefore in December 2008, the governing council decided to change the rules and apply the rotating system possibly only when the Eurozone reaches 18 member states.¹⁶⁷⁰

¹⁶⁶⁵ „Ibid.

¹⁶⁶⁶ SMER – sociálna demokracia (SMER-SD).

¹⁶⁶⁷ SME: "Almunia: Euro ste zvládli hladko", 8 January 2009.

¹⁶⁶⁸ eTrend: "Vstup Slovensko zmení hlasovanie v Európskej centrálnej banke", 22 August 2008.

¹⁶⁶⁹ The rotating vote system meant a division of member states into two groups: the five strongest economies (Germany, France, Italy, Spain, and Netherlands) with one vote for each and the rest of countries should share 10 votes.

¹⁶⁷⁰ The new version of the rotating system also divides member states into two groups: the five strongest economies (Germany, France, Italy, Spain, and Netherlands) sharing 4 votes and the rest of countries share 11 votes.

Current issues

Slovenia*

Elections, "Patria", and border dispute with Croatia

In Slovenia the second half of 2008 was predominantly characterized by the parliamentary elections which took place on 21 September. Other issues involved an alleged corruption case in the purchase of a large quantity of military vehicles from a Finnish company "Patria", involving ministers and officials from the government, the continuing border dispute with Croatia, and the introduction of controversial vignettes on Slovenian highways. All issues are discussed separately in the following paragraphs.

Victory of the centre-left in the elections to the National Assembly

The most comprehensive public opinion poll, "Politbarometer", which had been last conducted three months before the actual elections (end of June), indicated prospects for the centre-left. The poll showed that only 33 percent interviewed were supportive of the government of then Prime Minister, Janez Janša. Moreover, the party-inclination diagram indicated that Social Democrats¹⁶⁷¹ could receive much higher support than Janša's Slovenian Democratic Party¹⁶⁷².¹⁶⁷³ As the elections drew closer, other privately commissioned polls showed this difference diminishing, with the above mentioned parties constantly exchanging the leading position. Topics such as the "Patria" corruption issue, corporate tycoons, and ideological polarization dominated the election campaign, while the most pressing questions such as the reform of the pension system, the privatisation mode of health services, the stimulation of entrepreneurship, and long term supply with cheaper energy sources, remained largely unaddressed.¹⁶⁷⁴

* Centre of International Relations.

¹⁶⁷¹ Socialni Demokrati.

¹⁶⁷² Slovenska demokratska stranka.

¹⁶⁷³ Center za raziskovanje javnega mnenja: Politbarometer 6/2008: 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), available at: http://www.cjm.si/sites/cjm.si/files/file/raziskava_pb/PB6_0_8.pdf (last access: 13 January 2009).

¹⁶⁷⁴ Miroslav Končina: Predvolilna soočenja – režija vsiljenih in jalovih tem? (Pre-election debates – directed by imposed and fruitless topics?), Dnevnik, 13 September 2008, available at:

The result of the elections brought about the victory of the centre-left coalition and a consequent change of government. The official results showed that Social Democrats won 30.45 percent of the votes, closely followed by Slovenian Democratic Party with 29.26 percent. Borut Pahor, the president of the Social Democrats, was given the mandate to form the government. The government coalition formed by the Social Democrats, New Politics,¹⁶⁷⁵ Liberal Democracy of Slovenia¹⁶⁷⁶ and Democratic Party of Pensioners¹⁶⁷⁷ was confirmed in the national assembly two months after the elections were held.¹⁶⁷⁸

Parallel to elections and government formation, the President of the Republic of Slovenia, Danilo Türk, heated up Slovenian politics by a decision to wait with the appointment of candidates for empty ambassadorial posts until after the elections. After the elections, he refused to appoint a number of candidates, all of course nominated by the former government advocating his decision by candidates' non-fulfilment of the legally required criteria. Especially contestable cases were the ones of Matjaž Šinkovec (potential ambassador to Washington) and former Minister for Foreign Affairs Dimitrij Rupel (potential ambassador to Vienna). While President Türk insisted on his right to an independent decision guaranteed by the constitution, legal experts were not unanimous about the interpretation of president's competences deriving from the constitution and there were voices stressing that lack of cooperation between president and the government could damage Slovenia's international reputation.¹⁶⁷⁹ After being denied the position of an ambassador to Vienna, Rupel was appointed Prime Minister's special envoy for foreign policy by Pahor himself. Despite Rupel's many years of experience in

the field of diplomacy, Pahor's decision was heavily criticised by his coalition partners as well as the general public.¹⁶⁸⁰

Government officials accused of corruption in the "Patria" case

The corruption plot surrounding the purchase of armoured personnel carriers by the Slovenian army was connected to the highest officials and ministers in the 2004-2008 Slovenian government. The affair dates back to 2006 when the Slovenian army signed a contract for the purchase of carriers from the Finnish company "Patria". The purchase was legitimised as acquisition was claimed to be a part of obligations of the Slovenian Army in respect to NATO, namely on the requirements for participation in the organization's military operations. The purchase, which represents the biggest arms deal in Slovenia since its independence, contradicts with the Resolution of the Slovenian national assembly on the general long-term program of development and equipment of the Slovenian Army. Since 2006 the scandal acquired an international dimension. It involved questions on Slovenia's government's interpretation of freedom of media and the efficiency of the Slovenian judiciary system when it comes to alleged corruption by the government.¹⁶⁸¹

The controversy was once again sparked by the broadcasting of the Finish TV show titled "The truth about Patria" during the campaign for Slovenian parliamentary elections. In this show, aired on the Finish national television "YLE", the reporter Magnus Berglund accused Slovenian government officials of corruption. The most prominent suspect implicated with the scandal was then Prime Minister Janez Janša.¹⁶⁸² The Slovenian Ministry of Foreign Affairs reacted with a diplomatic note of protest addressed to the Finnish embassy in Slovenia. In the note the Ministry demanded

<http://www.dnevnik.si/debate/komentarji/1042206517> (last access: 12 January 2009).

¹⁶⁷⁵ Zares, a new liberal political party, with the central personalities largely drawn from the Liberal Democracy of Slovenia.

¹⁶⁷⁶ Liberalna demokracija Slovenije.

¹⁶⁷⁷ Demokratična stranka upokojencev Slovenije.

¹⁶⁷⁸ STA: Državni zbor imenoval novo vlado (National assembly appoints the new government), 21 November 2008, available at: <http://www.sta.si/vest.php?s=s&id=1339946&q> (last access: 2 January 2009).

¹⁶⁷⁹ RTV Slovenija: Nered, Marjetka: Veleposlaniška vročica – grožnja ugledu države? (Ambassadorial fever – a menace to national reputation?), 27 October 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=1&c_id=185641 (last access: 2 January 2009).

¹⁶⁸⁰ Erna Strniša: Rupel posebni odposlanec premiera (Rupel appointed Special envoy of the Prime Minister), RTV Slovenija, 27 November 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=1&c_id=187743 (last access: 5 January 2009).

¹⁶⁸¹ Rok Praprotnik: Ekskluzivno o aferi Patria (Exclusively on Patria affair), Dnevnik, 20 November 2008, available at: <http://www.dnevnik.si/novice/slovenija/1042223612> (last access: 15 January 2009).

¹⁶⁸² Dnevnik.si: Objavljamo slovenski prepis odmevne oddaje finske televizije (Publication of the Slovenian transcript of the notorious Finnish television show), 2 September 2008, available at: <http://www.dnevnik.si/novice/slovenija/1042203958> (last access: 15 January 2009).

explanations and proof for the allegations made in the show. Finnish Prime Minister, Matti Vanhanen, reacted with a strong defence of media freedom in Finland and said that his government will not interfere in the work of journalists.¹⁶⁸³ The note was also met with strong criticism from the "International Press Institute". The latter expressed concern about the use of diplomatic pressure for the purpose of limiting media freedom.¹⁶⁸⁴

So far there were no charges made in connection with the case. The Slovenian prosecution came under severe public criticism and the Finnish "National Bureau of Investigation" exposed its slow response in the matter. The new Minister of Defense Ljubica Jelušič also became a target of criticism for covering up the mistakes of the former Minister of Defence. So far there has been no public disclosure of any kind of evidence.¹⁶⁸⁵

No progress regarding the border dispute with Croatia

Relations between Slovenia and Croatia remain very turbulent, with a border issue largely unresolved. In July 2008, another incident occurred when the Croatian authorities posted signs allowing hunting on supposedly Slovenian territory. The Slovenian Ministry of Foreign Affairs objected not only against signs put up by Croatian authorities, but also because the territory in question was protected against hunting under the Ramsar Convention on Wetlands to which Slovenia and Croatia are both contracting parties.¹⁶⁸⁶

Another problem arose when then Prime Minister, Janez Janša, indicated in a speech in mid September that the border dispute ought to be resolved according to 'ex aequo et bono' principle. Croatia objected and denoted this move as a politicization of the border dispute for pre-election purposes.¹⁶⁸⁷

The European Commission has had a consistent position on the dispute throughout its duration. It claims that the border issue is a matter of bilateral relations between the countries and that it is not a subject of negotiations regarding Croatia's accession to the EU. Then Foreign Minister, Dimitrij Rupel, was sceptical about the Commission's position. He stressed that Croatia during the negotiation process submitted materials containing maps which prejudged the border with Slovenia. Rupel demanded that such materials be excluded from the negotiation process.¹⁶⁸⁸ The French EU-Presidency attempted to speed up the dispute settlement with two fast-track proposals but none of them were satisfactory to both of the parties.¹⁶⁸⁹

In December, the border issue was marked by the 'red light' discourse. The government announced that it was going to block Croatia's progress in the EU accession negotiations due to the fact that it was still using highly disputed documentation prejudging the national border. Prime Minister, Borut Pahor, explained that the government was only protecting the national interest and was trying to avoid even greater problems that might arise when Croatia becomes a member of the EU.¹⁶⁹⁰ Despite the severely disinclined Slovenian public opinion and oppositional political parties towards Croatian membership in the EU, the

¹⁶⁸³ STA/Dnevnik: Finski premier sporočil Janši, da se vlada ne more vmešavati v delo televizije (Finnish Prime Minister informs Janša that the government cannot interfere in the work of television), 4 September 2008, available at: <http://www.dnevnik.si/novice/slovenija/1042204550> (last access: 15 January 2009).

¹⁶⁸⁴ STA/Dnevnik.si: Mednarodni inštitut za tisk kritizira odziv slovenske vlade na finski dokumentarec o Patrii (International Press Institute criticizes Slovenian government's response to the Finnish documentary on Patria), 11 September 2008, available at: <http://www.dnevnik.si/novice/slovenija/1042206250> (last access: 15 January 2009).

¹⁶⁸⁵ Dnevnik.si: Finski nacionalni urad za preiskave ostro kritizira slovensko policijo (Finnish National Bureau of Investigation aims sharp criticism at Slovenian police), 9 September 2008, available at: <http://www.dnevnik.si/novice/slovenija/1042205417> (last access: 15 January 2009).

¹⁶⁸⁶ STA: Hrvaška odpravila poslov na MZZ zaradi tabel v krajinskem parku Sečovlje (Croatian chargée d'affaires at the Ministry of Foreign Affairs due to the signs in the landscape park Sečovlje), 25 July 2008, available at: <http://www.sta.si/vest.php?s=s&id=1305585> (last access: 6 January 2009).

¹⁶⁸⁷ STA: Hrvaška zavrnila Janševe izjave o 'načelu pravičnosti' glede meje (Croatia rejects Janša's statements on the 'ex aequo et bono' principle regarding the border), 15 September 2008, available at: <http://www.sta.si/vest.php?s=s&id=132044> (last access: 6 January 2009).

¹⁶⁸⁸ RTV Slovenija: EU zavrnil Ruplove izjave (EU rejects statements by Rupel), 14 October 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=16&c_id=184745 (last access: 10 January 2009).

¹⁶⁸⁹ RTV Slovenija: Na mizi nov francoski predlog (New French proposal on the table), 16 December 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=1&c_id=189027 (last access: 28 January 2009).

¹⁶⁹⁰ RTV Slovenija: Tudi vlada prižgala rdečo luč (The government turns on the red light as well), 18 December 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=1&c_id=189240 (last access: 8 January 2009).

government still strongly supports Croatia's participation in Euro-Atlantic integration. In January 2009, the EU institutions once again invited the parties to resolve the dispute. While the European Parliament called for a solution at the International Court of Justice, the Commission proposed a solution to the dispute via mediation. Although Pahor welcomed the suggestions, he stressed that "the government's position on this issue will not change, unless the circumstances which had brought about the Slovenian blockade of further Croatia's negotiations with the EU would change in the first place."¹⁶⁹¹

Introduction of controversial highway vignettes

In the beginning of July 2008, Slovenia introduced a new system of highway vignettes which replaced the previous road toll system. As stated by then, Minister of Transport, Radovan Žerjav, the vignettes only represent a temporary measure which would later on be replaced by a satellite road toll system. The fact that Slovenia only issued one-year- and half-year-vignettes especially upset neighbouring Croatia¹⁶⁹² and Austria.

In September, Eurostat issued a warning to Slovenia that the "Motorway Company in the Republic of Slovenia" (DARS) would statistically be placed in the public sector, if there was no introduction of short-term vignettes. Without these, DARS' incomes from the sale of vignettes would be regarded as tax revenue instead of payment of services. If DARS' external debt was to be regarded as public debt, the latter would amount to almost 10 percent, and Slovenia could find itself in a serious violation of the Stability and Growth Pact.¹⁶⁹³

¹⁶⁹¹ STA/Reuters/RTV Slovenija: Blokada vsaj do prvega premika (Blockade at least until the first shift), 26 January 2009, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=1&c_id=191785 (last access: 26 January 2009).

¹⁶⁹² RTV Slovenija: Vinjete ostajajo trn v peti Hrvaške (Vignettes remain a thorn in Croatia's side), 2 July 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=2&c_id=177414 (last access: 4 January 2009).

¹⁶⁹³ RTV Slovenija: Zaradi vinjet ob stabilnost javnih financ? (Losing public finance stability at the expense of vignettes?), 30 September 2008, available at: http://www.rtvlo.si/modload.php?&c_mod=news&op=sections&func=read&c_menu=1&c_id=183804 (last access: 5 January 2009).

In October 2008, the European Commission issued a formal warning to Slovenia, stating that its current system of vignettes is discriminatory to other citizens of the EU. The Slovenian government denied any such accusation, explaining the new road toll system has no direct or indirect discriminatory effects with regard to nationality. The argument in defence used by the government was that there are many Slovenian citizens who also use highways very seldom thus being put in the same position as other infrequent users from the EU.¹⁶⁹⁴ The European Commission was not satisfied with the answer and consequently, in accordance with EU regulation, suspended further procedures for financing the construction of a part of Slovenia's highway network.¹⁶⁹⁵

Current issues

Spain*

The EU budget review

Although it cannot be exactly considered as a highly salient topic in Spain, it is worth mentioning that the national preferences in the process of EU budgetary reform were published after the summer.¹⁶⁹⁶ The conference held in Brussels on 12 November of 2008 marked the end of the public-debate phase that began with the European Commission's presentation of an issues paper in September 2007. It also marked the beginning of a new phase in which the Commission is expected to present a White Paper in mid-2009, with discussion later among EU leaders. In this context, the Spanish government's position on budgetary reform and in ensuing negotiations on financial prospects after 2014 will be different from that which it held in earlier discussions on budgetary issues. Although Spain has been a

¹⁶⁹⁴ STA: Vlada v uradnem odgovoru zavrača očitke Bruslja glede vinjet (In an official answer the government rejects Brussels' reproaches regarding vignettes), 28 October 2008, available at: <http://www.sta.si/vest.php?s=s&id=1332883> (last access: 5 January 2009).

¹⁶⁹⁵ Cirman, Primož: Zaradi vinjet v zraku tudi evropsko financiranje dolenjke (European financing of 'dolenjka highway' uncertain because of vignettes), Poslovni Dnevnik, 6 November 2008, available at: http://www.dnevnik.si/poslovni_dnevnik/1042219909 (last access: 5 January 2009).

* Elcano Royal Institute.

¹⁶⁹⁶ See the Spanish contribution to the response to the European Commission issues paper, available at: <http://ec.europa.eu/budget/reform/issues> (last access: 30 March 2009).

net beneficiary of EU funds since it joined the bloc, one can expect that, starting in 2013, it will achieve a net balance that is in equilibrium with regard to the EU. Thus, any budgetary reform that is agreed will have a significant effect on Spain. Reforming the income-and-spending aspect of the EU budget takes on special importance for Spain because of the financial implications that such changes might have in the context of future negotiations. Thus, the net balance depends not just on the future of the cohesion policy and possible new policies, but also on reforms of the Common Agriculture Policy (CAP), a hugely important part of the EU budget. In fact, Spain now receives more for agriculture than in structural funds, and that trend is going to continue in the coming years. On the other hand, the new position could be seen as a comfortable spot from which to launch initiatives, mainly in discussions on new policies, including the role played by the Lisbon Strategy, and on the future of the cohesion policy. The Spanish government might try to take advantage of its position and aim its focus on overall debate covering both EU revenues and expenditures in order to keep all its options open.¹⁶⁹⁷

The Spanish contribution to the process of consultation launched by the Commission stresses two lines or basic principles: fairness in revenues and quality in expenditure, and it is based on the position held in negotiations on Financial Perspectives for the period 2007-13, in which Spain has defended three basic principles, which are still valid: the 'principle of sufficiency of budgetary means', the 'principle of fair distribution of the costs of enlargement' and finally, in application of the 'principle of gradualism', in the last negotiations Spain defended the need for adequate transitional measures for those regions which lose their eligibility for the Cohesion Fund, either because of a 'statistical effect' or through natural growth. Regarding the spending side of the budget, new priorities to defend were introduced in the last negotiations and they stem from challenges such as migration since Spain considers it will be essential to develop a European immigration policy with specific goals and a budget with enough funding to respond to the challenge. Other new policies would be the promotion of renewable energies

and investment in research, development and innovation (R+D+I).¹⁶⁹⁸

Precisely, the importance that the Spanish government gives now to bridging the 'technological gap' that exists between the North Western most developed countries of the EU and other member states – such as Spain –, is quite present in the current political discourse. The increase in budgetary resources available for technological innovation¹⁶⁹⁹, the priority given to the Lisbon Agenda (which has continued during the Zapatero years despite the Strategy was originally set out in Lisbon in March 2000 within the framework of the mutual understanding between Tony Blair and José María Aznar), the creation of a new Ministry of Science and Innovation some months ago, as well as Spain's efforts to serve as headquarters for the European Institute for Innovation and Technology are some examples of this priority which is obviously connected to the deep economic crisis and the need to change a growth model based on low skill labour and high weight of the construction sector during the last decade. However, to overcome the technological distance between Spain and the most advanced EU members requires much more effort.

Current issues

Sweden*

Swedish EU Presidency and Swedish defence issues

The presidency issues

Many of the issues to be put in focus during the Swedish Presidency have been mentioned above. Climate, energy and environment are often mentioned as the most important issues. Another one is employment, growth and competitiveness; a third one is a safer and more transparent Europe; a fourth one is the Baltic Sea region and relations with neighbouring countries; and a fifth one is the EU as a global actor together with continued enlargement. A further theme is that of efficiency: making the EU work better. This has been brought up by Cecilia Malmström, Minister for EU Affairs, mentioning crisis

¹⁶⁹⁷ See Cristina Serrano and Mario Kölling, 2009, Spain and EU Budgetary Reform (Elcano Royal Institute WP 12/2009), available at: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/DT12-2009 (last access: 30 March 2009).

¹⁶⁹⁸ See Cristina Serrano and Mario Kölling, 2009 (ibidem).

¹⁶⁹⁹ In recent years spending on R+D+I in Spain increased around 100%, achieving in 2007 a record of €6,450 million. * Stockholm International Peace Research Institute.

management, which today is a responsibility shared by several Commissioners rather than having one person responsible for it.

Baltic Sea initiative

The core of this initiative is to deal with all the problems and challenges related to the Baltic Sea region together: energy, environment, trade etc. The background to the initiative is that the economic development in the region is very uneven; the financial crisis has hit certain countries very hard, and the environmental problems of the Baltic Sea are considerable while at the same time there is much traffic across the waters. Germany is also behind this project and the Commission is engaged in developing a strategy for the Baltic Sea region.¹⁷⁰⁰

Swedish defence forces and the defence of Sweden

Discussions on Swedish defence have recently become heated. Repeated cut-downs of Swedish defence forces combined with continued emphasis on international crisis management as compared with defence of Swedish territory is one part of it. The other part of the discussion is the conflict in Georgia, which has caused some to ask for a new analysis on Russian policy and the Swedish threat scenarios. The third component of this discussion concerns the Swedish relations to NATO and its present status of non-alignment.

The cut-downs of the Swedish forces and the emphasis on the international tasks have been a recurrent theme for some years. International missions are generally endorsed, including by the Swedish public (see below), and the discussion has therefore been on the effects on Swedish territorial defence. During the autumn another reduction was announced as well as plans aimed to give faster reaction time, based on professional soldiers and officers.¹⁷⁰¹ The supreme commander, Håkan Syrén, has underlined that a national defence capable to withstand a vast attack on Sweden by a major country is since long been an

unrealistic level of ambition for a small state. It should, however, be strong enough to deter the attacker. Close cooperation with other countries is necessary today, exercising, training as well as developing and purchasing equipment together with others. Above all, efforts are made to develop Nordic military cooperation.¹⁷⁰²

International cooperation has since the end of the Cold War been substantial and, while remaining non-aligned, Sweden considers itself tied by obligations to the EU and Nordic states. The Parliamentary Defence Commission's reports and other documents contain what has been called a "unilateral Article 5": "There is broad consensus that Sweden will not remain passive should another EU member state or Nordic country be struck by disaster or attack. By the same token, we expect these countries to do the same if a similar crisis were to befall Sweden."¹⁷⁰³

The Swedish public's views on these matters are complex. The majority of Swedes prefer continued non-alignment, even though support for NATO affiliation has gone up markedly during the last year. Among the respondents of a survey, 36 percent believe that Sweden should join NATO now or in the future, whereas 38 percent think that Sweden should remain outside and 26 percent do not have a view on this. Since 2005, the support for joining NATO has increased by six percentage points each year.¹⁷⁰⁴

On the other hand Swedes do not generally see non-alignment as the decisive factor for security in Sweden: while 43 percent see military non-alignment as having a positive effect on peace and security for Sweden, other factors are considered to be even more important: 52 percent see Swedish

¹⁷⁰⁰ Cecilia Malmström: Why do we need a European Union strategy for the Baltic Sea region?, speech, Almedalen 7 July 2008, available at: www.regeringen.se/sb/d/7415/a/108721 (last access: 25 January 2009); Angela Merkel/Fredrik Reinfeldt: Ökat Östersjösamarbete i EU [Increased Baltic Sea Cooperation in the EU], Dagens Nyheter, 4 February 2009.

¹⁷⁰¹ Sten Tolgfors, Defence Minister: Försvaret klarar idag inte att värna Sverige, [Today's Defence Cannot Defend Sweden], Dagens Nyheter, 7 November 2008.

¹⁷⁰² Håkan Syrén, supreme commander of the Swedish forces: Att prioritera är att välja (bort)! Anförande av överbefälhavaren, general Håkan Syrén, vid Folk och Försvars rikskonferens i Sälen den 18 januari 2009 [To prioritize is to choose (take away)!], statement by the Supreme Commander at the Annual conference of "People and Society", Sälen 18 January 2009.

¹⁷⁰³ Carl Bildt, Minister for Foreign Affairs, in: Swedish parliament: Kammarens protokoll, 13 February 2008, p. 4, available at: <http://www.riksdagen.se/Webbnav/index.aspx?nid=101&bet=2007/08:63#/35F8E6AD-3FA4-4C88-8F1B-9C59FF4AD3C1> (last access: 25 January 2009).

¹⁷⁰⁴ Göran Stütz (ed.): Opinion 2008, Om den svenska allmänhetens syn på samhället, säkerhetspolitiken och försvaret [Opinion 2008, Swedes' Views on Society, Security Policy and National Defence], data collection: 25 August-13 October 2008, Styrelsen för psykologiskt försvar [The National Board of Psychological Defence], 2008, p. 77.

membership in the EU as being positive, 52 percent see Swedish participation in Common Foreign and Security Policy cooperation as positive, and 49 percent see Swedish participation in European Security and Defence Policy missions as being positive for peace and security.¹⁷⁰⁵ As mentioned above, the Swedish public in general, like the government, sees enlargement as a peace-promoting factor: 40 percent of the respondents see EU enlargement as positive for Swedish peace and security.¹⁷⁰⁶

Current issues

Turkey*

AKP closure case, Russian-Georgian conflict, and proposal on "Caucasus Stability and Cooperation Platform"

Turkey's political agenda in the second half 2008 was dominated by a combination of internal and external issues. The AKP¹⁷⁰⁷ closure case, Russian-Georgian conflict and the proposal on "Caucasus Stability and Cooperation Platform" were some of the topics that dominated the agenda together with other issues such as the US elections, global crisis, and the upcoming local elections.

The AKP closure case

The final decision by the constitutional court on the AKP closure case was given on 30 July 2008. The court ruled against closure but imposed financial penalties and announced that this was a serious warning to the AKP. Politicians from mainly the AKP stated that the decision was a landmark victory for democracy. The opposition, on the other hand, argued that this was actually identification of the fact that the AKP is a focal point of anti-secular activity but the court was not able to deal with the crisis. However, expectations that this may lead to a change in the political parties law and the election law did not materialise.¹⁷⁰⁸

¹⁷⁰⁵ Ibid., p. 55.

¹⁷⁰⁶ Ibid.

* Center for European Studies / Middle East Technical University.

¹⁷⁰⁷ Adalet ve Kalkınma Partisi – Justice and Development Party.

¹⁷⁰⁸ For details on the decision and the reactions see Radikal, 31 July 2008; Today's Zaman, 31 July 2008.

Russian-Georgian conflict

The Russian-Georgian conflict had external and internal implications for Turkey. Turkey immediately reacted to the attack by the Georgian forces in South Ossetia and the escalation of events with the Russian inclusion. From the very first day onwards, Turkish experts argued that Turkey as a regional power with friendly relations with both parties should assume an active role and mediate between the parties.¹⁷⁰⁹ Both Georgia and Russia are considered as strategically important for Turkey. Georgia is considered important as Turkey's gate to Azerbaijan and Central Asia – given problems with Armenia – and crucial in the transfer of oil from the East to the West. On the other hand, similar to the EU, Turkey is dependent on Russian natural gas. In addition, the commercial relations between Russia and Turkey have increased considerably since 1990 making Russia an important market for Turkish exports, for construction services and Turkish tourism sector.¹⁷¹⁰ Moreover, the crisis was coupled with a trade dispute between Turkey and Russia complicating Turkey's foreign policy further. The two issues were later decoupled by arguments that the main reason for the trade dispute was the process of restructuring that Russia was going through.

Turkey, indeed, followed an active foreign policy to mediate between the two sides being one of the few states which managed to meet both Russia and Georgia during the conflict. While doing so, Turkish leaders followed a cautious and a balanced approach emphasising dialogue and peaceful means for the resolution of the crisis.¹⁷¹¹ The events were perceived by the elites and the public in general as a development tilting the status quo

¹⁷⁰⁹ Fatma Demirelli: 'Crisis calls for urgent Turkish mediation in Caucasus', Today's Zaman, 9 August 2008.

¹⁷¹⁰ The total value of Turkey's exports to Russia amounted to more than 6 billion US Dollar in 2008, projects undertaken by Turkish contractors in Russia surpassed 30 billion US Dollar (22 percent of all projects undertaken by Turkish contractors), making Russia by far the most important market for Turkish construction services. Turkish direct investments in Russia are estimated at 5.6 billion US Dollar. All values are taken from Ministry of Foreign Affairs of the Republic of Turkey, available at: <http://www.mfa.gov.tr/> (last access: 25 January 2009), and Turkish Statistical Institute, available at: <http://www.turkstat.gov.tr> (last access: 25 January 2009).

¹⁷¹¹ Ministry of Foreign Affairs of the Republic of Turkey: Press Release Regarding the Armed Clashes in South Ossetia, No. 141, 8 August 2008, available at: http://www.mfa.gov.tr/no_141--08-august-2008_press-release-regarding-the-armed-clashes-between-georgia-and-south-ossetia.en.mfa (last access: 25 January 2009).

in the Black Sea region. As such Turkish leaders expressed their concern over the preservation of territorial integrity and political unity of Georgia in an aim to emphasise the status quo, an issue that was reiterated by Foreign Minister Ali Babacan, Prime Minister Erdoğan, and President Abdullah Gül.¹⁷¹² Another interpretation of the events was that the Russian move was a message at the global level, following on Kosovo independence, the missile shield row etc., from her back yard. The claims by the Russian side concerning the sale of arms and training of Georgian soldiers by Turkey, along with other NATO member states, and preparing it for a war were perceived as a way to put pressure on Turkey and others in order to force them to retreat in the Black Sea region.

Another important development in this respect was the US decision to send humanitarian aid to Georgia which brought to the fore the use of Turkish Straits. This created concerns, especially for Russia, over the implementation of the regime of passage through the Turkish Straits which is governed by the Montreux Convention of 1936 regulating the size of ships and requiring declaration of passage. Russian warnings found coverage in the Turkish press emphasising the fact that Russia will hold Turkey responsible for any non-compliance as the convention determines the time that non-littoral ships may stay in the Black Sea. The warnings were also accompanied by reports claiming that Russia considers Turkey as important and would like to see the Turkish position closer to the Russian position. Turkey paid due attention to compliance with the regime on the Straits as it is important for her as well.

An important aspect of the internal dimension is presence of a large Caucasian diaspora in Turkey. The "Federation of Caucasian Associations" was critical of the Georgian military offensive, claiming that the Georgian authorities were pursuing a policy of ethnic cleansing in the region and demanding the Turkish recognition of Abkhazia and South Ossetia.¹⁷¹³ The Northern Caucasian diaspora, peacefully protested against the Georgian operation in front of the Georgian representations in Ankara and İstanbul¹⁷¹⁴

¹⁷¹² Radikal, 9 August 2008; After Prime Minister Erdoğan's visit to Russia the press reflected different viewpoints of Turkey and Russia on territorial integrity of Georgia. See: Radikal, 15 August 2008.

¹⁷¹³ Radikal, 10 August 2008; Today's Zaman, 11 August 2008.

¹⁷¹⁴ ANKA News Agency, 13 August 2008.

demanding from the Turkish government to step in, mediate and stop the Georgian attacks that are being carried out with the weaponry provided by Turkey itself.¹⁷¹⁵ The federation also sent a letter to Russian President Medvedev, asking Russia to recognise Abkhazia and South Ossetia.¹⁷¹⁶ Indeed, Turkish official circles have been silent on these issues.

The proposal on "Caucasus Stability and Cooperation Platform"

The Turkish proposal on "Caucasus Stability and Cooperation Platform" was interconnected with the Russian-Georgian conflict. The proposal that the Turkish leaders coined on 11 August 2008¹⁷¹⁷ was a reiteration of the Caucasus pact that was put forward by the then President of Turkey, Süleyman Demirel, in 2000. At the time, the proposal was supported by the EU, however, rejected by the Russians perceived as a plan that intended to isolate Russia in the Caucasus. The recent proposal was presented to the leaders of the region first during when Prime Minister Erdoğan met with Russian President Medvedev and Prime Minister Putin on 13 August 2008 and Georgian President Saakashvili on 14 August 2008. The proposal which seems to have been welcomed by the countries of the region aims to facilitate peace, security and stability in the Caucasus. However, the opposition parties in Turkey, categorically not against the proposal, put forward criticisms concerning, especially the timing, of the proposal arguing that it is proposed at a time when Russia did a show of prowess in the region. Yet, for the AKP government, while one of the aims was to remind Russia of Turkey's interests in the region the other was to give way to dialogue with Armenia, with whom Turkey does not have any diplomatic relations. This move gave way to 'football diplomacy' between the Turkish and the Armenian President and was followed by a series of meetings between Turkish and Armenian officials including Azeri leaders in an indirect manner.

Other issues

The 2008 Presidential elections in the US were probably the most closely followed US elections by the press, officials and thus, the

¹⁷¹⁵ Taraf, 10 August 2008.

¹⁷¹⁶ Sabah, 21 August 2008.

¹⁷¹⁷ Emine Kart: 'Stuck in a tight spot, Ankara calls for Caucasus pact', Today's Zaman, 12 August 2008.

public in general in Turkey. The election of Barack Obama was deemed important because of the legacy of George W. Bush and with the hope that he would be able to change things for the better. Even people from a small village, Çavuştepe in the Van region, sacrificed 44 sheep (as he is the 44th President of the US) to show their love for Obama. This is well interconnected with the hope that Obama would be the best choice to deal with the deepening global crisis at a global level. Perhaps most of the criticisms on the consequences of global crisis in Turkey were related to Prime Minister Erdoğan's optimism. Erdoğan claimed that Turkey would be the country "least affected" by the global crisis, that "Turkey would overcome the crisis with minimum loss" and it was rather psychological than real.¹⁷¹⁸ He was severely criticised by the opposition for downplaying and undermining the real effects of the crisis in the midst of increasing unemployment, declining GDP and exports. The business circles were also critical of the government and their inability to take any measures, although the government argued they do so. Indeed, this is partly related to the upcoming local elections where the debate as the elections approach seems to be toughening and marginalising parties.

Current issues

United Kingdom*

Unofficial strikes in energy industry

At the time of writing, a number of unofficial strikes have been called in the energy industry protesting against the hiring of non-British European workers to carry out contracts in the United Kingdom at a time of rapidly growing British unemployment. These strikes have been fuelled by a populist and much quoted remark of Gordon Brown in 2007 that he would seek to provide "British jobs for British workers." As yet, these actions are unofficial and far from general throughout the United Kingdom. Their potential, if they become widespread, to destabilize the government and to undermine the traditional commitment of the British governing elite to the single European market should not, however, be underestimated.

¹⁷¹⁸ Milliyet, 18 October 2008; Today's Zaman, 3 October 2008, 28 October 2008, 25 December 2008.

* Federal Trust for Education and Research.

Chronology of Main Events

(between July 2008 and February 2009)

1 July 2008	France takes over the EU-presidency.
7-8 July 2008	At the G8 summit in Toyako-cho the heads of state and government agree on a 50 percent reduction of CO ₂ emission until 2050.
13 July 2008	At a summit in Paris the heads of state and government from the EU and the Mediterranean and the European Commission launch the "Barcelona Process: Union for the Mediterranean".
21 July 2008	Former Bosnian Serb leader Radovan Karadžić who is accused of war crimes is arrested. The lack of Serbian support for the United Nations war crime tribunal in The Hague has been a longstanding conflict between Serbia and the European Union.
8 August 2008	<p>Between Georgia and Russia a military conflict breaks out.</p> <p>The opening ceremony of the Olympic games in Beijing: After having earlier suggested to abstain from the ceremony as a sign of protest against the Chinese Tibet policy the French President Sarkozy attends the ceremony "on behalf of the European Union". Members of the European Parliament oppose this decision.</p>
12 August 2008	Russia and Georgia agree on a six-point plan brokered by French President Sarkozy which shall pave the way for peace. European politicians criticise the plan as being too vague.
1 September 2008	<p>Heads of state and government meet in Brussels to discuss the European relations to Russia. They agree:</p> <ul style="list-style-type: none">- to postpone the negotiations about a new partnership agreement with Russia (originally scheduled for the 15 and 16 September) until Russian troops have withdrawn to the positions held in Georgia prior to 7 August.- to contribute to the OSCE observer mission in South Ossetia by sending observers.
7 September 2008	The US government steps in to bail out mortgage lenders "Fannie Mae" and "Freddie Mac".
8 September 2008	The French President Sarkozy meets the Russian President Medvedev in Moscow. Russia and Georgia agree on implementing the plan from 12 August.
15-16 September 2008	<p>The General Affairs and External Relations Council decides to send an independent civilian observer mission to Georgia under the European Security and Defence Policy.</p> <p>"Lehman Brothers Holdings Inc." files for bankruptcy protection in the US.</p>
1 October 2008	The "European Union Monitoring Mission in Georgia" (EUMM) is deployed.
12 October 2008	The summit of the Euro area countries and the United Kingdom in Paris agrees on a "concerted European Action Plan of the Euro Area countries".

- 15-16 October 2008** The European Council in Brussels:
- adopts the “European Pact on Immigration and Asylum”.
 - hears the Irish Prime Minister’s analysis of the Irish referendum on the Lisbon Treaty.
- 18 October 2008** French President Sarkozy, US President Bush and the President of the European Commission Barroso meet in Camp David to discuss the financial and economic crisis.
- 3-4 November 2008** The “Barcelona Process: Union for the Mediterranean” ministerial conference in Marseille agrees on institutional structures of and a working programme for the “Barcelona Process: Union for the Mediterranean”.
- 4 November 2008** Barack Obama wins the US presidential elections.
- 5 November 2008** In his address to the Federal Assembly of the Russian Federation the Russian President Medvedev announces the plan to deploy the “Iskander missile system” in the Kaliningrad region as a reaction to the American missile defence system on Europe.
- 14 November 2008** The EU-Russia summit in Nice is dominated by the Georgian crisis, the security situation in Europe and the world financial crisis. The EU and Russia agree to continue the postponed negotiations about a partnership agreement.
- 16 November 2008** The first G20 summit on the level of the heads of state and government in Washington agrees on a common statement on the financial and economic crisis.
- 20 November 2008** The Swedish parliament “Sveriges Riksdag” ratifies the Treaty of Lisbon.
- 1-12 December 2008** The United Nations Climate Change Conference in Poznań ends with a clear commitment from governments to shift into full negotiating mode next year in order to shape an ambitious and effective international response to climate change.
- 8 December 2008** The General Affairs and External Relations Council adopts the decision on the launch of the operation “EU NAVFOR Somalia”, which shall protect ships against piracy off the Somalian coast.
- French President Sarkozy, British Prime Minister Brown and the President of the European Commission Barroso meet in London with representatives of banks and economists to discuss the current economic crisis.
- 11-12 December 2008** The European Council in Brussels:
- approves a European Economic Recovery Plan, which provides a common framework for the efforts made by member states and by the European Union to tackle the economic crisis.
 - reaches agreement on the energy and climate change package.
 - establishes an approach to enable the Treaty of Lisbon to come into force before the end of 2009.
- 12 December 2008** Switzerland becomes member of the Schengen area and the Dublin system, that aims to determine which member state is responsible for examining an asylum application lodged by a third-country national.
- 13 December 2008** The operation “EU NAVFOR Somalia” reaches initial operational capability.
- 17 December 2008** The European Parliament agrees on the energy and climate change package.

1 January 2009	<p>The Czech Republic takes over the EU-presidency.</p> <p>Slovakia becomes the sixteenth member of the Eurozone.</p> <p>Russia reduces the gas supply for the Ukraine.</p>
6 January 2009	<p>The Czech Presidency and the European Commission declare in a joint statement the reduction of gas supply for Europe as being completely unacceptable.</p>
7 January 2009	<p>The gas crisis between Russia and the Ukraine escalates: Russia stops the supply with gas through pipelines crossing Ukrainian territory completely.</p>
8 January 2009	<p>The informal General Affairs Council approves a EU declaration on the conflict between Ukraine and Russia about energy security.</p>
11 January 2009	<p>The EU gas observation mission is deployed on the ground and the terms of reference of the mission are signed.</p>
12 January 2009	<p>Extraordinary meeting of the Energy Council takes place. The council evaluates the situation of gas supplies in the member states concerned urges both parties to resume gas supplies to the EU immediately.</p>
18 January 2009	<p>Russia and the Ukraine settle their dispute on gas prices. The contracting partners sign an agreement warranting reduced gas prices for the Ukraine and reduced prices for carrying gas through Ukrainian pipelines for Russia in 2009. 2010 both sides will pay market prices.</p>
20 January 2009	<p>Russia resumes gas supplies to Ukraine and Europe.</p>
28 January 2009	<p>The European Commission sets out its proposals for a global pact on climate change at Copenhagen.</p>
18 February 2009	<p>The first chamber of the Czech parliament "Poslanecká Sněmovna" ratifies the Treaty of Lisbon.</p>



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 five 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-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, 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).

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