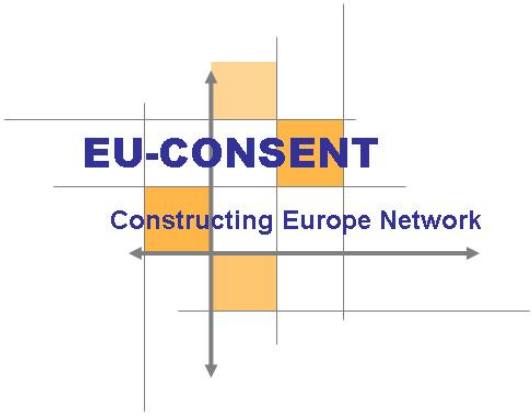

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Slovak Foreign Policy Association, Bratislava
Stockholm International Peace Research Institute (SIPRI)
Trans European Policy Studies Association (TEPSA), Brussels
University of Tartu

Institut für Europäische Politik

Bundesallee 23, D-10717 Berlin
Tel.: +49/30/88.91.34-0, Fax: +49/30/88.91.34-99
E-mail: info@iep-berlin.de
Internet: http://www.iep-berlin.de

www.eu-consent.net

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 May 2008 by all participating institutes. Most of the 29 reports were delivered in July 2008. 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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List of Authors

Contributors to this issue:

Austria: *Nieves-Erzsebet Kautny,* Austrian Institute of International Affairs, Vienna
Belgium: *Nathalie Brack, Régis Dandoy,* Centre d'étude de la vie politique, Université libre de Bruxelles
Bulgaria: *Ivan Stoyanov, Vladimir Shopov, Elisabeth Yoneva, Boris Kostov, Krassimir Y. Nikolov,* Bulgarian European Community Studies Association, Sofia*
Croatia: *Ana-Maria Boromisa, Nevenka Čučković, Visnja Samardžija, Mladen Staničić and Valentina Vučković*, Institute for International Relations, Zagreb
Cyprus: *Andreas Antoniou, Nicoleta Athanasiadou, Costas Melakopides, Kostas Sasmatzoglou, Christos Xenophontos,* Cyprus Institute for Mediterranean, European and International Studies, Nicosia
Czech Republic: *Mats Braun and Vít Beneš,* Institute of International Relations, Prague
Denmark: *Maja Kluger Rasmussen, Jesper Kelstrup,* Danish Institut for International Studies, Copenhagen
Estonia: *Piret Ehin,* University of Tartu
Finland: *Pia Alilonttinen, Toby Archer, Hiski Haukkala, Tanja Tamminen, Hanna Ojanen,* EUR Programme/Finnish Institute of International Affairs, Helsinki
France: *Beatrix Boonekamp, Aurélien Evrard,* Centre d'études européennes de Sciences Po, Paris
Germany: *Gesa-Stefanie Brincker, Severin Fischer, Jaren Kuchta, Ruth Langer, Tanja Leppik-Bork, Barbara Lippert, Julian Plottka, Elfriede Regelsberger, Thomas Schüler, Jonas Teusch,* Institute for European Politics, Berlin
Greece: *A.D. Papayannides and Nikos Frangakis,* Greek Centre for European Studies and Research, Athens
Hungary: *Krisztina Vida,* Institute for World Economics of the Hungarian Academy of Sciences, Budapest
Ireland: *Tim Bourke, Peadar ó Broin, Jill Donoghue, Stephen Douglas, Jill Farrelly, Tom Lynch,* Institute of International and European Affairs, Dublin
Italy: *Michele Comelli, Nicoletta Pirozzi, Maria Luisa Pozone,* Istituto Affari Internazionali, Rome
Latvia: *Dzintra Bungs,* Latvian Institute of International Affairs, Riga
Lithuania: *Jurga Valančiūtė,* Institute of International Relations and Political Science, Vilnius University
Luxembourg: *Jean-Marie Majerus,* Centre d'Études et de Recherches Européennes Robert Schuman, Luxembourg
Malta: *Stephen C. Calleya,* Mediterranean Academy of Diplomatic Studies, University of Malta
Netherlands: *Mendeltje van Keulen, Rob Boudewijn, Jurriaan Middelhoff, Alfred Pijpers, Jan Rood,* Netherlands Institute of International Relations 'Clingendael', The Hague
Poland: *Celina Blaszczyk, Anna Jedrzejewska, Maria Karasinska-Fendler (co-ordinator), Anastazja Pilichowska, Kazimierz Sobotka, Rafal Trzaskowski, Mariusz Wypych, Rafal Zdrajkowski,* Foundation for European Studies - European Institute, Łodz
Portugal: *Bruno C. Reis, Mónica S Silva,* Institute for Strategic and International Studies, Lisbon
Romania: *Gilda Truica,* European Institute of Romania, Bucharest
Slovakia: *Vladimír Bilčík, Zuzana Lisonova,* Slovak Foreign Policy Association, Bratislava
Slovenia: *Ana Bojinović, Sabina Kajnč, Samo Novak, Gregor Ramuš,* Centre of International Relations, University of Ljubljana
Spain: *Ignacio Molina, Alicia Sorroza,* Elcano Royal Institute, Madrid
Sweden: *Gunilla Herolf*, Stockholm International Peace Research Institute (SIPRI)
Turkey: *Sait Aksit, Ayse Idil Aybars, Tolga Bolukbasi, Ozgehan Senyuva, Cigdem Ustun,* Center for European Studies / Middle East Technical University, Ankara
United Kingdom: *Jonathan Church,* Federal Trust for Education and Research, London

* Corrigendum: The Bulgarian contribution on the EU budget review in EU-27 Watch No. 6 was written by Kaloyan Simeonov.

With or without the Lisbon Treaty – member states watch out

Barbara Lippert/Tanja Leppik-Bork

Repercussions of the Irish 'No'

The Irish referendum of June 2008 gave a blow to all expectations that the ten years' process of reforming the treaty basis of the European Union will be settled with the Lisbon Treaty entering into force by the end of 2008. The Irish writer John Banville quoted the poem of his compatriot William Butler Yeats „The Second Coming" (1929) evoking a desperate scene: "The best lack all conviction, while the worst/are full of passionate intensity".[1] In the majority of EU member states the immediate reactions were disappointment and sometimes anger, but not despair. EU and EU governments are trained in suboptimal solutions and recalled that the Lisbon Treaty is already a 'plan B' to mend the failure of the Constitutional Treaty. So repairing the damage was less frightening this time. Routine solutions like amendments (protocols, declarations of different legal nature), a second Irish referendum or opt-outs for Ireland were proposed and discussed in the member states. The strong consensus that this time ratification shall continue full speed irrespective of the Irish 'No' marks a significant difference to the ratification crisis of 2005 (see "State of the ratification" below).

More radical proposals were to exclude or expel Ireland from the EU,[2] while others felt that Ireland needs solidarity and much time till it can get around the problems.[3] Thinking ahead, some experts already explore how to „live with Nice" and remain confident of an ongoing integration process without the Lisbon Treaty.[4]

In the member states, different implications of the 'No' for the future of Europe are discussed. Understandably, Croatia and Turkey fear to become victims of the current deadlock. In Germany Chancellor Merkel saw a dim future for enlargement, and in France President Sarkozy underlined that "to be able to open to the Balkans, to Croatia, we need the Lisbon Treaty. If we want the enlargement, and we want the enlargement, we need new institutions".[5] At the same time others, like Slovenian analysts, regarded "the 'panic' which has arisen among the neighbouring Balkan states after the Irish 'No' as unnecessary".[6] Others referred to the institutional uncertainties of the year 2009 (e.g. the organization of the European Parliament elections and the allocation of seats per member state; the size/composition of the next Commission; or the posts of High Representative of the Union for Foreign Affairs and Security Policy and President of the European Council) that cannot be addressed as long as the Lisbon Treaty is in limbo.[7] As the British newspaper "Guardian" put it: "the prospects of creating a Europe with a strong voice and distinct leadership are darker this morning than they were yesterday".[8]

The question of European citizens

Many believe that referenda are in principle a mistake or even madness as part of the procedure to ratify international treaties. For example, some Estonian columnists pointed out that "referendum votes on such treaties resemble attempts to 'repair a watch with a blacksmith's hammer'".[9] The communication gap and distance between the political elites and the citizens on 'Brussels' has turned into a permanent problem. The genie of 'the citizens', hence the genie of democracy is out of the bottle. New players like Attac, „full of passionate intensity", are active in the domestic debates and

[1] John Banville: Das Nein. Irland und die Europäische Union, in: Frankfurter Allgemeine Zeitung, 19 June 2008.
[2] Some Austrian media, for example, made the proposal to exclude Ireland, while some Bulgarian media regarded Ireland as a 'spoiler'. Cf. the Austrian and the Bulgarian chapters on the EU after the Irish referendum (chapter 1).
[3] Cf., for instance, the British, Hungarian, and Polish chapters on the EU after the Irish referendum (chapter 1).
[4] See, for example, Wolfgang Wessels: Die Debatte nach ‚Irland': Festhalten an Lissabon, Aufbruch zu Alternativen oder doch Leben mit Nizza?, in: *integration* 3/2008, p. 312-318.
[5] The quotation is taken from the French chapter on the EU after the Irish referendum (chapter 1).
[6] Slovenian chapter on the EU after the Irish referendum (chapter 1).
[7] Mentioned, for instance, in the French, Lithuanian or Maltese chapters on the EU after the Irish referendum (chapter 1).
[8] The quotation is taken from the British chapter on the EU after the Irish referendum (chapter 1).
[9] Estonian chapter on the EU after the Irish referendum (chapter 1).

campaign for a „more democratic and a more 'popular' EU".[10] The mainstream pro-EU parties lose out against right- and left-wing sceptics and opponents. Interestingly, anti-EU and populist tendencies in general seem not in sync with the positive trends in public support for EU integration, in old (for example in Belgium, Denmark, Netherlands) and new (for example in Poland, Romania) member states. In Estonia fear of Russia triggers high levels of support, while in France and Luxembourg the idea of the EU as a protector against the storms of globalisation is a source of support. Opposite trends are reported of in Austria, Finland, Hungary, Italy and the UK.[11] The reports offer different explanations for the low level of support: for example, in Hungary the low level of support is explained by a lack of information and the fact that "living standards in Hungary have hardly improved"[12] during the last four years, while the low level of support in Austria is seen as a sign of a "very deep-rooted scepticism of the Austrian population towards the European Union".[13] It will be important to see (for example in connection with the European Parliament elections June 2009) whether EU citizens can develop stable attitudes towards the EU or behave volatile.

In old and new member states economic success breeds a more positive view of the EU. For example in Lithuania, at the time of accession farmers had been "more sceptical about membership than other groups of society", while today "having profited from the EU financial support", they are "one of the biggest supporters of the EU".[14] The more educated, wealthy, affluent or young, the stronger the support; the poorer, older or less educated, the lower the support for the EU.[15] Across the EU (across old and new member states) business is pro EU integration and benefits from the EU membership of the respective country.

Concentric circles inside and/or around the EU?

The Irish 'No' also triggers fears or hopes in member states with regard to a two-speed EU, a EU of internal concentric circles inside its boundaries and treaties, or a building of core group(s). However, the debate lacks original thinking and precise proposals and plans. The shock of the stagnating ratification process was apparently not severe enough to bring about a political movement and momentum for a fundamental change and break with path dependencies.

Almost the same is true when it comes to alternatives to membership, a ring of concentric circles around the EU. Proposals like "European Commonwealth", "European Economic Area Plus (EEA +)" apparently do not ignite passionate thinking and arguing. Thus, the Brok report[16] found little resonance in member states beyond expert circles. European Neighbourhood Policy (ENP), the hybrid and not well-loved new policy of the EU towards its neighbours in the East and South, will probably also survive because the EU lacks a consolidated strategic vision of how to deal with the neighbours. While some member states like Poland, the Czech Republic, Estonia, or Lithuania insist that there shall be no alternative to membership or that the EU "doors need to remain open";[17] others speculate vaguely about privileged partnership and about special status or relations of the EU with neighbouring third countries. However, the country reports of this issue had been finalised before the Georgia-Russia crisis reminded the EU of the lingering unresolved conflicts and brought new strains in relations with Russia.

More political leadership – a solution?

Unsurprisingly there is a demand for more leadership in the EU-27: for example, the Cypriot report underlines that "the advanced economic integration within Europe and the global economic and

[10] Austrian chapter on the EU after the Irish referendum (chapter 1).
[11] See the respective country chapters on Public opinion and European integration (chapter 3).
[12] Hungarian chapter on Public opinion and European integration (chapter 3).
[13] Austrian chapter on Public opinion and European integration (chapter 3).
[14] Lithuanian chapter on Public opinion and European integration (chapter 3).
[15] See Polish chapter on Public opinion and European integration (chapter 3).
[16] Elmar Brok, rapporteur of the Committee on Foreign Affairs of the European Parliament: Report on the Commission's 2007 enlargement strategy paper (2007/2271(INI)), Doc. A6-0266/2008, 26 June 2008, available at: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A6-2008-0266+0+DOC+PDF+V0//EN (last access: 26 September 2008).
[17] Slovenian chapter on Concentric circles around the EU? (chapter 5).

security challenges do require effective common policy responses";[18] and Greek media "deplore the lack of 'European leadership', comparing the present to the Delors/Mitterrand/Kohl era, or even to the Chirac/Schroeder/Blair years".[19] Views how better leadership can be achieved depend on the outlook of small or bigger, new or old or well-established member states. Particularly small (e.g. Ireland, Portugal, Slovenia, Sweden) and new (e.g. Cyprus, Czech Republic) member states fear that their voice will not be heard, that they will not be duly represented in new institutions like the European External Action Service or in the new tableau of top positions, namely the High Representative, the President of the European Council, and the President of the Commission. The issue of a possible new institutional balance in the EU has not been a highly salient one, since the Irish 'No' had put the Lisbon Treaty in a limbo.[20] Yet, it can be assumed that many of the players remain conscious of the importance of this settlement and play their cards close.

'Europe of projects'? – a solution?

And yet, it looks as if policies rather than institutions will shape consensus and form a centre that can hold. This is one of the beliefs of the 'Europe of projects'.[21] The work programme of the French EU-Presidency, named "Europe Taking Action to Meet Today's Challenges" seems to echo such an approach.[22] The soon ten-year-old Euro, the common currency of the EU, does not appear to contribute significantly to the development of a common identity as some had hoped it would. Economic tensions in an ever-wider EU that is strongly integrated into the global finance system cause concern in many member states. Therefore, the tenth anniversary of the Euro on 1 January 2009 will probably be accompanied by mixed comments on its successes and superseded by pressing concerns over high prices and inflation in nearly all member states.

Outlook

Reading and dipping into the country reports of this new edition of the survey EU-27 Watch (No. 7) is reassuring in the sense that the EU is robust even when the tides of European integration sweep away some of the castles built on too high expectations.

[18] Cypriot chapter on Political leadership in the EU (chapter 4).
[19] Greek chapter on Political leadership in the EU (chapter 4).
[20] Cf. the Dutch and Latvian chapters on Political leadership in the EU (chapter 4).
[21] For this concept see, for example, Wolfgang Wessels/Anne Faber: Vom Verfassungskonvent zurück zur 'Methode Monnet'? Die Entstehung der ‚Road map' zum EU-Reformvertrag unter deutscher Ratspräsidentschaft, in: *integration* 4/2007, p. 370-381.
[22] French Presidency of the Council of the European Union: Europe Taking Action to Meet Today's Challenges, Work Programme, 1 July – 31 December 2008, available at: http://www.ue2008.fr/webdav/site/PFUE/shared/ProgrammePFUE/Programme_EN.pdf (last access: 26 September 2008).

Lisbon Treaty: State of the ratification

Country	Ratification completed	Date/ Chamber	Result
Ratification not yet completed			
Czech Rep.	Open	1 April 2008 Poslanecká snemovna	Bill passed
		Senát	Open
The "Senát" will wait with its decision until the constitutional court has ruled about unconstitutionality of the treaty. The "Senát" itself appealed to the court. 48 senators voted for, four voted against appealing to the court. 18 abstained from voting, while 11 senators did not attend the parliamentary session.			
Germany	Open	24 April 2008 Bundestag	Yes-votes 515 No-votes 58 Abstentions 1
		23 May 2008 Bundesrat	Bill passed with 2/3 majority
The Federal President, Köhler, refused to sign the ratification bill until the constitutional court has ruled about two constitutional challenges against the ratification law. A Conservative MP, Peter Gauweiler, from the CSU and the parliamentary faction of the Left Party ("Die Linke") both appealed to the constitutional court.			
Poland	Open	1 April Sjem	Yes-votes 384 No-votes 56 Abstentions 12
		2 April Senat	Yes-votes 74 No-votes 17 Abstentions 6
The President of the Republic of Poland, Kaczyński, has not yet signed the ratification bill.			
Sweden	Open	Riksdag	Open
Government is aiming for a decision on 20 November 2008.			
Ratification before Irish referendum			
Austria	Yes	9 April Nationalrat	Yes-votes 151 No-votes 27
		24 April Bundesrat	Bill passed with 2/3 majority
Bulgaria	Yes	21 March Narodno sabranie	Yes-votes 195 No-votes 15 Abstentions 30
Denmark	Yes	24 April Folketing	Yes-votes 90 No-votes 25 Abstentions 64
Estonia	Yes	11 June Riigikogu	Yes-votes 91 No-votes 1 Abstentions 9
Finland	Yes	11 June Eduskunta/Riksdag	Yes-votes 151 No-votes 27 Abstentions 21
France	Yes	7 February Assemblée Nationale	Yes-votes 336 No-votes 52 Abstentions 22
		7 February Sénat	Yes-votes 265 No-votes 42 Abstentions 13
Greece	Yes	11 June Vouli ton Ellinon	Yes-votes 250 No-votes 42 Abstentions 8

Hungary	Yes	17 December 2007 Országház	Yes-votes No-votes Abstentions	325 5 14
Latvia	Yes	8 May Saeima	Yes-votes No-votes Abstentions	70 3 1
Lithuania	Yes	8 May Lietuvos Respublikos Seimas	Yes-votes No-votes Abstentions	83 5 23
Luxembourg	Yes	29 May Chambre des Députés	Yes-votes No-votes Abstentions	47 1 3
Malta	Yes	29 January House of Representatives/ Kamra tad-Deputati	Bill passed unanimously	
Portugal	Yes	23 April Assembleia da República	Yes-votes No-votes	208 21
Romania	Yes	4 February Camera Deputatilor + Senatul (joint parliamentary session)	Yes-votes No-votes Abstentions	387 1 1
Slovakia	Yes	10 April Národná rada Slovenskej republiky	Yes-votes No-votes Abstentions	103 5 1
Slovenia	Yes	29 January Drzavni Zbor	Yes-votes No-votes Abstentions	74 6 10

Irish refrendum				
Ireland	No	12 June referendum	Yes-votes No-votes Invalid Participation	752,451 (= 46.6 percent) 862,415 (= 53.4 percent) 6,171 53.13 percent

Ratification after Irish referendum				
Belgium	Yes	10 April Chambre des Représentants/ Kamer van Volksvertegenwoordigers	Yes-votes No-votes Abstentions	116 18 7
		6 March Sénat/Senaat	Yes-votes No-votes Abstentions	48 8 1
		until 10 July regional parliaments	The last parliament of the Belgium regions adopted the treaty on 10 July.	
Cyprus	Yes	3 July Vouli Antiprosópon/Temsilciler Meclisi	Yes-votes No-votes Abstentions	37 17 1
Italy	Yes	31 July Camera dei Deputati	Bill passed unanimously	
		23 July Senato della Repubblica	Bill passed unanimously	
Netherlands	Yes	8 July Eerste Kamer	Yes-votes No-votes	60 15
		5 June Zweete Kamer	Yes-votes No-votes	111 39

Spain	Yes	26 June Congreso de los Diputados	Yes-votes No-votes Abstentions	322 6 2
		15 July Senado	Yes-votes No-votes	232 6
UK	Yes	11 March House of Commons	Yes-votes No-votes Abstentions	346 206 94
		18 June House of Lords	Bill passed	

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The EU after the Irish referendum

On 12 June 2008, a majority of the Irish electorate voted in a referendum on the Lisbon Treaty with 'No'.

- **What are the reactions in your country and which proposals are discussed or favoured with regard to the current ratification process?**
- **Which short-term and long-term implications for the integration process are expected and discussed in your country?**

Austria*

Europe of 'different speeds' no solution

The reactions in Austria ranged from expressions of regret to ones of approval, depending on the political party or the ideological background. The ruling SPÖ-ÖVP[23] coalition initially accepted and respected the Irish vote, and expressed the need for a better communication between 'Brussels' and the European population. Also, the Greens expressed their regret for the outcome, but stated that the governments were the ones to blame due to the lack of democratic principles and the disregard of social issues. The two right wing parties – the BZÖ[24] and FPÖ – were both content with the vote and the BZÖ called the ongoing ratification process in other EU member states a farce since they regarded the Lisbon Treaty to be dead.

Other voices like the Austrian Federation of Trade Unions (Österreichischer Gewerkschaftsbund, ÖGB) suggested that the discussion should not be left to the EU opponents and that more communication was needed. The Union also insisted on the integration of more social issues. A more radical voice – Richard Wagner, writer and journalist in Berlin – said, in a maybe not entirely serious comment, that Ireland should be given the status of Turkey. Christian Felber from Attac[25] Austria pointed out that the Irish 'No' should be seen as a chance for a more democratic and a more 'popular' EU.

Many proposals from the media were made ranging from the idea of a 'Core Europe', including the expulsion of Ireland, to the repetition of the referendum, exceptions for Ireland, reduced Lisbon Treaty and some more proposals, which are more or less a variation of what has been said before. From the side of the political parties there were fewer proposals than comments; most voices said that this had to be discussed more deeply in Brussels with the other member states and by the Irish population. But nearly all agreed that a Europe of 'different speeds' was no solution.

Expected short-term and long-term implications for the integration process

Two major aspects dominated the discourse: The first was how the non-implementation or suspension of the Lisbon Treaty will affect Austria, including such implications as: the reduced number of European Parliament members, and difficulties in the work of the EU itself. The second major concern was the implication for Croatia's envisaged accession.

Since Austria can be seen as one of the most ardent promoters of the EU integration of the Western Balkan countries, particularly of the EU candidate Croatia, the outgoing Austrian government has been concerned with the cessation of the integration process in its direct neighbourhood. The Austrian government went even so far as saying that the implementation of the Lisbon Treaty was not a necessary precondition for Croatia's accession.

Belgium*

Diverse reactions – ratification process should be continued

Generally speaking, most of the Belgian political, social and economic actors were deeply disappointed with the negative result of the referendum. However some academic personalities and actors from the civil society argued it was a good thing for European democracy, as the result is likely to create a debate involving the citizens.

Political leaders in Belgium were saddened with the negative result. Some claimed, such as Ivo Belet (Belgian MEP – Christian Democrat) that the Irish people were not well enough informed and a bit frustrated, and that attention should be given to the reasons of the rejection.[26] The Minister for Foreign Affairs (Karel De Gucht) and the Secretary of State for European Affairs (Olivier Chastel) noted that the situation should not be (over-) dramatized and that we should not heap criticism on Ireland.[27] Yves Leterme, the Belgian Prime Minister, insisted on the complexity and the

* **Austrian Institute of International Affairs.**

[23] The SPÖ is Austria's Social Democratic Party and the ÖVP Austria's Conservative Party.

[24] The BZÖ is a spin off from the FPÖ.

[25] Attac is a civil society movement based in France, they engage for a more social and fair globalisation process.

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

[26] See De Morgen, 13/06/08, available under: www.demorgen.be (last access: 22/07/2008).

[27] See Le Soir, 16/06/08, available under: www.lesoir.be (last access: 22/07/2008).

heterogeneity of the reasons explaining the 'No' vote. According to him, 'Europe' has become evident over time and the citizens became accustomed to the EU. European leaders should insist more on the benefits, particularly in Ireland that has benefited heavily from the European integration and structural funds. Moreover, he noted that national political leaders should take their responsibility in public management in national debates: Europe should not always be presented as responsible for all the gaps and damages caused by neo-liberalism.[28]

As far as proposals from the political officials are concerned, mainstream actors claimed Ireland should be granted some time for reflection but the ratification process should continue.[29] They expect the other countries to ratify the Lisbon Treaty before 2009. The Flemish Greens ("Groen!") argued that the reasons of the vote should be carefully analyzed so that the leaders could find a political agreement. Ivo Belet (Belgian MEP – Christian Democrat) thinks that a Plan-B, an alternative is needed, such as a declaration for a new referendum.[30]

The Minister for Foreign Affairs, Karel De Gucht, also supports the idea of a continuation of the ratification process. A new referendum should take place, like with the Nice Treaty, because there is a consensus on the necessity to reform the EU.[31] He also made some concrete proposals. The first deals with the composition of the European Commission. He recommended that it remained composed of 27 members: 18 full effective Commissioners and nine members without voting right. He thinks that this should reassure Ireland of its influence on the decision making process.[32] That proposal had already been made by the Convention at the time of the European Constitution. The second proposal is the addition of a protocol on abortion, neutrality and defence policies but in his opinion, no change in the text itself should occur.[33]

The Prime Minister, Yves Leterme, supports this view. Indeed, according to him, the ratification process should be pursued to send the signal that the other 26 member states want the Lisbon Treaty to be adopted and that Ireland cannot block the whole European Union. No renegotiation should take place. Finally, the idea of a 'two-speed Europe' was not supported: if some member states take only the advantages without the costs of the integration, the Belgian Prime Minister argued that it is hard to stand in a long-term perspective.[34]

The media extensively covered the referendum and its consequences. Before the referendum took place, some newspapers warned that a positive answer should not be taken for granted. After the result, the press mainly highlighted the heterogeneity of the reasons behind the 'No' vote, ranging ideologically from the left to the right.[35] The newspapers also noted that the current political strategy in the EU is, on the one hand, to isolate Ireland through the continuation of the ratification process and on the other hand, to make the rejection less dramatic.[36] The proposals discussed in the press were rather diverse, ranging from a second referendum, an isolation of Ireland to a 'two-speed Europe' with the old EU as 'avant-garde'.[37] Some journalists also stated that what the EU really needs is new ideas and projects to create support and enthusiasm from citizens.[38]

Finally, the academic world was nuanced but rather divided. On the one hand, some such as Professor Hendrik Vos from Gent University affirmed that the treaty was a compromise and that another chance should be given to Ireland, perhaps with a declaration on its neutrality in defence policy. But he also stressed that because of this crisis, the EU remains blocked in institutional and constitutional debates and hence it is not able to focus on concrete problems faced by the citizens.[39]

On the other hand, some academic and social groups claimed that Ireland should not vote

[28] See Le Soir, 19/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[29] See Le Soir, 16/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[30] See De Morgen, 13/06/08, available under: www.demorgen.be (last access: 22/07/2008).
[31] Ibid.
[32] See Le Soir, 16/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[33] See De Morgen, 16/06/08, available under: www.demorgen.be (last access: 22/07/2008).
[34] See Le Soir, 19/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[35] See Le Soir, 13/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[36] See ibid.; Le Soir, 20/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[37] See Le Vif l'express, 16/06/08, available under: www.levif.be (last access: 22/07/2008).
[38] See Le Soir, 20/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[39] See Knack, 18/06/08, available under: www.knack.be (last access: 22/07/2008).

again on the same text because the rejection was a clear signal to the European leaders. Sophie Heine from Université libre de Bruxelles claimed that the EU needs a reorientation on both its form and its content in the sense of gaining more democracy. The 2009 European elections are seen as a solution to create a global and in-depth debate for a new treaty.[40]

We can thus conclude that the reactions as well as the proposals after the 'No' vote were diverse in Belgium, although people were disappointed and generally favour a continuation of the ratification process.

Short-term and long-term implications for the integration process

Although many proposals were discussed, the short-term and long-term implications for the integration process were not much debated in the Belgian public sphere.

For the Prime Minister, the question of the implications on future enlargement is to a large degree purely hypothetical and is not a source of anxiety. The continuation of the ratification process is the most important element for the moment.[41]

The Minister for Foreign Affairs, Karel De Gucht, raised the question of the use of referenda on European matters: he argued that people generally answer the wrong question.[42]

He was not the only one to raise these kinds of questions. Indeed, some newspapers claimed that the referendum is a rather unwise mechanism and that people usually do not understand what is at stake. In the Irish case, the negative result was not seen as a pure protest against a lack of democracy. The reasons of the treaty rejection in Ireland were too diverse and seemed like a collective 'letting off steam' rather than a real protest against the Lisbon Treaty itself. So, it was often claimed in the newspapers that the mechanisms of representative democracy should prevail on European affairs: parliamentary ratification is as democratic as a referendum.[43] However two positive implications were noted. Firstly, the Irish vote emphasized the growing distance between the EU and its citizens and political leaders should take that signal into account for the future.[44] The second implication is that the officials were forced to adopt another stance than after the French and the Dutch 'No'.[45] The gap between citizens and elites is becoming obvious and cannot be denied anymore. Moreover, another period of reflection is not possible and another 'mini-treaty' or 'simplified treaty' is not feasible either. Finally, the EU is now expected to answer everyday concerns of its citizens, such as their purchasing power.

Bulgaria*

Bulgaria regards the Irish 'No' as a threat to national interests

Participation in and positive contribution to the revisions of the founding EU treaties has consistently headed Bulgaria's priorities since the country's accession to the EU. Such revisions are expected to lead to building a more efficient and democratic European Union.

During the Lisbon Treaty negotiations Bulgaria was a positive partner, open for dialogue and willing to contribute towards reaching a consensus. The only instance of Bulgaria adopting a firm position and exerting pressure concerned an issue of a cultural nature, and it was quickly resolved. This issue was the right to use the denomination "Evro" (instead of "Euro"), when writing the common European currency in the Cyrillic alphabet. On virtually all other issues, Bulgarian political parties as well as national media have been openly supportive of the reforms envisaged in the treaty and, although much could be desired in terms of a more lively public debate and more detailed information for the general public, the overall attitude in Bulgaria towards the new treaty was favourable. This was demonstrated both at the time of signing the treaty and during its ratification.

[40] See Le Soir, 21/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[41] See De Morgen, 20/06/08, available under: www.demorgen.be (last access: 22/07/2008).
[42] See Le Soir, 20/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[43] See ibid.; Le Soir, 14/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[44] See La Libre Belgique, 13/04/08, 14/06/08, available under: www.lalibre.be (last access: 22/07/2008); Le Soir, 13/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[45] See Le Soir, 20/06/08, 21/06/08, available under: www.lesoir.be (last access: 22/07/2008).
* **Bulgarian European Community Studies Association.**

Bulgaria expected fast ratification in all member states

Bulgaria was the sixth member state to ratify the Lisbon Treaty in parliament on March 21st 2008, with an overwhelming majority of MPs and broad support among political parties. With this act Bulgaria became the sixth EU member state to approve the new European treaty.[46]

Bulgarian expectations about the ratification process in the other member states were optimistic, having in mind the method of ratification to be applied and the broad understanding that this new treaty was essential for the further development of integration in Europe. The Bulgarian government's position during the Slovenian EU-Presidency was one of awareness of possible problems and a need for discreet efforts to support the ratification process.

With the approaching of the date of the Irish referendum, the prospects for a negative vote began to appear in the public discourse. Media comments were rather cautious, but expectations for a positive vote in Ireland still prevailed. There was no extensive coverage of the run up to the referendum and there was no direct recognition of the critical nature of the vote.

Irish 'No' risks Bulgarian national interests

The results of the referendum received extensive comments in mainstream media. The overall reaction was that the outcome poses a serious problem for the EU with significant negative implications for Bulgaria. Barring a timely resolution of this crisis, various short-term and long-term risks for Bulgarian national interests are recognized:

- a protracted political crisis in the EU, leading to a weaker and more fragmented union, less able to form consensus and act upon the contemporary economic, social and security challenges;
- postponing, watering down or blocking of important institutional and policy reforms (In this regard, Bulgaria – in view of its geopolitical location – is especially interested in the positive future development of Common Foreign and Security Policy and the prospects for a common energy policy.);
- increased tendency of forming 'concentric circles' or 'two-speed Europe' (This is considered to be one of the most negative scenarios for Bulgaria, because in this case it is expected that Bulgaria would inevitably be attached to the 'outer layers' of the union.);
- blocking or significant postponement of the EU enlargement process (One of the reasons for the Lisbon Treaty was to accommodate institutionally an increased number of member states and its coming to force is almost explicitly a precondition for further enlargement. For Bulgaria, blocking the accession process for its neighbours in South-East Europe (including Turkey) may pose serious long-term economic and security risks.).

Ratification should go on

Contemplating on possible ways forward after the referendum, Bulgaria joined the position in June 2008 at the European Council that the process of ratification of the Lisbon Treaty should continue. Various scenarios have been debated in the Bulgarian media. The overall assessment is that the Irish 'No' poses a very serious challenge to the treaty, which cannot be ignored. It is recognized that the treaty cannot come into force unless all states ratify it, and even if the rest of the member states complete successfully the process, the Irish position needs to be accommodated.

The Irish referendum was described in the light of its role in spelling a new institutional crisis for the EU and in revealing the gap between public opinion and political elite.[47] The situation put pressure on France to insist that ratification should continue in the eight countries that have not yet endorsed the treaty, in order to put pressure on Ireland. However, no one can say with certainty that European leaders are going to save the Lisbon Treaty.[48] At the same time, renegotiation is not regarded as an option.[49] According to media reports, the current deadlock stimulates discussion, encouraging

[46] Bulgarian Parliament: National Assembly Ratifies the Treaty of Lisbon, March 21st 2008, available at: http://www.parliament.bg (last access. September 2nd 2008).

[47] Radio Bulgaria: Implications of Ireland's "no", June 16th 2008, available at: http://www.bnr.bg (last access: September 2nd 2008).

[48] Radio Bulgaria: It is "risky" to say we'll save Lisbon Treaty, June 16th 2008; available at: http://www.bnr.bg (last access: September 2nd 2008).

[49] Econ.bg: EU to push back Lisbon Treaty solution to the end of the year, June 20th 2008, available at: http://www.econ.bg (last access: September 2nd 2008); Econ.bg: Lisbon Treaty result to dominate EU meeting, June 19th 2008, available at: http://www.econ.bg (last access: September 2nd 2008).

the concept of a 'two-speed' Europe, which is against the interests of Bulgaria.

The official position of the country gives prominence to the support for the enforcement of the Lisbon Treaty.[50] According to the Bulgarian Minister of European Affairs Gergana Grancharova, the Irish vote should be regarded as just a problem rather than as a crisis. She underscored that the major European decisions need leadership, but not referendums.[51]

The option of scrapping the Lisbon Treaty and starting the whole process all over again is considered to be the least desirable, with a very uncertain outcome. After so much energy and political capital has been invested after the failure of the Constitutional Treaty, there is now a feeling and understanding that the process needs to be completed successfully this time. On the other hand, there is also the recognition that applying pressure on Ireland and isolating this country is unacceptable and counterproductive. Comments in the media occasionally contained a degree of frustration over the results of the referendum, the argument being that Ireland – a major beneficiary of the EU so far – has become a recurring 'spoiler' (with reminders of the Nice Treaty ratification). Officially, though, the Bulgarian position has been one of respect for the sovereign right of Ireland with regards to the treaty and, at the same time, one of pleading for a constructive way forward. Two feasible scenarios are discussed – repetition of the Irish vote at a later date or applying another method of ratification of the Lisbon Treaty.

The first option appears to be more democratic and fair. Based on the experience with the Nice Treaty, the idea of a second referendum could be a working solution. The necessary precondition is to analyse the reasons for the negative vote, identify the problematic parts of the treaty and offer adequate concessions to Ireland, thus providing sufficient grounds for a second referendum and enhancing the odds for approval. One possible step in this regard, that is frequently mentioned, is to secure an Irish commissioner. Still, the problems associated with this approach are recognised as well. First of all, there is the risk of further alienating the citizens by questioning their expressed will. A second problem is posed by the ambiguous and often contradictory rationale of the 'No' camp – it might be difficult to accommodate the different demands of the Irish voters. And, last but not least, there is the issue of timing. It is necessary to find a solution fast enough in order to implement the institutional reforms envisaged in the treaty. For Bulgaria this is a very important issue because further EU enlargement to South-East Europe is preconditioned by the successful ratification of the treaty. A second referendum is highly unlikely to take place within the initial ratification schedule (the end of 2008).

The second approach being discussed in Bulgaria envisages adopting a different method of ratification, which does not include a referendum. For instance there is a discussion about the possibility of obtaining the ratification of the Lisbon Treaty by an act of the Irish parliament during the accession of Croatia, expected to take place in 2009. The applicability of this approach (in case it is at some point accepted to be legally sound) is highly questionable in political terms and, if at all considered, would probably be proposed as a last resort to save the treaty.

Last but not least, ratification is pending in several EU member states. The explicit negative positions of the Czech and Polish Presidents for instance, are considered to be sufficient enough evidence that there might be additional obstacles to the coming into force of the Lisbon Treaty.

Croatia*

Political leaders and analysts express hopes that the EU will carry on with the ratification process

Most of the debates and reports before and after the referendum were focused on the implications of adoption or refusal of the treaty on enlargement, more precisely on the position of Croatia. Vesna Roller, journalist, elaborated legal possibilities after the positive or negative outcome of the referendum.[52] She stated that even the Europeans did not know what the

[50] Bulgarian Ministry for Foreign Affairs: Gergana Grancharova: Bulgaria has a clear interest in the enforcement of the Lisbon Treaty, April 7th 2008, available at: http://www.mfa.bg (last access: September 2nd 2008).
[51] See Major European decisions need leadership, June 18th 2008, available at: http://www.gerganagrancharova.eu (last access: September 2nd 2008).

* **Institute for International Relations.**
[52] Vesna Roller: "The future of EU is in Irish hands". Poslovni dnevnik, 13 and 14 June, 2008, p. 19.

consequences of the eventual refusal of the Lisbon Treaty in Ireland were. Does it mean that the treaty is 'dead' (like it was the case with the "Treaty establishing a Constitution for Europe" after the Dutch and French 'No' three years ago), or will the ratification continue in other nine countries? The first solution meant that it would be necessary to continue work on improving the document, which was hard to expect. It was more likely that the problem would be treated as a specifically Irish one, leaving the country to find the solution for negative outcome.

Neven Mimica, chairman of the European Integration Committee of the Croatian parliament commented that the Irish citizens refused the idea of further federalisation of Europe but not the Lisbon Treaty itself. The gap between political elites and the wider population is increasing, which means that the Treaty was not well communicated to citizens. It is instructive for Croatia because it shows how important the referendum is. In his opinion the legal possibility for Croatia to become the 28th member without the treaty being ratified is to incorporate the related parts through the Intergovernmental Conference into Croatian Accession Treaty. It is complicated but possible.[53] At the same time Neven Šimac from the Centre for European Documentation and Research, Zagreb was searching for the solution after the Irish 'No', saying that the key problem is that the EU will have to deal with its own problems primarily. His opinion was that some changes should be added to the Lisbon Treaty, so that it could be seen as improved.

The academic debates on potential outcomes of the referendum on the Lisbon Treaty started in Croatia even before the referendum took place in Ireland. The Institute for International Relations (IMO) from Zagreb, the Institute for International and European Affairs (IIEA) from Dublin and the National Foundation for Civil Society Development from Zagreb organised a public lecture[54] entitled "A complex Treaty with a simple Message: The Challenge of Communications in a Referendum", on May 19th 2008at the premises of the EU Info Centre of the Delegation of the European Commission in Croatia. Alan Dukes, the former director of IIEA explained in his lecture that difficulties in understanding the EU treaties represented important factors in influencing the outcome of referenda which in Ireland according to the Irish constitution needed to be held each time the EU creates a new treaty. The textual complexity of the Lisbon treaty is difficult for readers not accustomed to that kind of legal language. He stressed that in referendum campaigns the task of the opposition is always much simpler: all that it requires is to raise 'concerns' and 'fears' about the prospects of a step into the unknown. Raising such concerns and fears is always much simpler than explaining a complex text. Furthermore, trouble with referendums is that the people give an answer to a question differently to that which is posed. Alan Dukes concluded his presentation by stating that communication of the fundamentals of EU action should not be left for the last minute, because then the consequences could be irrational.

Concerns about postponement of the Croatian accession agenda

After the Irish 'No', the focus of public interest was directed primarily on potential impacts of the Treaty's non-ratification to Croatia's accession to the EU. The first reactions were given immediately after the referendum by the Croatian Minister of Foreign Affairs and EU Integration, Gordan Jandroković; the Head of the Delegation of the European Commission, Vincent Degert and British ambassador to Croatia John Ramsden. They all shared the opinion that the Irish negative decision should not endanger or significantly slow down Croatian accession to the EU. Croatia should therefore not be afraid of the negative outcome of the referendum and should continue with reforms; while the EU will most likely be able to find the model that will enable Croatia to enter the EU (Jandroković). Vincent Degert shared optimism regarding Croatia's accession but stressed that the European Commission had different expectations from the referendum. Neven Mimica, chairman of the European Integration Committee of the Croatian parliament was of the opinion that Croatia should ask for some kind of guarantee from the EU member states to find some framework for the enlargement. One of the solutions might be to put Ireland into "ratification isolation", while another way is to continue with ratifications

[53] In the Network of the First Programme, Croatian Radio, 16 June 2008, 7.30 a.m.

[54] The lecture was given on the occasion of the promotion of the book Višnja Samardžija/Alan Dukes (eds.): "Communicating Integration Impact in Croatia and Ireland", Zagreb 2008. The book resulted from the EC PHARE project "EU IMPACT – Academic Network for Communicating Integration Impacts in Croatia" and was promoted by Vincent Degert, Head of the Delegation of the European Commission in Croatia. See: http://www.imo.hr/europa/publics/books/integration/promotion.html (last access: 28 July 2008).

resulting with the situation in which Ireland will be the only country that has not ratified the Treaty.[55] Vladimir Drobnjak, Croatian chief negotiator with the EU, shared a similar opinion even before the Irish referendum, saying that Croatia should not be preoccupied with the entering into force of the Lisbon Treaty but should focus on completing negotiations in the best possible way.[56]

Most of the politicians and commentators shared the opinion that the negative outcome of the referendum should not affect Croatia (in spite of the fact that the Nice Treaty makes the ground for 27 EU members only) but might cause the slow down of accession in the other countries of the region. However, the statements given by French President Nicolas Sarkozy and the German Chancellor Angela Merkel saying that treaty's entering into force is a precondition for any further enlargement including Croatia raised different reactions. Croatian President Stjepan Mesić is of the opinion that it does not relate to Croatia;[57] chief negotiator Vladimir Drobnjak agrees that the outcome makes things more complicated in a certain way, while Zoran Milanović, the leader of Social Democratic Party is of the opinion that this statement was primarily directed towards Europe and not towards Croatia, because it might motivate the eurosceptics to accept the Lisbon Treaty.[58]

Prime Minister Ivo Sanader was encouraged after meeting with colleagues from European People's Party in Brussels where he was assured that some solution would be found for Croatia even in the case that the Lisbon Treaty would not be accepted. The other solution which might bring result is repeating the Irish referendum but with better preparations.[59] There were also reactions from academic circles. Mladen Staničić, the director of Institute for International Relations, Zagreb said that President Sarkozy's statement was the outcome of the need to take into account his electorates which are sceptical towards enlargement and institutional strengthening of the EU; while Anđelko Milardović, professor of political studies from the Political Science Research Centre, Zagreb stresses that it was the wrong message to send towards the Western Balkans because it could discourage its pro-European forces.[60]

The recent meeting of the National Committee for Monitoring the Accession Negotiations was dedicated to this particular issue. Vesna Pusić, the president of the committee gave statement that within the negotiation chapter 34 the technical and legal possibility was envisaged for Croatia to become EU member independently of the confirmation of Lisbon Treaty. However, in such a case a very strong political will is needed from EU member states together with the absolute and precise fulfilment of criteria from Croatian side.[61]

Cyprus*

Parliament ratified treaty – major governing party opposed

The rejection of the Lisbon Treaty by the Irish people was widely, if rather cautiously, perceived by the Cypriots as a serious setback in the efforts for a stronger, more democratic European Union. Upon hearing of the Irish 'No' vote, the Cypriot government suggested that it favoured a collective handling of the matter by the EU-27 in order to achieve an acceptable outcome. Minister of Foreign Affairs, Markos Kyprianou, stated that the application of the treaty was already being discussed in the EU, but added that the possibility for Ireland to opt-out of the treaty was not real, since the treaty determines vital aspects of the Union's operation, such as the mandate for the President of the European Council.[62] The Cypriot Minister of Foreign Affairs noted that, henceforth, either Ireland will need to repeat the vote or the EU should examine other ways in which to operate.

[55] "Croatia should not be worried by the Irish 'No'". Jutarnji list, 15 June 2008, pp. 2-3. The first statements were given on the occasion of the seminar on the EU accession held in Opatija.
[56] "France gives importance to negotiations with Croatia". Jutarnji list, 17 June 2008, pp. 37-39.
[57] "Merkel and Sarkozy: Without Lisbon Treaty Croatia can not enter the EU". Novi list, 21 June, p. 7.
[58] "No to Croatia. Sarkozy and Merkel: We are against the new EU widening". Jutarnji list, 21 and 22 June 2008, p. 8.
[59] "Sanader: A solution will be found for Croatia". Večernji list, 21 June 2008, p. 16.
[60] "Merkel and Sarkozy: Without the Lisbon Treaty Croatia can not enter the EU". Novi list, 21 June 2008, p. 7.
[61] "Croatia dependant on the EU political will". Novi list, 24 June 2008, p. 4. The article gives also a comment of the European Commission spokesman Johannes Laitenberg that no explicit legal obstacle for further enlargement exists in the Nice Treaty, it is the matter of EU member states to decide if the Union could continue with enlargement.
* **Cyprus Institute for Mediterranean, European and International Studies.**
[62] Statement by Minister of Foreign Affairs Marcos Kyprianou, 13/06/2008.

Before his departure for Brussels for the discussion of the Lisbon Treaty – following its rejection by Ireland – in the framework of the two-day European Council, President Demetris Christofias (who is regarded as mildly eurosceptic) stated that the interests of the people and the EU itself should be at the centre of any decision taken among the EU-27 heads of state and government.[63] He added that the Lisbon Treaty, in the view of the Irish and a lot of people in the EU, does not differ from the already rejected Constitutional Treaty. The Cypriot President expressed the hope that the EU-27 will not agree on a certain reflection period during which calculations will take place in an attempt to ratify the Treaty without any changes whatsoever. In Brussels, Cypriot President Christofias conveyed to his EU counterparts what he described as Nicosia's 'positions of principle' regarding the need to respect the people's will as expressed in referenda. He also compared the Irish referendum to the notorious one in Cyprus, concerning the so-called "Annan Plan", in 2004.[64] President Christofias then argued that Ireland should not be pressured to accept a treaty rejected by the majority of its people.

Demetris Christofias, who leads 'radical-left' party AKEL, pledged to promote the continuation of the ratification process in Cyprus. He was thus fulfilling his promise to honour his predecessor's signature to the treaty and his commitment to the Cypriot people, despite his own party's reservations vis-à-vis the treaty.[65]

Debate whether to ratify or not

The Cypriot political parties, which were called to ratify the Lisbon Treaty at the "House of Representatives" in July, expressed various views after the June Irish 'No'. Senior coalition-party, AKEL, supported the examination of the situation in a calm manner, to be followed by a decision on the way to proceed. Simultaneously, in accordance with the government's reported position, it had left open the possibility of postponing the ratification of the treaty.[66] By the end of June, AKEL's central committee decided unanimously to vote against the Lisbon Treaty during the plenary session of the Cypriot "House of Representatives". AKEL maintained that the treaty's content is not in the best interests of the people of Europe, particularly of the workers.[67]

AKEL's decision was largely criticised by the overwhelming majority of the Cypriot political parties (Democratic Rally, DISY; Democratic Party, DIKO; Social-Democrat, EDEK; and European Party EUROKO). Two of them – DIKO and EDEK – participate with AKEL in the Cypriot coalition government.

The 'centre-right' main opposition party DISY, which upon the rejection of the treaty by Ireland, suggested that Cyprus should move fast to reap the political benefits of being the first country – after the Irish 'No' – to ratify the treaty, expressed its disappointment. DISY claimed that AKEL was siding with marginal forces within the EU and demonstrating its euroscepticism anew.[68] DISY's leader, Nikos Anastasiades, in criticising AKEL, argued that eurosceptic tendencies should not block the progressive powers which want to chart new paths for Cyprus. An announcement released by DISY, projecting its positions on the Lisbon Treaty, emphasized *inter alia* that Cyprus must follow the path outlined by the majority of member states which want the EU to go forward by rejecting euroscepticism.[69]

Government coalition parties DIKO and EDEK were also among the strongest supporters of the Lisbon Treaty. The 'centrist' Democratic Party, DIKO, also commented on left-wing AKEL's decision to vote against the Lisbon Treaty. DIKO issued a statement suggesting that while every party is, of course, entitled to its positions, it should not by the same token jeopardize the best interests of the Cypriot people.[70] Social-Democratic EDEK, through its leader, Yiannakis Omirou, advocated that the decision by AKEL is mistaken: for despite its shortcomings, the Lisbon Treaty is better than the Treaty of Nice and its ratification is in the best interest of Cyprus.[71] Omirou noted that the non-ratification of the treaty by all member states could lead to paralysis and even the collapse of the EU.

[63] Statement by President Demetris Christofias, 18/06/2008.
[64] Statement by President Demetris Christofias, 20/06/2008.
[65] Ibid.
[66] Statements by AKEL MP Andros Kyprianou, 13/09/2008.
[67] Minutes of the meeting of AKEL's central committee, 23/06/2008.
[68] Statement by the leader of DISY Nicos Anastasiades, 24/06/2008.
[69] Democratic Rally (DISY) statement, 23/06/2008.
[70] Democratic Party (DIKO) statement, 23/06/2008.
[71] Statement by the leader of EDEK Yiannakis Omirou, 23/06/2008.

European Party, EUROKO, invited AKEL to inform the Cypriots on the precise points on which it disagrees with the treaty as well as to suggest a method for the negotiation of changes to the treaty.[72] During a live television discussion, EUROKO's leader, Demetris Syllouris, advocated that AKEL, as the principal governing party, was obliged to avoid decisions that could damage Cyprus' international image and jeopardize its standing in the European Union.[73]

For its part, the Cypriot Green Party decided to abstain during the vote in the "House of Representatives", in order to protest against the 'procedures' being followed vis-à-vis the promotion of the treaty.[74] The party's leader, Giorgos Perdikis, explained that the Cypriot Greens favour a strong, democratic Europe and a stronger European voice, particularly concerning the growing global food and economic crises. Perdikis reiterated anew his proposal for a Cypriot referendum for the ratification of the treaty.[75]

The Reform Treaty was ratified by the Cypriot "House of Representatives", following a day-long session, on 3 July 2008: 37 votes were in favour, 17 against, with one abstention. In favour of the treaty were, as announced beforehand, the DISY (18) votes, the DIKO (11) votes, the five votes by EDEK and the three EUROKO votes. The only party opposed to the treaty was AKEL (17 votes), while the Green Party (one vote) abstained.

Ratification sends a positive message to Europe

More generally, the parties which voted in favour of the Lisbon Treaty, in speeches delivered by their MPs and party leaders during the parliamentary session, 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 stronger voice on the international scene. They criticised the stance held by the head-ruling AKEL party and argued that the treaty will strengthen institutions which can contribute to the security of Cyprus while providing Cyprus with added instruments and means in its efforts for a fair and workable political settlement of the Republic's problem. Leader of the opposition party DISY, Nicos Anastasiades, also stated that the ratification of the treaty sends a positive message to the rest of Europe, another DISY MP arguing that it was a message of solidarity at a difficult time for the member states following the rejection by Ireland. AKEL MPs, in justifying their opposition, argued that the treaty represents a neo-liberal approach; that European citizens have not been properly informed on the provisions of the treaty; that it in fact weakens smaller EU states like Cyprus; that markets will be completely deregulated thereby hurting consumers; and that NATO would remain the main European defence structure. The leader of AKEL's parliamentary group, in defence of its party's position on the Lisbon Treaty, noted that, since President Christofias was elected to office, support for the EU amongst Cypriots rose by 20 percent. The leader of the Green Party reiterated in his speech that his party is not opposed to the EU moving forward; however, he called for a better treaty and for the treaty to be put to a referendum in all EU member states. In any event, most MPs maintained that Cypriots were rather unfamiliar with many provisions of the Lisbon Treaty and that, therefore, more awareness-raising was necessary.

Limited public discussion on Lisbon Treaty

The MPs' perception that Cypriots are unaware of many Lisbon Treaty provisions was confirmed by a follow-up opinion poll, published by the Nicosia newspaper "Simerini".[76] According to the poll, eight out of ten Cypriots are very interested in the provisions of the Lisbon Treaty. However, 54 percent of them reported that they do not know any of its provisions while 49 percent admitted they did not know whether its ratification is in the interest of Cyprus. Also, asked how they would have voted if the treaty was put to a referendum, 23 percent said they would have supported it, 22 percent that they would have rejected it, while 51 percent did not answer. The opinion poll was conducted between the 2nd and 3rd of July with a sample of 500 respondents.

Public discussions on the actual content of the Lisbon Treaty and its implications were rather limited in Cyprus. The "European Institute of

[72] Statement by the leader of EUROKO Demetris Syllouris, 23/06/2008.
[73] Televised debate at the midday newsfeed of the Cyprus Broadcasting Corporation "CyBC", 24/06/2008.
[74] Minutes of the meeting of the Green Party's political office, 22/06/2008.
[75] Ibid.
[76] Nicosia daily Simerini: Simerini's large survey', 06/07/2008.

Cyprus" organised an indicative discussion in the framework of the Celebrations for Europe Day.[77] The particular conference focused on the implications of the Lisbon Treaty for smaller EU member states. Speakers included MEPs Panayiotis Demetriou, Ioannis Kasoulides and Kyriacos Triantaphylides. In fact, Triantaphylides was the only MEP that noted that the Lisbon Treaty is negative for smaller states emphasising the reduction in the number of commissioners. More generally, various participants expressed particular concerns, first, on whether a small country like Cyprus could secure its vital interests by losing its veto right; second, on whether the political elite in the Island-state is well-informed about the structural changes provided in the treaty; and third, on whether these changes will be taken into consideration in the forthcoming negotiation process for the resolution of the Cyprus problem. Nevertheless, Cypriot diplomats conveyed to us that the interests of the smaller EU member states "lie in a strong EU in both its internal and external aspects"[78].

Czech Republic*

Mixed reactions to the Irish 'No'

The rejection of the Lisbon Treaty was received with mixed reactions in the Czech Republic. Critics of the treaty, such as President Václav Klaus and a faction of the Civic Democratic Party (ODS), were outspokenly satisfied with the outcome and argued that, since the treaty has been rejected, the ratification process in the Czech Republic should also be stopped.[79] Especially the Green Party, the Christian Democrats and the Social Democrats, on the other hand, called for a rapid continuation of the ratification process in the Czech Republic. The destiny of the treaty in the Czech Republic is yet unsure and has been put at standstill until the constitutional court expresses its opinion, which is expected in the fall.

The governing coalition, consisting of Civic Democrats, Greens and Christian Democrats (KDU-ČSL), has stated that the ratification process shall continue, but that it is necessary to wait for the opinion of the Czech constitutional court. Thus, the court is in a position where it could complicate the ratification of the treaty. The Irish 'No' seems in general to have also strengthened the position of the critics in the Czech Republic, who now have a new powerful argument. The treaty was put to referendum only in one member state, and there the outcome was negative, how then, can such a treaty be democratic?[80] It seems the treaty has sufficient support in the Chamber of Deputies the Czech parliament, but it was the Senate that required the constitutional court to express its opinion, and the Senate might block the ratification independent of the verdict of the court. Again, everything depends on how many senators from the Civic Democratic Party, in the end, will oppose the ratification. Since the Prime Minister, Mirek Topolánek, and the Minister for European Affairs, Alexander Vondra, are both Civic Democrats, it is very much a question of how well the ODS party leadership manages to convince the party's backbenchers to support the treaty. The Deputy Prime Minister for European Affairs, Alexandr Vondra, argues that the rejection should not be understood as the end of the Lisbon Treaty but as a complication. However, and in opposition to the opposition, he argues that it does not make any sense to rush the ratification in the Czech Republic. He, as well as most observers, argues that it is not unlikely that the treaty can come into force as planned by the first of January 2009.[81]

The time schedule of the ratification process has achieved rather much attention since the Czech Council Presidency will take part during the first sixth months of 2009. Therefore, some leading politicians have expressed the opinion that a slight delay actually is welcomed since the presidency in that case will be a "full-worthy" presidency.[82] On the other hand, some analysts have argued that a delay can make

[77] Cyprus News Agency, 09/05/2008.
[78] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, late June 2008.
* **Institute of International Relations.**
[79] Rozhovor prezidenta republiky pro deník Lidové noviny o irském odmítnutí Lisabonské smlouvy (Interview with the President of the [Czech] Republic about the Irish rejection of the Lisbon Treaty), available at: http://www.klaus.cz/klaus2/asp/clanek.asp?id=2rABZnIJhJcK (last access: 14 July 2008).
[80] Cf. Jan Zahradil: Irské NE platí. Smiřte se s tím (The Irish no counts. You have to accept it), available at: http://zpravy.ods.cz/prispevek.php?ID=6857 (last access: 14 July 2008).
[81] Alexandr Vondra: Irské ne není tragédie, jenom zádrhel (The Irish no is not a tragedy, only a complication), available at: http://zpravy.ods.cz/prispevek.php?ID=6840 (last access: 14 July 2008).
[82] Cf. Petr Gandalovič, available at: http://zpravy.ods.cz/prispevek.php?ID=6882 (last access: 14 July 2008).

the presidency more difficult because of the internal division in the government and in the Civic Democratic Party, which makes it hard for the country to act as a solution finder. Furthermore, if the Czech Republic fails to ratify the treaty, it could weaken the country's negotiation capabilities.[83] Another opinion expressed, is that in the case the treaty still would come into force during the Czech Presidency, it would give the country influence over how the treaty will work in practice.[84]

It is expected that the Czech parliament will get the issue on its agenda again in the fall after the constitutional court has had its say in the matter. Several experts on the Czech constitution have argued that it is very unlikely that the court will find anything unconstitutional in the Lisbon Treaty.[85] The government has also expressed the opinion that the treaty is in agreement with the Czech constitution according to the court.[86]

It seems that the ratification of the treaty might also be linked to other domestic political issues. For instance, the leader of the Green Party, Martin Bursík, has suggested that the government would not survive a rejection of the Lisbon Treaty if caused by members of the Civic Democratic Party.[87] Prime Minister Topolánek, on the other hand, has indicated that support of the whole Civic Democratic faction for the Lisbon Treaty might be achieved if the treaty with the US regarding an antimissile radar base in the Czech Republic is approved by the parliament.[88] In the end, the upcoming presidency might help to push the ratification through in parliament. It is believed that if the Czech Republic fails to ratify the treaty before its presidency, it would diminish the country's chance of having a successful presidency.[89]

The long-term consequences of the rejection have so far not been that much discussed by the political elite. Advocates of the treaty have mostly been hesitant in describing the current situation as a crisis and they still expect the treaty in the end to be ratified. The critics, with Václav Klaus as their most prominent figure, see the rejection as a possibility to re-open the negotiations on the treaty. They argue that there is no reason to treat the Irish reaction any differently compared to the earlier French and Dutch once. If one country has rejected the treaty this means that it is "dead".[90] Klaus would prefer a totally new treaty, given that he rejects any arrangement that enables a situation where one country can be outvoted by the others, although it is rather hard to see what sort of arrangement that would be.[91]

Denmark*

The Irish 'No': impact on the Danish opt-outs

The Irish voters' rejection of the Lisbon Treaty was met with disappointment by the Danish government and pro-EU parties, but with joy from the parties and movements against the treaty being adopted in Denmark without a referendum. Jens-Peter Bonde (leader of the EU sceptical June Movement and former MEP) spent the 13th of June 2008 in Ireland celebrating the result with the Irish 'No' voters. The right-wing Danish Peoples Party, the left-wing Unity list and the two movements against the treaty, the June Movement and the Peoples' Movement against the EU, saw the Irish rejection of the treaty as the final end of the treaty.

There is generally agreement in the Danish parliament ("Folketing") that reform of the Lisbon Treaty is not an option as the treaty is

[83] Cf. Jiří Pehe: České paradoxy irského 'ne' (Czech Paradoxes regarding the Irish 'No'), available at: http://www.rozhlas.cz/komentare/portal/_zprava/465808 (last access: 14 July 2008).
[84] Cf. Výhledy lisabonské smlouvy vidí čeští europoslanci dost odlišně (Czech members of the European parliament view the prospects of the Lisbon Treaty very differently), Czech News Agency, 20 April 2008.
[85] Eurosmlouva projde, tipují znalci (Eurot-treaty will be accepted bet experts), Hospodářské noviny, 30 June 2008.
[86] Lisabonská smlouva je v pořádku, píše vláda soudu (The Lisbon Treaty is acceptable, writes the government to the court), Hospodářské noviny, 27 June 2008.
[87] Bursík kritizoval Topolánka. Kvůli Lisabonské smlouvě (Bursík criticised Topolánek over the Lisbon Treaty), Hospodářské noviny, 13 July 2009.
[88] Mirek Topolánek: Bez radaru nemusí projít ani Lisabonská smlouva (Without the radar cannot the Lisbon Tretay be accepted), Hospodářské noviny, 9 July 2008.
[89] As argued for instance Deputy Prime Minister for European Affairs, Alexandr Vondra, see, e.g. Vondra: Bylo by dobré ratifikovat smlouvu před předsednictvím (Vondra: It would be good to ratify the treaty before the presidency), Hospodářské noviny, 26 June 2008.
[90] "Napíšu novou smlouvu unie" (I write a new Union treaty), Hospodářské noviny, 19 June 2008.
[91] Václav Klaus: Před debatou o euroústavě (Before the debate on the Euro-constitution), available at: http://www.klaus.cz/klaus2/asp/clanek.asp?id=jcGemB95dZjR (last access: 14 July 2008).

* Danish Institute for International Studies.

already a political balance between conflicting interests. Therefore, changing the treaty text is regarded as opening a Pandora's box and (re)starting a never-ending process. The Danish Prime Minister, Anders Fogh Rasmussen, has recommended that Ireland negotiates opt-outs from the Lisbon Treaty but should be cautious in 'cherry picking' from the document. The Danish model of 1992 could be a model for Ireland referring to the four Danish opt-outs from 1992 that enabled Denmark to endorse the Maastricht Treaty after an initial referendum thumbs-down. According to Rasmussen, Ireland should find national solutions that are acceptable for Ireland and the Irish people in a similar way that the Danish parliament dealt with the Danes rejection of the Maastricht Treaty in 1992. There is no doubt, however, that the Danish pro-treaty parties want Ireland to find a solution as soon as possible. Most Danish newspapers have more or less doomed the EU integration process in case the Lisbon Treaty fails to come into force leaving the EU in a worse 'crisis' than the so-called reflection period following the failure of the Constitutional Treaty.[92]

The Irish 'No' to the Lisbon Treaty also has an impact on the Danish opt-outs. Prior to the Irish referendum on the Lisbon Treaty, it seemed likely that the Danish opt-out regarding supranational co-operation on Justice and Home Affairs (JHA) and the defence policy opt-out were going to be put to a referendum in autumn 2008. The Lisbon Treaty gives the JHA opt-out much greater significance as all aspects of formerly-JHA co-operation come under supranational co-operation, including police and criminal law co-operation. If the JHA opt-out is maintained and the Lisbon Treaty comes into force, Denmark will stand completely outside the whole area of JHA co-operation in the course of a few years. The Lisbon Treaty opens the possibility for Denmark to change the opt-out to an opt-in arrangement with the hypothetical possibility of picking and choosing on a case-by-case basis. However, after the Irish voters' rejection of the Lisbon Treaty and the following uncertainty of the treaty's future, it is uncertain whether or not, Denmark will have a referendum on one or more opt-outs in the near future.

[92] EU-Business: Reform of Lisbon Treaty not an option after Irish 'no': Danish PM, available at: http://www.eubusiness.com/news-eu/1213836423.46 (last access: 2 July 2008).

Estonia*

Proceed with ratification, continue enlargement

The Estonian government regards the outcome of the Irish referendum on the Lisbon Treaty as regrettable. The Irish 'No' is seen as prolonging the period of confusion and uncertainty, and having potentially negative implications for the European Union's competitiveness, further enlargement as well as the EU's credibility in the international arena. The Estonian government has been a strong proponent of both the Constitutional Treaty and the Reform Treaty throughout the drawn-out process of treaty reform. The government regards finding a solution to the constitutional impasse as the most important task for the French Presidency, while recognizing that the Irish government has a special responsibility for proposing possible solutions. Government officials have, as a rule, avoided taking clear positions on what constitutes the best way out, recognizing that there are no simple solutions. In any case, Estonia supports the continuation of the ratification process by the member states that have not yet ratified the treaty.[93] The government also urges the EU to continue the enlargement process "with the same pace as previously outlined."[94]

"Riigikogu", the Estonian parliament, ratified the Lisbon Treaty on June 11th 2008 with 91 votes in favour and one against (previously, it had ratified the Constitutional Treaty on May 9th 2006). One of the smaller parties (People's Union) wanted to insert a clause into the ratification bill stipulating the supremacy of the Estonian constitution over legal acts of the European Union. The Constitutional Committee of the "Riigikogu" declared that such an amendment would be legally incorrect and unnecessary given that a constitutional amendment, adopted prior to Estonian accession to the EU, already stipulates the compatibility of EU membership with the Estonian constitution.

* University of Tartu.

[93] Estonia's priorities in the European Union during the French Presidency, available under: www.vm.ee (last access: 1st of September 2008).

[94] Ministry of Foreign Affairs: Delays in Implementation of Lisbon Treaty Should Not Interfere with Expansion of European Union, statement by Foreign Minister Urmas Paet at EU Council meeting in Brest, France, press release, 13th of July 2008, available under: www.vm.ee (last access: 1st of September 2008).

The sentiments about the Irish 'No' expressed by the government appear to be broadly shared by members of the "Riigikogu". Ene Ergma, speaker of the parliament, said that the ratification process must continue: "There is no plan B and there cannot be because the Lisbon Treaty was plan B. It is inconceivable that the Riigikogu would have to approve plan C, D and so on until the end of the alphabet."[95] Marko Mihkelson, the chair of the European Affairs Committee of the "Riigikogu", also confirmed that if the EU wants to be competitive, "there is no alternative to the Lisbon Treaty."[96]

Coverage of the fate of the Lisbon Treaty in the Estonian media has been quite multi-faceted, although in the middle of the short Estonian summer, the public cannot be expected to pay too much attention. Prior to the ratification of the treaty by the "Riigikogu", several eurosceptic leaders took up the constitutional compatibility issue. The diminishing role of the national parliament as a result of European integration was another major criticism. The proponents of the Lisbon Treaty, in contrast, have hailed the clauses increasing the involvement of national parliaments in EU decision making.

In wake of the Irish 'No', columnists pointed out that the referendum is a crude instrument, ill suited for making decisions on complicated international issues. According to one analysis, referendum votes on such treaties resemble attempts to "repair a watch with a blacksmith's hammer".[97] The situation where three million voters effectively made a decision for the 490 million inhabitants of the EU gave rise to new discussions about the conflict between state sovereignty and supranational democracy. Journalists and independent analysts have been less restrained in proposing possible scenarios and solutions than government officials. The various proposals that have been mentioned include holding a new referendum in Ireland, adopting declarations on issues of concern to Irish voters, and enforcing the treaty in 26 member states, with Ireland concluding a separate treaty with the EU.

Other opinion pieces, mostly by well-known but not very influential eurosceptics, have been explicitly critical of the direction and methods of the EU's development. One such article depicted the Irish 'No' as an important 'democratic victory' and criticised the use of 'political technologies' to obtain results supportive of further centralisation and federalisation. Referring to the Irish referendums on the Nice Treaty, the author lamented the practice of holding new referendums under political pressure until the desired 'Yes' is obtained.[98]

Finland*

Near media silence on the issue

The public reactions to the result of the Irish referendum can be described as 'silent'. Officially, the resounding 'No' vote was received with much regret. Significant comments on the result came from the following politicians: Prime Minister Matti Vanhanen, Foreign Minister Alexander Stubb, the European Commissioner for enlargement Olli Rehn, and a member of parliament Timo Soini from the True Finns Party. The Prime Minister noted how the Irish have given the other member states a lot of trouble in the weeks ahead but that it was important that other member states would forge ahead with the ratification processes.[99] Also, the openly pro-EU Foreign Minister, Alexander Stubb, expressed his disappointment but stated his confidence in the European Union's ability to find a creative solution to the current impasse. Stubb feels this should be a moment of introspection for the EU whose operation has turned into one of perennial crisis management.[100] The European Commissioner for Enlargement, Olli Rehn, – a Finn – also contributed to the discussion by stating that it is all of the member states' responsibility to find a solution for the situation.[101]

[95] Estonia parliament: Ergma peab tähtsaks Lissaboni lepingu ratifitseerimisprotsessi jätkamist, press release, 20th of June 2008, available under: www.riigikogu.ee (last access: 1st of September 2008).
[96] Marko Mihkelson: Arvamus, Postimees, 14th of June 14, 2008.
[97] Ahto Lobjakas: Rahvusriik või Euroopa riik?, Postimees, 16th of June 2008.
[98] Anti Poolamets: Lissaboni leping kinnistab liitriigistumist, Eesti Päevaleht, 16th of June 2008.
* **EUR Programme/Finnish Institute of International Affairs.**
[99] Helsingin Sanomat: Vanhanen: Tästä tulee nyt päänvaivaa, 14th of June 2008, p. B1.
[100] Helsingin Sanomat: Stubb: Irlannille etsitään luova ratkaisu, 14th of June 2008, p. B1.
[101] Helsingin Sanomat: Rehn: EU:lla kyky selviytyä takaiskuista, 14th of June 2008.

The main EU-sceptic in the country, the MP and leader of the populist party True Finns, Timo Soini, rejoiced at the verdict, arguing that everywhere where the people have been given a say on the EU, the verdict has been the same with very little evidence that the elite in Brussels are learning a lesson. For him, trying to sell a product that is 99 percent the same as the Constitutional Treaty has yet again resulted in the European Union's utter humiliation. For Soini, a more viable European Union would consist of a single market with emphasis on environmental protection. Soini noted that the Irish result warranted him enjoying a can of Guinness in honour of the Irish voters.[102]

Before the referendum, various sports bodies had been in the media, described as being on the losing side should the treaty enter into force. The Finnish sports federation together with "European Non-Governmental Sports Organisation" (ENGSO) had taken a deep interest in the treaty and especially in article 165 that would, for the very first time, define a EU competence in sports. The Finnish sports federation is looking for a very restricted competence for the EU that would essentially preserve sports under national jurisdiction, so for them the 'No' vote meant success.[103]

Regarding the short- and long-term implications for the integretation process, some politicians have pointed out that the EU has been in a similar situation before. However, there has not been any deeper analysis on the topic. The main implication is the prolongation of the process and the negative image of the EU in the media. For example, the EU has been accused for not producing the consolidated version of the treaty in time and for not informing people enough on the issues related to the treaty during the Irish election campaign. The major expert on EU affairs in Finland, Professor Tapio Raunio, has stated that EU has never been in a crisis and the European Union will not fall apart even if the treaty would be declared dead.[104]

Future scenarios put forward by the Foreign Minister

Regarding the aftermath of the referendum, the most comprehensive scenario so far has been put forward by the Foreign Minister Alexander Stubb, who has presented five options to react to the results of the Irish referendum. The first four he considers unrealistic. The first option is to forget the Lisbon Treaty and continue on the basis of the Nice Treaty. The second option would be to organise another referendum in Ireland. That would however play down the significance of the democratic system in Ireland. The third option would be to renegotiate the treaty. That would mean a lot of work with uncertain final results. The fourth option would be the condensed co-operation of some member states in certain areas. This would lead in the end to the disintegration of the EU. Stubbs final option would be to take it easy and try to find a creative, common European solution.[105] This could mean opt-outs or additional declarations.[106]

France*

Setback before the French Presidency

The question of ratification of the Lisbon Treaty is particularly important in France since the French President Nicolas Sarkozy is viewed as the main promoter of this treaty. Its adoption has always been considered as a major political goal and after the Irish 'No' vote; the French leaders had no choice but to add the ratification issue onto the agenda of the forthcoming French EU-Presidency.

Overcoming the 'incident'

As expected, Nicolas Sarkozy immediately reacted to the Irish 'No' to the Lisbon Treaty, by trying to minimise its impact. First, he tried to make Peter Mandelson, European Commissioner for External Trade, responsible for this failure. According to the French President, the way Peter Mandelson negotiated an agreement with the WTO pointlessly worried Irish farmers.[107] Then, he qualified this result as an 'incident', arguing that the other European member states had to go on with their respective ratification process, in order to prevent this Irish incident from turning into a major crisis. For many observers

[102] Helsingin Sanomat: Soini korkkasi tölkin irlantilaisolutta, 14th of June 2008, p. B1.
[103] Hannu Hänninen: Irlannin kansanäänestys jännittää myös urheiluväkeä, Helsingin Sanomat, 11th of June 2008, p. B12.
[104] Tapio Raunio: EU ei ole koskaan ollut kriisissä, Suomen Kuvalehti, 19th of June 2008.
[105] Helsingin Sanomat: Viisi tietä eteenpäin, 24th of June 2008.
[106] Parliament of Finland, Seminar on the Aftermath of the European Council, 23rd of June 2008.
* Centre européen de Sciences Po.
[107] Le Nouvel Observateur: Traité de Lisbonne: Sarkozy accuse un commissaire européen, 23/06/2008.

(and especially for the large coalition against the treaty, composed of left-wing parties – LCR[108], LO[109], PC[110] – and nationalist movements – MPF[111], FN[112]) this reaction is more proof of the elite's unwillingness to listen to the people's opinion. They underlined the fact that French and Dutch people had rejected the Constitutional Treaty, leading to the design of a very similar one. Now that another country has rejected the new treaty, governments are still trying to push it through by any means, symbolising the Union's lack of democracy.[113]

The political class is divided about what to do next. As mentioned before, Nicolas Sarkozy and most right wing politicians advocate for the pursuit of the ratification process, which could be followed by special negotiations with Ireland. As underlined by the State Secretary for European Affairs, Jean-Pierre Jouyet, special conditions for this country could be found, even though the President stands strongly against a 'two-speed' Europe.[114] In his latest speech before the European Parliament, in Strasbourg (July 10th 2008), Nicolas Sarkozy said that he wanted to propose a solution before the end of the French Presidency, in October or December, stressing that there is no alternative to the Lisbon Treaty. For François Hollande (Socialist Party), a solution cannot be found without rethinking EU policies. He considers that Europe is not being criticised in France because of its main project, but because it does not meet citizens' expectations. Instead of trying to change the treaty once again, the French Presidency should therefore focus on promoting new European policies, corresponding to citizens' preoccupations.[115]

French public opinion is also divided about the results of this Irish referendum and the next steps to be taken. In an opinion poll commissioned by "Le Figaro" from "OpinionWay", 37 percent are satisfied with the Irish vote, whereas 33 percent are unsatisfied and 30 percent indifferent. According to another recent poll, 44 percent of French citizens think that Irish people will have to vote again on a revised project that would correspond to their wishes. 26 percent think that the ratification process should continue without Ireland, and only 24 percent think that the treaty should be definitely abandoned. The main conclusion of this poll is that Ireland alone cannot block the EU.[116]

Short and long term implications. Beyond the institutional issues, rethinking the political processes

The Irish 'No' could lead the EU into a new crisis and open another period of uncertainty. There is no doubt that this will bring negative consequences, as underlined by the French MEP (and one of the advisors to Nicolas Sarkozy on European issues) Alain Lamassoure; without the Lisbon Treaty ratification, "not only will the EU unable to catch up the decade lost in reaching its objectives, but it will also lose ten years more"[117]

One of the main short-term issues concerning the organisation of the next European parliamentary elections that are meant to take place in 2009 is how to organise elections without knowing if the numbers of MEPs should be 751 (Lisbon Treaty) or 732 (Nice Treaty).[118] Another short-term institutional question deals with the size of the next college of commissioners. The Lisbon Treaty provided for a college of 18 commissioners in 2014. As noted in "Libération", since the Lisbon Treaty cannot enter into force, the European Commission reform will be based on the Treaty of Nice, which provides for a reduction of the European Commission's size in 2009 but does not fix any specified number of commissioners.[119]

Hubert Védrine, the former Minister for Foreign Affairs, assumes conversely that the EU now needs to act and get out of the institutional obsession.[120] It must express a clear common will on certain policy priorities: energy, environment, strategy towards emerging countries, etc. With a slightly different approach, EU expert Renaud Dehousse, professor at Sciences Po, argues that the "first emergency is not to move too fast", and to

[108] Ligue communiste révolutionnaire.
[109] Lutte Ouvrière.
[110] Parti communiste Français
[111] Mouvement pour la France.
[112] Front national.
[113] See: http://www.plumedepresse.com/spip.php?article250 (last access: 29/08/2008).
[114] Interview to the newspaper 20 Minutes, available under: http://www.diplomatie.gouv.fr/ (last access: 29/08/2008).
[115] Le Figaro: Irlande: les socialistes évitent de polémiquer entre eux, 15/06/2008.
[116] "Vivavoice" for Libération, 25/06/2008.
[117] La Tribune: La France prend en main l'avenir du Traité de Lisbonne, 25/06/2008.
[118] Le Monde: Incertitude sur les prochaines élections européennes, 21/06/2008.
[119] Libération, 19/07/2008.
[120] Hubert Védrine: L'Europe après le non irlandais, 20/06/2008.

continue with the ratification process and think about the idea of adopting these reforms piece by piece.[121]

In the long run, it could initially have consequences for the enlargement process as well. As underlined by Nicolas Sarkozy, "to be able to open to the Balkans, to Croatia, we need the Lisbon Treaty. If we want the enlargement, and we want the enlargement, we need new institutions", he declared, being totally opposed to further enlargement without a new treaty.[122] More precisely, the failure of the Lisbon Treaty reopens the debate on how to facilitate the deepening and the widening of the European Union. Secondly, as the former President of the European Commission, Jacques Delors, has recently emphasised, the Irish 'No' vote raises a fundamental question left unanswered thus far: can a single state, whatever its size, oppose the deepening of co-operation?[123] Finding an appropriate answer to this question appears to be crucial for Europe's future.

Germany*

Pressing on with ratification: The German reaction to the Irish 'No'

Delay of the German ratification process

In the aftermath of the Irish referendum, the German government declared their determination to take a leading role in rescuing the Lisbon Treaty, promising to strongly support the French government in their efforts to press on with ratification.[124] However, the government's plans to serve as a model country were hindered by Federal President Horst Köhler's decision to suspend the signature of the Lisbon Treaty and to wait for the verdict of the federal constitutional court ("Bundesverfassungsgericht"). The eurosceptic Left Party ("Die Linke") and the Bavarian CSU deputy, Peter Gauweiler, had appealed to the court, claiming that the Lisbon Treaty would be inconsistent with the German constitution. The German government is, however, convinced that this is not the case and expects a positive verdict,[125] stressing that Köhler's decision is a "normal procedure"[126] that does not imply any negative statement by Köhler himself. Correspondingly, other political actors emphasise that the decision does not confirm the position of the claimants.[127] Hence, the delay of the German ratification process is not comparable to the situation in Poland and the Czech Republic, where rather eurosceptic presidents in both countries announced not to sign the Lisbon Treaty.[128]

Continue the ratification process

The outcome of the Irish referendum has been regretted by most actors. Media representatives called the results a "Black Friday for Europe"[129]. With the exception of the Left Party, all governing and opposition parties demanded the continuation of the ratification process and came to the rapid conclusion[130],

[121] Renaud Dehousse, Communication to a seminar organised by IFRI, 09/07/2008.
[122] Le Monde: Sarkozy exclut tout élargissement de l'UE sans traité de Lisbonne, 16.06.2008.
[123] Jacques Delors: Rebondir, Le Nouvel Observateur, 19/06/2008.

* **Institute for European Politics.**

[124] Cf. Government declaration of Chancellor Angela Merkel of 19 June 2008, available at: http://www.bundesregierung.de/Content/DE/Regierungserklaerung/2008/2008-06-19-regierungserkl_C3_A4rung-merkel.html (last access: 14 July 2008).

[125] Cf. Frank-Walter Steinmeier in an interview with the newspaper "Bild": Steinmeier: An Lissabon-Vertrag festhalten, 2 July 2008, available at: http://www.bundesregierung.de/nn_1500/Content/DE/Interview/2008/07/2008-07-02-interview-steinmeier-bild.html (last access: 14 July 2008).
[126] Cited according to: Der Tagespiegel: Köhlers "Nein" bremst EU-Express, 1 July 2008, available at: http://www.tagesspiegel.de/politik/international/Europaeische-Union-EU-Refomvertrag;art123,2563243 (last access: 15 July 2008).
[127] Cf. e.g. Rainder Steenblock (Green Party), according to FocusOnline: Köhler unterzeichnet Gesetz nicht, 30 June 2008, available at: http://www.focus.de/politik/ausland/lissabon-vertrag-koehler-unterzeichnet-gesetz-nicht_aid_315010.html (last access: 14 July 2008). See also: Süddeutsche Zeitung: Köhler stoppt EU-Vertrag 30 June 2008, available at: http://www.sueddeutsche.de/deutschland/artikel/930/183359/ (last access: 14 July 2008).
[128] Cf. Bernd Riegert: Aufstand der Präsidenten gegen EU-Reformvertrag?, Deutsche Welle, 1 July 2008, available at: http://www.dw-world.de/dw/article/0,,3453125,00.html?maca=de-kalenderblatt_topthema_deutsch-346-rdf (last access: 14 July 2008).
[129] Translated by the author. Brigitta Kols: Schwarzer Freitag für Europa, in: Frankfurter Rundschau, 13 June 2008, available at: http://www.fr-online.de/in_und_ausland/politik/meinung/kommentare/?em_cnt=1350777 (last access: 14 July 2008).
[130] Cf. e.g. Elmar Brok (CDU): Mitgliedstaaten stehen beim Reformvertrag nach dem irischen Referendum weiter in der Pflicht, press release, 18 June 2008, available at: http://www.cducsu.eu/content/view/5061/4/ (last access: 14 July 2008). See also Jo Leinen (SPD): Eine neue Denkpause ist die falsche Antwort auf das Nein, press release, 16 June 2008, available at: http://www.spd-europa.de/news-anzeige/news/jo-leinen-eine-neue-denkpause-ist-die-falsche-antwort-auf-das-nein/29/neste/4.html (last access: 14 July 2008).

that the adoption of the treaty is "an absolute necessity"[131]. Correspondingly, the "Federation of the German Employers Association" ("BDA"), expressed its hope for a second referendum in Ireland.[132] A public-opinion poll held in the aftermath of the Irish referendum shows that 60 percent of the German population think that member states should go ahead with the treaty's ratification, whereas only 25 percent would favour a stop of the reform process.[133]

While most actors agree that stopping the ratification process is not an option, the consequences drawn from the outcome of the Irish referendum differ. Angela Merkel (CDU), head of the 'grand coalition' with Christian Democrats (CDU/CSU) and Social Democrats (SPD), underlines that she is not supporting any further enlargement without the Lisbon Treaty.[134] Bavarian Prime Minister Günther Beckstein, member of the chancellor's sister party CSU, questions Merkel's position, demanding that Croatia should be allowed to join quickly.[135] The Social Democrats do not exclude accessions to the EU at all, although they share Merkel's concerns in principle.[136] The Greens ("Bündnis 90/ Die Grünen"), on the contrary, stress the importance of continuing the accession talks with the candidate countries.[137]

The Irish 'No' has also reopened the debate about the concept of a 'Core Europe'. In his first, never later repeated, reaction to the outcome of the Irish referendum, Foreign Minister Frank-Walter Steinmeier declared that "Ireland could opt-out for a while"[138]. Merkel, however, made clear that she rejects any plans for such a 'two-speed Europe'.[139] While this has become the official position of the governing parties, the Liberals (FDP) and some other parliamentarians propose to offer another form of co-operation between the EU and those member states that are hesitating to ratify the treaty, such as Poland.[140] Looking beyond the rhetoric, as a left-wing newspaper comments ironically, the eurozone or the Schengen agreement show that the only reason why there is no 'two-speed Europe' is because a 'multi-speed Europe' already exists.[141] In addition, academics are convinced that the importance of differentiated integration will increase even further.[142]

Due to the failed referendum in Ireland, the German concept of a 'Europe of citizens' was

[131] Hans-Gert Pöttering, quoted according to: Bulletin Quotidien Europe No. 9684, 18 June 2008, p. 6.
[132] Cf. Dieter Hundt at the press conference of the BDA: EU-Sozialpolitik zukunftsorientiert gestalten, 24 June 2008, available at: http://www.bda-online.de/www/bdaonline.nsf/id/447D5C0F0B171E23C1257472004AB29E/$file/DH_PK240608.pdf (last access: 14 July 2008).
[133] Cf. n-tv Forsa poll of the 16/17 June 2008, according to: Süddeutsche Zeitung: Deutsche stehen hinter Vertrag von Lissabon, 19 June 2008, available at: http://www.sueddeutsche.de/deutschland/artikel/886/181327 (last access: 14 July 2008).
[134] Cf. Angela Merkel at the press conference of the European Council meeting in Brussels, 20 June 2008, available at: http://www.bundesregierung.de/nn_1516/Content/DE/Mitschrift/Pressekonferenzen/2008/06/2008-06-20-merkel-steinmeier.html (last access: 14 July 2008).
[135] Cf. Günther Beckstein, according to: Bulletin Quotidien Europe, 1 July 2008, p. 1.
[136] Cf. Angelica Schwall-Düren in the parliamentary debate on Merkel's government declaration of 19 June 2008, See: Bundestagsplenarprotokoll 16/169, pp. 17828 (B)-17829 (D), available at: http://dip21.bundestag.de/dip21/btp/16/16169.pdf (last access: 14 July 2008).
[137] Cf. Green Party: JA zu Europa, press release, 19 June 2008, available at: http://www.gruene-bundestag.de/cms/europaeische_union/dok/239/239043.html (last access: 14 July 2008).
[138] Translated by the author. Frank-Walter Steinmeier, according to: Frankfurter Allgemeine Zeitung: „Irland könnte eine Zeit lang aussteigen", 14 June 2008, available at: http://www.faz.net/s/Rub99C3EECA60D84C08AD6B3E60C4EA807F/Doc~E0AC5F33FAB1141499E9799ACD10AB3CB~ATpl~Ecommon~Scontent.html (last access: 14 July 2008).
[139] Cf. Government declaration of Chancellor Angela Merkel of 19 June 2008, available at: http://www.bundesregierung.de/Content/DE/Regierungserklaerung/2008/2008-06-19-regierungserkl_C3_A4rung-merkel.html (last access: 14 July 2008).
[140] Cf. Silvana Koch-Mehrin in an interview with Deutschlandradio: FDP-Europapolitikerin plädiert für Fortsetzung des Reformprozesses, 21 June 2008, available at: http://www.dradio.de/dlf/sendungen/interview_dlf/804732 (last access: 14 July 2008). See also: Guido Westerwelle in the parliamentary debate on Merkel's government declaration of 19 June 2008, 19 June 2008, Bundestagsplenarprotokoll 16/169, pp. 17826(B)-17828(A), available at: http://dip21.bundestag.de/dip21/btp/16/16169.pdf (last access: 14 July 2008); Daniel Cohn-Bendit (Green Party), diverging from the party line, shares the position either: cf. Daniel Cohn Bendit in interview with Der Spiegel: "Alle zwei Wochen diskreditiert irgendein Spinner die EU", 3 July 2008, available at: http://www.spiegel.de/politik/ausland/0,1518,563726,00.html (last access: 14 July 2008).
[141] Cf. Ralph Bollmann: Kontinent der vielen Geschwindigkeiten, in: Tageszeitung, 20 June 2008, available at: http://www.taz.de/1/debatte/kommentar/artikel/1/kontinent-der-vielen-geschwindigkeiten (last access: 14 July 2008).
[142] Cf. Sarah Seeger: Ursachen und Konsequenzen des irischen Neins zum Vertrag von Lissabon, in: Cap-Positionen, 14 June 2008, available at: http://www.cap-lmu.de/aktuell/positionen/2008/irland.php (last access: 14 July 2008).

reanimated. There is a large consensus among German actors that the EU needs to become more oriented towards the interests of its citizens and that a debate about the future objectives of the European Union is necessary. Guido Westerwelle, chair of the Liberals, points out that, "not only parliaments but – above all – citizens need to be convinced"[143] and Member of the European Parliament Jo Leinen (SPD) emphasises, correspondingly, that the domestic political class should involve more citizens in the European debate.[144] An evaluation of the media debate brings out similar statements: the conservative "Frankfurter Allgemeine Zeitung" comments, for instance, that "a public debate on the whole purpose of the EU is overdue."[145]

Alternative proposals

Though most actors, as demonstrated above, stress that the ratification process should be continued, it is worth mentioning some other proposals that have come up in the German debate. There are academics who suggest that, if the implementation of the Lisbon Treaty as a whole is not possible, one should examine how to ameliorate efficiency in decision-making and democratic legitimacy through informal reforms.[146] Press comments aim in the same direction, stating that the European Union does not necessarily need a new treaty, but above all the political will to create common policies.[147]

Some political actors, like German Interior Minister Wolfgang Schäuble (CDU) and Daniel Cohn-Bendit (Green Party), propose to elect the President of the European Council by direct universal suffrage as part of a European election.[148] German philosopher Jürgen Habermas goes even further, proposing to combine the 2009 European elections with a referendum on the Lisbon Treaty. According to Habermas, referenda are a necessary corrective in political systems where a government is not confronted with an opposition which could displace it.[149]

While Liberals and some 'dissident' parliamentarians who also clearly support the Lisbon Treaty show some sympathies for a European referendum since they want to better involve the citizens, the Left Party's call for a referendum on the Lisbon Treaty seems to be part of their strategy to stop the treaty.[150] Thus, the generally eurosceptic Left Party appreciates the Irish decision.[151] Correspondingly, social movements like the non-governmental anti-globalisation organisation "Attac" request an immediate stop of the ratification process, declaring that the EU needs to be re-founded on a social and democratic basis.[152]

[143] Translated by the author. Guido Westerwelle in the parliamentary debate on Merkel's government declaration of 19 June 2008, Bundestagsplenarprotokoll 16/169, pp. 17826(B)-17828(A), available at: http://dip21.bundestag.de/dip21/btp/16/16169.pdf (last access: 14 July 2008).

[144] Cf. Jo Leinen in an interview with Deutschlandradio: EU-Reformvertrag: SPD-Europapolitiker Leinen kritisiert Kaczynski, 1 July 2008, available at: http://www.dradio.de/dlf/sendungen/interview_dlf/809781 (last access: 14 July 2008); Jo Leinen/Jan Kreutz: Das irische ‚Nein' zum Vertrag von Lissabon: Optionen für die Lösung der neuen Krise, in: *integration* 3/2008, pp. 306-311, available under: http://www.iep-berlin.de/index.php?id=655 (last access: 22 September 2008).

[145] Translated by the author. Günther Nonnenmacher: Die Lissabon-Krise, in: Frankfurter Allgemeine Zeitung, 1 July 2008, available at: http://www.faz.net/s/Rub7FC5BF30C45B402F96E964EF8CE790E1/Doc~E882C5B23825A4730806F9FFD1476B43D~ATpl~Ecommon~Scontent.html (last access: 14 July 2008).

[146] Cf. Andreas Maurer/Daniela Schwarzer: Der Schuss vor den Bug, SWP-Aktuell, July 2008, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5110 (last access: 14 July 2008)

[147] Cf. Bernd Riegert: Die EU kann auch ohne Lissabon-Vertrag glücklich werden, in: Deutsche Welle, 20 June 2008, available at: http://www.dw-world.de/dw/article/0,2144,3426243,00.html (last access: 20 June 2008). See also Alan Posener: Irland „Nein" ist Chance für Europa, in: Die Welt, 14 June 2008, available at: http://www.welt.de/politik/article2104183/Irlands_Nein_ist_eine_Chance_fuer_Europa.html (last access: 14 July 2008).

[148] Cf. Bulletin Quotidien Europe No. 9684, 18 June 2008, p. 6.

[149] Cf. Jürgen Habermas: Verständnis für die Iren, in: Süddeutsche Zeitung, 24 June 2008, available at: http://www.sueddeutsche.de/ausland/artikel/655/182091 (last access: 14 July 2008). See also Jürgen Habermas: Ein Lob den Iren, in: Süddeutsche Zeitung, 16 June 2008, available at: http://www.sueddeutsche.de/ausland/artikel/310/180753 (last access: 14 July 2008).

[150] Cf. Lothar Bisky in an interview with Deutschlandfunk, 13 June 2008, available at: http://www.dradio.de/dlf/sendungen/interview_dlf/800816/ (last access: 14 July 2008).

[151] Cf. speech by Tobias Pflüger at the plenary debate of the European Parliament, 18 June 2008, according to Tobias Pflüger (Left Party): Dieser Vertrag ist tot, press release, 23 June 2008, available at: http://www.pds-europa.de/dokumente/reden/view_dok_html?zid=3474 (last access: 14 July 2008).

[152] Cf. Attac: Lissabon-Vertrag endlich zu Grabe tragen, press release, 18 June 2008, available at: http://www.attac.de/aktuell/neuigkeiten/detailansicht/datum/2008/06/18/lissabon-vertrag-endlich-zu-grabe-tragen/?cHash=efeae4736d (last access: 14 July 2008).

Greece*

Irish 'No' ignited political and public debate

The Irish 'No' over the Reform Treaty has created quite an impression in Greece, both among policy-makers and the public at large. Until the very last days before June 12th, the Irish vote was considered no more than a formality (as Greece was preparing to ratify the treaty with an overwhelming majority in Parliament). When the Irish 'No' was seen as a probable outcome, there had been a rather shallow public discussion about future implications and the speculation over the existence of a 'plan B'.

The day after, there was the expected outcry of federalist circles against the Irish as well as dire predictions on their part as to institutional and political consequences of the 'No' vote, but voices raised in favour of somehow 'excluding' Ireland, were few. Finding a way out from the institutional impasse was viewed mainly as a challenge to the French Presidency.

On the other hand, in the press have been opinions interpreting the Irish 'No' as an inevitable consequence of the lack of communication of the European elites with wider audiences, as a side-effect of the opacity of the mechanisms constituting 'Europe'. The mood was more or less close to that prevailing after the French and Dutch rejection of the Constitutional Treaty.

In the short-term, the Irish 'No' is perceived more as a nuisance and as an impediment to the day-to-day business of the EU (which, with the economic crisis and the oil shock looming charge, is considered to be besieged by important challenges). But the long-term perspectives of European integration – which are seen as more and more hazy – have receded noticeably from public interest in Greece; more lip service is paid than actual public debate taking place over 'the future of Europe'.

A more radical view comes from the 'left' party "Synaspismos": There is a need to recreate the EU; a new institutional approach 'from the bottom' is needed, in collaboration with the European Parliament and national parliaments and avoiding another intergovernmental conference.[153] The Lisbon Treaty as it stands is dead and emphasis should be given to enhanced cooperation and to a concentric circles structure.[154]

* Greek Centre of European Studies and Research.

Hungary*

Importance of continuing ratification process

In Hungary the Irish 'No' sparked the same old debate between eurosceptics and pro-Europeans as in every member state: namely, the former side, highlighted the EU's internal problems (mainly lack of transparency and 'too much power in Brussels'), while the latter perceived the outcome of the referendum as a shock (envisioning even the falling apart of the EU or the launch of Europe at several speeds and circles). Beyond this echo in the media it must be underlined that in Hungary all parliamentary parties are pro-European, and have supported the treaty practically unanimously on December 17th 2007 when it was ratified in the parliament. Being the first country to adopt the Lisbon Treaty, Hungary belongs to the majority of member states attaching distinguished importance to the document. On June 16th 2008, the Ministry of Foreign Affairs of the Republic of Hungary issued the following statement in connection with the Irish referendum:

- Hungary regrets the outcome of the Irish referendum held on 12 June 2008 but fully respects the opinion of the people of Ireland.
- Nevertheless, almost two thirds of the member states have already ratified the Treaty, Hungary having been the first one.
- The values and objectives of the Lisbon Treaty still remain important for Hungary and we believe that they are important also for the future of the Union. We believe that Europe should move forward.
- The present situation has to be discussed by the community of the

[153] P. Trigasis, in the newspaper ELEFTHEROTYPIA, 15 July 2008.
[154] M. Papagiannakis, in the newspaper KATHIMERINI, 22 June 2008.

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

member states. Hungary is engaged to participate in these consultations.

- We are convinced that Ireland and the other member states will jointly find the appropriate political and legal solution. However, we should not rush to early conclusions. We will welcome Ireland's proposal for the solution.
- At the same time, the Union should continue to deal with issues affecting our everyday life and respond to actual challenges, e.g. climate change, energy security, rise of food and energy prices, security of citizens, etc.
- We welcome all the member states that have decided to continue the ratification process.
- The outcome of the Irish referendum should not affect the current enlargement of the Union.[155]

According to the Hungarian Minister of Foreign Affairs, Kinga Göncz,[156] the result of the Irish referendum must be respected regardless of how discouraging it may be from the Community's point of view. At the same time, Kinga Göncz stressed the importance of continuing the ratification process in all the remaining member states. She also proposed to offer some time to the Irish political leadership to 'digest' the situation and to reflect on possible solutions.

Ireland*

The Lisbon Treaty referendum dominates the agenda

As a result of the referendum in Ireland and the negative outcome, Ireland has entered a period of reflection, during which time the government has undertaken to produce an analysis of the referendum result. This study will be presented to members of the European Council, meeting in October.

[155] See: http://www.mfa.gov.hu/kum/en/bal/actualities/spokesman_statements/Ir_nepsz_eng_080616.htm (last access: 28 August 2008).
[156] See reactions formulated during the official visit of the Hungarian foreign minister to Sweden on June 17th 2008 under: http://www.mfa.gov.hu/kum/en/bal/actualities/visits_and_events/GK_stockholm_eng_080817.htm (last access: 28 August 2008).
* **Institute of International and European Affairs.**

Italy*

Strong will to continue the European integration process

Immediately after the Irish 'No' to the Lisbon Treaty, the majority of the Italian political class expressed its disappointment for what is considered another failure in the European integration process. In a declaration made on June 13th the President of the Italian Republic, Giorgio Napolitano, affirmed that it is inconceivable that "the decision of not much more than half the voters of a country that represents less than 1 percent of the Union's population can stop the necessary and urgent reform process." This is the reason why Napolitano thinks that "the ratification process should go on" in order to obtain the 4/5 threshold required for the European Council to make its decisions.[157] Other representatives of the Italian political elite share Napolitano's view. Among them, Giuliano Amato, former Prime Minister, said that it is not possible to renounce ratification of the treaty because "a very small minority cannot be allowed to decide against the overwhelming majority of European citizens"[158].

Other politicians have expressed their opinion on the referendum's outcome, giving rise to a debate that provoked tension in the government coalition. The Italian Prime Minister, Silvio Berlusconi, has reaffirmed his desire to proceed with ratification, and reassured European Commission President José Manuel Barroso during his visit to the Italian parliament, that "the Italian parliament will soon approve the Lisbon Treaty".[159] The president of the lower chamber of the Italian parliament ("Camera dei deputati"), Gianfranco Fini, has added that the ratification will take place before the summer break.[160]

* **Istituto Affari Internazionali.**
[157] Declaration of President Napolitano on the outcome of the Irish referendum on the ratification of the Lisbon Treaty, 13th of June 2008, available under: http://www.quirinale.it/Comunicati/Comunicato.asp?id=36155 (last access: 28th of August 2008).
[158] Il Sole 24 ore: Il no dell'Irlanda non può fermarci, 14th of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IEREU (last access: 28th of August 2008).
[159] Il Sole 24 ore: Sì al Trattato entro l'estate, 16th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IPMLA (last access: 28th of August 2008).
[160] Ibid.

However, these declarations are the outcome of a confrontation within the government coalition. Components of the "Lega Nord" have not made secret their opposition to the treaty. Among them, Roberto Castelli, undersecretary for infrastructure, affirmed that "the European bureaucrats have been defeated" by the Irish 'No'.[161] Roberto Calderoli, Minister for Legal Simplification, has demanded a referendum on the treaty in Italy, declaring that his party would campaign in favour of a 'No' vote.[162] In any case, after the UK's ratification, the leader of the "Lega Nord", Umberto Bossi, affirmed that his party would vote for the Lisbon Treaty, making it possible for the government coalition to reach a common position.[163]

On July the 23rd, the Italian senate ("Senato della Republicca") unanimously approved the ratification of the Lisbon Treaty.[164] On that occasion, representatives of the opposition party, "Partito Democratico", expressed their satisfaction that the treaty would be ratified in the near future since it "will lead to a simplification of the architectural construction of the European Union"[165] and "represents an important step forward in the building of a stronger European Union"[166]. Immediately after the vote, the Italian Minister for Foreign Affairs, Franco Frattini, stated that in this way "Italy confirms its desire for Europe"[167], while in the opinion of the Minister for Communitarian Policies, Andrea Ronchi, "the unanimous vote shows that Italy wants to play a serious and responsible role in Europe"[168]. On July 31st, the lower chamber of the Italian parliament has unanimously voted in favour of the ratification. The Prime Minister Silvio Berlusconi has commented on this result saying that it can be considered as "Italy's contribution to the relaunch of Europe"[169].

In Italy, the post-referendum debate has focussed on possible explanations for the Irish 'No' and proposals and prospects for the future of the EU. With regard to the reasons for the negative outcome of the referendum, there is widespread agreement that the Irish people voted against the Lisbon Treaty because they perceive the EU as something distant and actually do not understand its real meaning. However, according to the majority of opinions expressed on this issue, there seems to be something happening that goes beyond the actual outcome of the referendum, since many observers interpreted it as a way to manifest dissatisfaction with domestic politics. Margherita Boniver, a deputy from the party "Popolo delle libertà", stated that the Irish referendum could be considered an expression of 'anti-politics' against the majority of political parties that were in favour of the 'Yes' vote.[170] When considered from this point of view, the Irish 'No' can be seen as "proof of the incapacity" of the Irish elite that, even if they were in favour of the Lisbon Treaty, they didn't manage to convince their own public to vote in favour of it.[171] It has also been affirmed that the Irish people's disaffection with the new treaty is to a large extent created by the European governments themselves, which always speak about the European Union as a "far away entity" in order to "free themselves of

[161] La Repubblica: Ue: "No" Irlanda spacca il governo. Il premier ai ministri: "Preoccupato",13th of June 2008, available under: http://www.repubblica.it/2008/06/sezioni/esteri/irlanda-referendum/polemiche-governo/polemiche-governo.html (last access: 28th of August 2008).

[162] Il Giornale: Ma questa è l'Europa delle burocrazie, 20th of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IGUXX (last access: 28th of August 2008).

[163] Berlusconi: Sì al Trattato UE". Bossi zittisce i suoi: "Lo voteremo", La Repubblica, 19th of June 2008, available under: http://www.repubblica.it/2008/06/sezioni/esteri/irlanda-referendum/berlusconi-trattato/berlusconi-trattato.html (last access: 28th of August 2008).

[164] See: http://www.senato.it/notizie/index.htm (last access: 28th of August 2008).

[165] T. Blazina in Discussion and Approval of the law draft n. 759 – Lisbon Treaty Ratification, available under: http://www.senato.it/japp/bgt/showdoc/frame.jsp?tipodoc=Resaula&leg=16&id=307716 (last access: 28th of August 2008).

[166] N. Randazzo in Discussion and Approval of the law draft n. 759 – Lisbon Treaty Ratification, available under: http://www.senato.it/japp/bgt/showdoc/frame.jsp?tipodoc=Resaula&leg=16&id=307716 (last access: 28th of August 2008).

[167] Il Sole 24 ore: Lisbona, dal Senato il primo sì unanime, 24th of July 2008, available under: http://85.116.228.24/Stampa/utility/imgrs.asp?numart=ISE1B&numpag=1&tipcod=0&tipimm=0&defimm=1&tipnav=1&isjpg=S (last access: 28th of August 2008).

[168] Avvenire: Via libera del Senato al Trattato di Lisbona, 24th of July 2008, available under: http://85.116.228.24/Stampa/utility/imgrs.asp?numart=ISF9V&numpag=1&tipcod=0&tipimm=0&defimm=1&tipnav=1&isjpg=S (last access: 28th of August 2008).

[169] Corriere della Sera: Trattato UE, la Camera dà il via libera, 31st of July 2008, available under: http://www.corriere.it/politica/08_luglio_31/trattato_ue_via_libera_camera_540facfa-5eee-11dd-89c2-00144f02aabc.shtml (last access: 28th of August 2008).

[170] La voce repubblicana: Quei trattati troppo distanti, 18th of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IG4DV (last access: 28th of August 2008).

[171] S. Silvestri: L'Unione al bivio, Affari Internazionali, 16th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=857 (last access: 28th of August 2008).

any responsibility for decisions that are difficult or not appreciated".[172]

In order to find a solution to the obstacle represented by the Irish 'No', many proposals have been raised in Italy in the last months, not only by members of the political class, but also by members of the academic and research communities.

Firstly, there is the possibility of abandoning the Lisbon Treaty without any new proposals on either the issues or the functioning of the EU. However, this solution seems to be the least feasible, not only because it would imply renouncing agreements among the member states on some important matters,[173] but also because it would be 'political suicide': the EU-27 still works according to a system conceived to manage a six-member community which is no longer sustainable.[174]

Secondly, there has been a proposal to modify the Lisbon Treaty or even replace it with a new one, but this idea does not find the approval of Italian observers either. Stefano Silvestri, president of the "Istituto Affari Internazionali", believes that this solution is not practicable for two main reasons: because it has already failed once and because it is still not clear what kind of changes could make the treaty more attractive for the people.

The third proposal is that Ireland could be encouraged to 'opt out' – something that has already happened in Europe in the past.[175] However, this solution would raise new difficulties. According to Gianni Bonvicini, vice-president of the "Istituto Affari Internazionali", there would be two problems in particular: first, the Lisbon Treaty itself calls for ratification by all 27 member states; moreover, "while it is possible to opt out from some policies or operational mechanisms, it is difficult to imagine an institutional opting out, that is, from the new decisional procedures and the new powers inscribed in the Lisbon Treaty"[176].

The fourth is the option of creating a strong core of 'willing and able' countries that do not feel satisfied with the Nice Treaty and want to go on with the integration process.[177] This 'federalist core' would be set up inside the EU, but separately from it,[178] and could possibly be based on a French-German Union.[179] This approach results in a 'two-speed' Europe, which has been the centre of a heated debate in Italy. The idea of a Europe in which some countries go ahead with cooperation, while others are left behind has been supported by the Italian Minister for Foreign Affairs, Franco Frattini, who has affirmed that a 'two-speed EU' is important for our country, since "Italy cannot renounce European immigration and energy policies" and will pursue these policies with those countries that want to take part in them.[180] President Napolitano seems to share this view when he stated that "it is time for a brave choice on the part of those who want the European construction to develop coherently, leaving aside those who – notwithstanding the commitments they have subscribed to – threaten to block it"[181]. This seems to be one of the most feasible solutions, even if there have been some objections to it. To cite just one example, Mario Mauro, vice-president of the European Parliament, thinks that, by sustaining a Europe that proceeds at different speeds, we may actually weaken it to the point that it is unable to survive the pressures coming from emerging countries, such as India or China.[182] Therefore, the question that still remains unsolved at the center of this debate is whether a 'two-speed Europe' constitutes an

[172] R. Perissich: L'Europa fra Dublino e Lisbona, Affari Internazionali, 24th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=875 (last access: 28th of August 2008).
[173] A. Padoa Schioppa: Dopo il voto irlandese: che fare?, doc. EuropEos 2/2008, July 2008.
[174] F. Bindi: Arrivederci Irlanda. E grazie, Affari Internazionali, 18th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=862 (last access: 28th of August 2008).
[175] A. Padoa Schioppa: Dopo il voto irlandese: che fare?, doc. EuropEos 2/2008, July 2008.
[176] G. Bonvicini: Dublino vale un Trattato?, Affari Internazionali, 14th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=856 (last access: 28th of August 2008).
[177] Ibid.
[178] S. Silvestri: L'Unione al bivio, Affari Internazionali, 16th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=857 (last access: 28th of August 2008).
[179] G. Bonvicini, Dublino vale un Trattato?, Affari Internazionali, 14th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=856 (last access: 28th of August 2008).
[180] La Stampa: Piano Marshall per la Palestina ma senza Hamas, 3rd of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=ILAJ3 (last access: 28th of August 2008).
[181] Declaration of the President Napolitano on the outcome of the Irish referendum on the ratification of the Lisbon Treaty, 13th of June 2008, available under: http://www.quirinale.it/Comunicati/Comunicato.asp?id=36155 (last access: 28th of August 2008).
[182] Corriere della Sera: Avanti tutti insieme o non ce la faremo a competere domani, 22nd of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IHKSJ (last access: 28th of August 2008).

opportunity for the EU to grow stronger or would the added fragmentation weaken it.

Finally, another feasible scenario is that of reaching a higher level of integration through a policy-based approach, that is, the 'functional approach' already experimented with in the past, for example the Euro.[183] This implies the promotion of strong initiatives by some governments that are willing to cooperate in important fields, such as defence, energy and the environment.[184] The advantage of such an approach would lie in the fact that, by stressing the importance of the targets, "the decisional procedures would be result-oriented"[185]. However, even here there would be some shortcomings. It has been noted that these initiatives may be taken by different groups of countries and that the intergovernmental approach might be preferred to the communitarian one, thus blocking the construction of a more cohesive Europe.[186]

This overview shows that in Italy there is a strong will in the political elite and the highest offices of the State to go on with ratification and to promote stronger coordination among those countries willing to continue with the European integration process. The main target for Italy now is to ratify the treaty and keep apace of those countries that have always played a leading role in Europe.

Latvia*

The EU after the Irish referendum: Reactions in Latvia

The decision of the Irish voters not to endorse the Lisbon Treaty on June 12th 2008 had very minimal repercussions in Latvia, especially since other issues (these will be discussed later) have been of much greater concern to both the Latvian electorate and the politicians throughout 2008.

The Irish 'No' came more than a month after the Latvian parliament had approved the Lisbon Treaty. On May 8th 2008, 70 deputies voted for the treaty, three voted against it, while one abstained.[187]

When the results of the Irish referendum were announced in June, most Latvians reacted with detachment. The topic was certainly covered by the media, but did not spark any heated or wide-ranging debates, even if a few eurosceptics insisted that the Latvian parliament had acted hastily, without adequately consulting the people. The prevailing attitude was an acceptance of the Irish voters' right to express their opinion. Hardly anyone blamed the Irish for ingratitude to the institution widely considered as having been essentially responsible for Ireland's economic upswing.

On June 13th 2008 Latvia's Foreign Minister Māris Riekstiņš told journalists of the national news agency "LETA" that he respected the Irish voters' decision and stressed that the explanations for such a decision need to be analysed carefully. He said that the ratification process should continue elsewhere. While not ruling out the possibility that other EU countries might find certain aspects of the Lisbon Treaty problematic, Riekstiņš did not anticipate the Irish refusal to trigger a domino effect elsewhere. Because the Union functions, Riekstiņš does not consider it to be suffering from an institutional crisis; however, in his opinion, the EU clearly needs to be modernised.[188]

By the end of June, the Irish 'No' was no longer sufficient material for media headlines in Latvia, nor was it a matter of discussion among the populace. However, for the Latvian Ministry of Foreign Affairs and foreign policy specialists, the Irish 'No' remains topical and continues to be discussed. So far, the informal discussions have fostered the crystallisation of certain views and perceptions, including the following:

- Had a referendum on the Lisbon Treaty been held in other EU member states, it is highly possible that, just as in Ireland, the majority of voters would not have endorsed it.

[183] S. Silvestri: L'Unione al bivio, Affari Internazionali, 16th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=857 (last access: 28th of August 2008); A. Padoa Schioppa: Dopo il voto irlandese: che fare?, doc. EuropEos 2/2008, July 2008.
[184] Ibid.
[185] Ibid.
[186] S. Silvestri: L'Unione al bivio, Affari Internazionali, 16th of June 2008, available under: http://www.affarinternazionali.it/articolo.asp?ID=857 (last access: 28th of August 2008).
[187] Delfi, 8 May 2008, available under: http://www.delfi.lv/archive/index.php?id=20896417 (last access: 23 September 2008).
[188] LETA, 13 June 2008.

* Latvian Institute of International Affairs.

- The Irish 'No', therefore, should be considered as an all-EU problem, rather than merely Ireland's problem.
- Proposals envisaging 'a Europe of several speeds' as a way out of the dilemma resulting from the Irish 'No' are misguided and unacceptable because they will inevitably weaken, rather than strengthen, European unity. Since the source of this information are two very high ranking officials of the Latvian Ministry of Foreign Affairs who did not wish to be identified, I would prefer not to identify them.

However, the Lisbon Treaty still remains on the agenda in Latvia. Thirteen persons asked the constitutional court on July 24th 2008 to consider the constitutionality of the parliament's ratification of the Lisbon Treaty; they also suggested that according to article 101 of the Latvian constitution, the ratification should have been done via referendum. Owing to the complexity of the question, the constitutional court announced that it will take time until September 24th 2008 to decide how to deal with this issue and only thereafter issue its opinion.[189] As a first step, the court has asked the parliament to explain in writing the juridical basis for its decision and to submit its reply by October 20.[190] It is impossible to predict how the court will decide on the various questions that were raised. Consequently, further speculation on Latvia's ratification of the Lisbon Treaty would seem to be inappropriate at this time.

Lithuania*

The results of the Irish referendum – an unpleasant surprise for some Lithuanian politicians

The most important Lithuanian politicians declared their concern about the negative results of the Irish referendum. Chairman of the Committee on European Affairs of the Lithuanian parliament ("Seimas"), Andrius Kubilius, emphasised that the results of the Irish referendum might have a negative impact on the Lisbon Treaty ratification procedures in other EU member states, first and foremost in the Czech Republic. He claimed to be concerned about the further development of European matters.[191] On the other hand he said that the negative Irish decision cannot be a handicap towards further development of the EU, for its further and deeper integration and enlargement. Both these elements are important to Lithuania.[192] Shortly before the Irish referendum, with a fear that the Irish would vote 'No' for the Lisbon Treaty, one of the best know European Parliament members from Lithuania, Justas Vincas Paleckis,[193] declared that in this case 4 million Irish people can prevent 496 million of the EU's citizens from getting a new and much more powerful engine for the European Union.[194]

Some of Lithuania's politicians did not hide their surprise by stressing that Ireland is one of the EU member states that have profited the most from its membership in the EU. For example, the member of the Committee on Foreign Affairs of the Lithuanian parliament, Emanuelis Zingeris, said he was surprised how Ireland, who had received so much financial support from the EU, could have voted against the Lisbon Treaty.[195] The chairman of the Committee on Foreign Affairs of the Lithuanian parliament, Justinas Karosas, said there should be no panic; it is better to wait for the discussions and proposals.[196]

While most of the important Lithuanian politicians and political forces were disappointed about the Irish 'No' on the Lisbon Treaty, some Lithuanians demonstrated their support for the Irish decision. For example, a

[189] National news agency LETA, 19 August 2008.
[190] Delfi, 22 September 2008,available under: http://www.delfi.lv/archive/article.php?id=22011565&categoryID=193&ndate=1222030800 (last access: 23 September 2008).

* **Institute of International Relations and Political Science, Vilnius University.**

[191] Agnė Pačkauskaitė: Airiai įpylė cukraus į ES variklį (The Irish have added sugar to the EU engine), Daily Verslo žinios, June 18th, 2008, available under: http://vz.lt/Default2.aspx?ArticleID=6c26f234-c41b-4e6b-bd29-d8d022f0e057&open=sec#continue (last access: August 28th, 2008).
[192] Valdas Adamkus: reikia tęsti Lisabonos sutarties ratifikavimą (ratification of the Lisbon treaty should be continued), News agency ELTA, June 16th, 2008, available under: http://www.delfi.lt/news/daily/lithuania/article.php?id=17409387 (last access: August 28th, 2008).
[193] Justas Vincas Paleckis was also an ambassador of the Republic of Lithuania to Great Britain and Ireland.
[194] Agnė Pačkauskaitė: Airiai įpylė cukraus į ES variklį (The Irish have added sugar to the EU engine), Daily Verslo žinios, June 18th, 2008, available under: http://vz.lt/Default2.aspx?ArticleID=6c26f234-c41b-4e6b-bd29-d8d022f0e057&open=sec#continue (last access: August 28th, 2008).
[195] Ibid.
[196] Ibid.

newly created political party 'Front', which claims to support the European integration, declared that they congratulate the Irish people who have rejected the Lisbon Treaty, which is distant from the people's interests and is promoted by both trans-national corporations and bureaucrats.[197]

Support for the further ratification of the Lisbon Treaty

All major Lithuanian politicians claim that the ratification of the Lisbon Treaty should be continued. Lithuanian President Valdas Adamkus declared that despite the results of the Irish referendum the ratification of the Lisbon Treaty should be continued.[198] He called the results of the Irish referendum a big puzzle for everybody, and he hopes that Irish politicians will propose a way out of this situation.[199] Lithuanian Foreign Affairs Minister Petras Vaitiekūnas reported: "the history of the EU has proven that we can find solutions even in the most difficult situations. I have no doubt that this time we will also find a solution. We have to continue the Lisbon Treaty ratification procedures"[200].

On the other hand, some Lithuanian political scientists have doubts about this possibility. For example, the editor of the magazine "The State", Darius Varanavičius, doubts if this could give any tangible results except for political pressure on Dublin to organize a second referendum - the possibility which has been rejected by the Irish Prime Minister.[201]

Bad consequences for Lithuania

It can be said that there is a common consensus in Lithuania that the results of the Irish referendum can only bring negative consequences for Lithuania.

A well-known professor of Vilnius University, Gediminas Vitkus, is paying attention to several possible outcomes if the Lisbon Treaty is not ratified. According to him, these events mean that no further enlargement of the EU and, possibly, no common foreign policy in the future. The good news, according to him, is that the results of Irish referendum will have no impact on the formation of the EU budget. Former chairman of the Committee on European Affairs of the Lithuanian parliament Vytenis Andriukaitis seconds this opinion. He claims that there is no doubt that the solution will be found in this situation.[202]

Another political scientist, Darius Varanavičius, warns that in case Lisbon Treaty fails, a common European energy policy would stay only a declaration (and Lithuania favours a lot a common European energy policy).[203].

According to the European Parliament member from Lithuania, Justas Vincas Paleckis, the EU could survive following the Nice Treaty, but then there would be a possibility for a 'two speed Europe' to emerge. According to him, different rules already exist – for example Euro and the Schengen area. In these circumstances Ireland would find itself on the 'slow train' together with their British neighbours and most of the countries that have entered the EU after the 20th century. He claims, that Lithuania has always been against a 'two speed Europe', because in this instance the weaker states find themselves in a less favourable position. If different rules emerge, Lithuania wants to be on the 'faster train.' This has been proven by the Lithuanian attempt to adopt the Euro and our membership in Schengen area, but we might not succeed to

[197] Front: FRONTAS sveikina airius, atmetusius elitinę Lisabonos sutartį (FRONT congratulates Irish on the rejection of the elite Lisbon treaty), press release by a political party FRONT, June 19th, 2008, available under: http://www.elta.lt/zinute_pr.php?inf_id=867680 (last access: August 28th, 2008).

[198] News agency ELTA: V. Adamkus: reikia tęsti Lisabonos sutarties ratifikavimą (V. Adamkus: ratification of the Lisbon treaty should be continued), June 16th, 2008, available under: http://www.delfi.lt/news/daily/lithuania/article.php?id=17409387 (last access: August 28th, 2008).

[199] Dialy Lietuvos rytas: V. Adamkus: Referendumo Airijoje rezultatai - nemenkas galvosūkis (V.Adamkus: results of the Irish referendum is a serious puzzle), June 13th, 2008, available under: http://www.lietuvosrytas.lt/-12133657861212578067-p1-Lietuvos-diena-V-Adamkus-Referendumo-Airijoje-rezultatai-nemenkas-galvos%C5%ABkis.htm (last access: August 28th, 2008).

[200] Romas Gudaitis: Lietuva vėl liko padlaižė (Lithuania again was a creep), Daily Vakaro žinios, June 16th, 2008, available under: http://www.vakarozinios.lt/lt/naujienos/lietuva/lietuvos_politikos_kryzkeles/lietuva_vel_liko_padlaize (last access: August 28th, 2008).

[201] Darius Varanavičius: Airiškas galvosūkis Europos Sąjungai (Irish puzzle for the European Union), June 21st, 2008, available under: www.geopolitika.lt (last access: August 28th, 2008).

[202] Agnė Pačkauskaitė: Airiai įpylė cukraus į ES variklį (The Irish have added sugar to the EU engine), Daily Verslo žinios, June 18th, 2008, available under: http://vz.lt/Default2.aspx?ArticleID=6c26f234-c41b-4e6b-bd29-d8d022f0e057&open=sec#continue (last access: August 28th, 2008).

[203] Darius Varanavičius: Airiškas galvosūkis Europos Sąjungai (Irish puzzle for the European Union), June 21st, 2008, available under: www.geopolitika.lt (last access: August 28th, 2008).

get on that train.[204] Another scenario is highly possible – having lost the referendum Ireland would become totally isolated – if other member states ratify the Lisbon Treaty, then 26 member states would step forward leaving Ireland behind.[205]

The leader of the Liberal Union, Artūras Zuokas, claims that the results of the Irish referendum demonstrate to the EU leaders that the people do not understand what their leaders are doing. They indicate that there is a need for a serious discussion on the future of the EU, but this discussion should not be held among the EU leaders, but instead among the EU citizens. And this might be 'plan B'[206].

Considering the results of the referendum, another European Parliament member from Lithuania, Eugenijus Gentvilas, raises the question whether or not it is worth it to allow the member states to approve such complicated documents, instead of approving only the basic principles of the reform[207].

Luxembourg*

Ratification process should be continued

Luxembourg parliamentarians approved the Lisbon Treaty with 47 votes in favour of the text of the treaty on May 29th. Three deputies abstained and one voted against the text. The grand duchy thus became the 15th member state to support the treaty. According to the speakers of the parties voting in favour, the treaty, "does not only reform the functioning of the European Union's institutions and strengthen democracy, but also enables more efficient joint action. The treaty will also allow the European Union to face challenges relating to globalisation and environment. The member states will therefore be able to take efficient decisions necessary in this field in order to face the challenges of the 21st century"[208].

Duncan Roberts from the "Luxembourg News" believes that: "In Luxembourg the parliamentary debate was somewhat milder than can be expected in the British House of Commons when the bill to ratify the treaty comes up for vote."[209] Ben Fayot, one of the authors of the dead Constitutional Treaty was quoted as follows: "Sadly this is merely a treaty", acknowledging that the Lisbon Treaty does contain 90 percent of the constitution text anyway.[210]

Prime Minister Jean-Claude Juncker assisted the ratification debate in a "buoyant mood, and did not shun from interjecting with occasional commentary if one of the speakers said something he disagreed with."[211] Hence he punished his own fellow party members' divergent opinion on Turkey's future membership with disdain. The Christian-Democrat MP Laurent Mosar, a well-known critic of the Juncker-Asselborn European policy,[212] said that Turkey's membership would pose problems and questioned the validity of a Muslim country joining a union with a mainly Christian population. Mosar's criticism encountered the strong disapproval of the Prime Minister, but collected applause among most of his fellow CSV[213] MP colleagues.[214] 'Videant consules.'

Prime Minister Juncker's 'friendly press', the catholic newspaper "Luxemburger Wort" commented on the Prime Minister's politically

[204] Agnė Pačkauskaitė: Airiai įpylė cukraus į ES variklį (The Irish have added sugar to the EU engine), Daily Verslo žinios, June 18th, 2008, available under: http://vz.lt/Default2.aspx?ArticleID=6c26f234-c41b-4e6b-bd29-d8d022f0e057&open=sec#continue (last access: August 28th, 2008).
[205] Justas Paleckis: Galingesnis variklis ir Airijos referendumas (A more powerful engine and the Irish referendum), Internet news site Bernardinai, June 9th 2008, available under: http://www.bernardinai.lt/index.php?url=articles%2F80168 (last access: August 28th, 2008).
[206] Artūras Zuokas: Europos sąjungos planas ('Plan B' of the European Union), June 14th, 2008, available under: http://www.elt.lt/2008/06/14/europos-sajungos-planas-%E2%80%9Cb%E2%80%9D/ (last access: August 28th, 2008).
[207] Agnė Pačkauskaitė: Airiai įpylė cukraus į ES variklį (The Irish have added sugar to the EU engine), Daily Verslo žinios, June 18th, 2008, available under: http://vz.lt/Default2.aspx?ArticleID=6c26f234-c41b-4e6b-bd29-d8d022f0e057&open=sec#continue (last access: August 28th, 2008).
* **Centre d'Etudes et de Recherches Européennes Robert Schuman.**

[208] Chambre des deputes: Compte rendu des séances de la Chambre des députés N°40 2008, Ratification du traité de Lisbonne, Ben Fayot, rapporteur.
[209] Luxembourg News 252: Parliament approves Treaty of Lisbon, 5.6.2008.
[210] Chambre des députés: Compte rendu des séances de la Chambre des députés N°40 2008, Ratification du traité de Lisbonne, Ben Fayot, rapporteur.
[211] Luxemburger Wort:Ja, Ja und nochmals ja, 30.5.2008.
[212] See also Jean-Marie Majerus: Report for Luxembourg, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 6, March 2008, Berlin, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_6.pdf (last access: 27.08.2008).
[213] Chrëschtlech Sozial Vollékspartei.
[214] Chambre des deputes: Comptes rendus des séances publiques N°42-43, Luxembourg 2008.

correct words on the treaty: “a treaty which is to bring stability, allowing the European Union to focus much more on political organisation and progress than on its own problems,” with an unwillingly propheticf statement: “This could turn out to wishful thinking on the Prime Minister’s part – victory for the ‘No’ campaign in the Irish referendum on June 12th would see the treaty collapse as the Constitution did three years ago.”[215]

Reactions to the Irish ‘No’

The reactions of the Luxembourg political class to the negative referendum in Ireland is related with a feeling of annoyance. The general mood is that Luxembourg has done its homework correctly, as most other European partners have. The general opinion among the political parties represented in the parliament is that the ratification process should continue as it had started.[216] Nobody can expect from Luxembourg, as well as from any other country which had already ratified the Constitutional Treaty and the Lisbon Treaty, to start a third ratification process.[217]

Danièle Fonck, the Socialist Party-friendly newspaper’s editor-in-chief, accuses the Irish government of being largely responsible for the negative vote. This government has been unable to fight successfully against the “massive campaign of (European) Union‘s detractors who used false and misleading arguments to obtain victory”.[218] Ben Fayot, a former socialist MEP and member of the Constitutional Convention, now leader of the socialist parliamentary group has no sympathy for the Irish vote. In his eyes “populism and nationalism are the fuels of the Irish ‘No’ vote”[219].

This very strong ‘pro Lisbon Treaty’ position is not uncontested on the left. Mil Lorang, responsible for press and information at the largest Luxembourg union, the left-wing OGB-L[220], asks his better known party comrade Ben Fayot to have a look at the reasons of the growing euroscepticism.[221] Lorang highlights a fear Luxembourg trade union representatives have expressed ever since the birth of the Schuman Plan,[222] the deterioration of labour conditions for Luxembourg’s working class. The recent judgements taken by the European Court of Justice concerning the Luxembourg government’s transposition of the ‘posted worker’ directive in Luxembourg laws are very disenchanting on this behalf. European Commission attacking the Luxembourg government in court argues that Luxembourg has transposed this directive in a way which is too “friendly towards labour interests”[223]. Finally, Luxembourg lost the case and has to rewrite the transposition directive. “Does Bolkestein finally enter by the back door?”[224] This feeling of the Christian-Democrat union LCGB[225], the socialist OGB-L, the trade unions of the neighbouring regions of France, Germany and Belgium and the European Trade Union Congress is denounced at a joint meeting in Luxembourg city. Labour representatives feel “dark times of social Europe” are dawning.[226] Danièle Fonck also regrets that Europe remains a “social dwarf”[227], but she denounces the technocratic influence that most European politicians are submitted to. A European technocracy which just forgets to take into account of the people’s daily problems cannot attract people’s sympathy.[228] Jean-Claude Juncker regrets that the European peoples are not asked the right questions such as: ”Are you in favour of a European research policy? Do you wish a closer European cooperation in climate protection?”[229]

Marc Glesener from the catholic “Luxemburger Wort” as most of the other editorialists must admit that there is a growing feeling of euroscepticism motivated by the ever-growing distance between the European decision-makers and the citizens. This feeling is prone to breed a strong anti-European mood.[230]

[215] Luxemburger Wort: Ja, Ja und nochmals ja, 30.5.2008.
[216] Marc Glesener: Weiter mit Lissabon, Luxemburger Wort, 19.6.2008.
[217] Ibid.
[218] 19.6.2008. Danièle Fonck: La gifle, Le Jeudi,19.6.2008.
[219] Ben Fayot: Das Nein ist keine Katastrophe, höchstens für die Iren selbst, Tageblatt, 17.6.2008.
[220] Onofhängige Gewerkschaftsbond Lëtzebuerg.
[221] Mil Lorang: Zum Nein der Iren und wie es weiter gehen soll, Tageblatt, 19.6.2008.
[222] Jean-Marie Majerus: L’opinion publique luxembourgeoise face à l’idée européenne 1945-1950, Nancy 1984.
[223] Georges Bach: Etliches Durcheinder, Transport, 20.6.2008.
[224] Luxemburger Wort: Kommt Bolkestein durch die Hintertür?, 1.7.2008.
[225] Lëtzebuerger Chrëschtleche Gewerkschafts-Bond.
[226] Luxemburger Wort: Kommt Bolkestein durch die Hintertür?, 1.7.2008.
[227] Danièle Fonck: La gifle, Le Jeudi, 19.6.2008.
[228] RTL Letzebuerg online: carte blanche. Jacques Drescher. Europapolitik: D’Leit hu scho laang verstaan, 9.7.2008, available under: www.rtl.lu (last access: 28.8.2008).
[229] Rheinischer Merkur: Jean-Claude Juncker. Man Europäern die richtigen Fragen stellen, 26.6.2008.
[230] Marc Glesener: Weiter mit Lissabon,Luxemburger Wort, 19.6.2008.

There are other voices to be heard, that might sound a little paradoxical. Noël Labell put it this way: "Europe is doing well after the Irish referendum […]. The Irish 'No' after the French and the Dutch negative vote in 2005 shows that the people still have the possibility to influence a continental debate. Those who believed that the Irish referendum was just for fun have now lost their illusions"[231]. "Thank you Ireland!" exclaims Michel Pauly, Professor of History at the Luxembourg University and editorialist of "Forum": "The Irish were right to show the red card to the European politicians responsible for the neo-liberal Lisbon-Treaty".[232] The tiny Luxembourg Communist Party, an eternal hardcore opponent of any European integration process, cannot hide its joy over the French, Dutch and now Irish referendum results and calls it "Déjà vu".[233]

Expected short-term and long-term implications for the integration process

There is not only an Irish crisis but also a Czech, a Polish and a British one according to Jean-Claude Juncker. The British Prime Minister promised to do his best to have the treaty ratified but that was "before the High court got meddled in it" (Juncker).[234] Germany as well as the Czech Republic have constitutional problems to resolve. At the moment of the interview Juncker thought their President would sign the treaty as "he had promised on a meeting on June 10th". However, in the meantime we know that he has changed his mind. In any case, Juncker is optimistic that 26 countries will ratify the treaty. "The Irish problem persists and I do not believe that we should build Europe without the Irish". Gavin Barrett, senior lecturer at the law school of Dublin University College, quotes in the "Sunday Business Post" Jean Claude Juncker, the "widely respected Luxembourg Premier" with the following words: "I am not in favour of a two speed Europe. I would like the European Union to move ahead with 27 member states on board in the same direction having the same ambitions – but if this (becomes) no longer possible we don't have any choice other than a two-speed Europe".[235] Asked about the concessions to accord to the Irish, Juncker replies that "they (the Irish) do not know which they should ask for because they already got everything they wanted in the treaty". There can't be any modification in the treaty because the other 26 member countries can't repeat their own ratification procedure. (Juncker). Foreign Affairs Minister Asselborn wants to save the Lisbon Treaty with "smart help" from the Irish: "One can weaken the arguments cited by the opponents: that the neutrality of Ireland would be put in question, that the European Union would interfere with Ireland's domestic abortion laws and that Dublin's fiscal sovereignty would be threatened. One could also imagine an explanatory protocol. […] One [other possibility] might be that Ireland could combine the election of the European Parliament with a referendum on Lisbon." [236]

Robert Goebbels, the Luxembourg Socialist MEP and vice-president of the Socialist Group in the European Parliament cannot imagine the Lisbon Treaty being ratified before the European elections in 2009.[237] Goebbels and his party associate Jean Asselborn agree that in this case the Nice Treaty would have to be reconducted. In any case, the reform treaty won't be ratified before the European elections in June 2009.[238] "We would have two big problems: first, the number of EU-commissioners and second, the number of EU parliamentarians would be reduced"[239]. Which country would be ready to give up its desire to have commissioners of its own? These questions must be solved unanimously.

There is a general feeling among Luxembourg politicians that again the Union has to preoccupy itself with its internal institutional problems and there will be no time left to solve the real problems of the European people: rising oil and food prices, climate change, etc.

Malta*

Ratification process should proceed

The outcome of the Irish referendum has been described as very disappointing by the Maltese Prime Minister and Minister of Foreign Affairs

[231] Noël Labell: Populaire, Le Quotidien, 19.6.2008.
[232] Forum: Danke Irland, July 2008.
[233] Zeitung vum letzebuerger Vollek: Déjà vu, 19.6.2008.
[234] Tageblatt: entretien exclusif avec le premier ministre sur l'avenir de l'UE et du Luxembourg, 27.6.2008.
[235] Sunday Business Post: Eu can leave Ireland behind, 6.7.2008.
[236] The German Times: Let's have solidarity, 8.7.2008.
[237] Luxemburger Wort: Verlängerung für Nice, 10.7.2008.
[238] Luxemburger Wort: Robert Goebbels: Reformvertrag kaum vor Europawahl 10.7.2008
[239] Radio Bayern: Interview with Jean Asselborn, 2. 20.6.2008.

* **Mediterranean Academy of Diplomatic Studies, University of Malta.**

as well as by the new 34 year old leader of the opposition Joseph Muscat (MEP, socialist group). Most pundits in Malta in the political sector and academic area are echoing José Manuel Barroso that the ratification process should proceed, and Ireland should eventually decide upon its future in the EU. Thus while the outcome of the referendum is regarded as a setback the majority believe that the ratification process should proceed nevertheless. Also of direct concern to Malta is the fact that without the Lisbon Treaty, Malta will not gain its 6th MEP like other small member states in the EU.

The government has repeated that while it will respect the Irish outcome, the process of ratification should proceed and then a decision be made on how to continue to proceed. Some pro-EU integration analysts have argued that perhaps the time has come for a two speed Europe to emerge – then once everyone, or at least the majority have ratified the treaty, the Irish can be given another chance to decide on their future. Of major concern is that without the Lisbon Treaty the EU will not be able to function smoothly, which will thus undermine its credibility to conduct an effective and higher-profile foreign policy role in international relations.

Netherlands*

'Parliamentary ratification should continue'

In line with the conclusions of the European Council meeting in June, just after the Irish 'No', the official reaction of the Dutch government to the referendum outcome has been that ratification should continue, whilst the Irish government should be invited to present an analysis of the reasons behind the vote. There is parallel to the studies that the government commissioned just after the Dutch 'No' vote to the Constitutional Treaty in 2005, the outcomes of which were subsequently used by the government to broker a package of demands for the re-negotiations of the text leading up to Lisbon.

In a first reaction, Dutch Prime Minister Jan Peter Balkenende expressed his disappointment,[240] whilst State Secretary of European Affairs Frans Timmermans spoke of a 'déja-vu feeling', referring to the negative outcome of the Dutch constitutional referendum in June 2005.

An editorial in De Volkskrant argued that the result of the Irish referendum should be regarded, in the first place, as an expression of the democratic deficit haunting Europe, calling into doubts the possible effects on public legitimacy of the EU, with the cabinet's decision in fall 2007 not to organise a second referendum on the EU treaty. Interestingly, a representative countrywide opinion poll just after the outcome of the Irish referendum showed that 36 percent of the Dutch population supported the Irish 'No'.[241] According to the same poll, 56 percent of the Dutch would still favour a (second) national referendum on the treaty, instead of parliamentary ratification.

PM: critique on parliamentary ratification 'shameful'

In general, the cabinet has however, rejected the idea of a European 'crisis' and stressed that parliamentary ratification of the treaty in the Netherlands should proceed as foreseen. The second chamber of the Dutch parliament ("Tweede Kamer") passed the Lisbon Treaty on June 6th by a wide majority. Following a political discussion in the fall, the two Dutch governing parties had argued it was not necessary to consult the population a second time, after the 2005 referendum on the Constitutional Treaty, as the new Lisbon Treaty should be regarded as a 'classic' modification treaty, stripped of its constitutional pretensions and safeguarding national competencies and interests. In Parliament, only the left-wing Socialist Party (SP), the Freedom Party of 'hard right' anti-Islam provocateur Geert Wilders and The Party for the Animals, an animal rights party with two seats in the chamber, voted against the Lisbon Treaty. With formal approval in the first chamber ("Eerste Kamer") on July 8th, just before summer recess, the Netherlands became the 21st member state to ratify the Lisbon Treaty. Expressing his satisfaction with this result, Prime Minister Balkenende objected quite fiercely to suggestions from the opposition that

* **Netherlands Institute of International Relations 'Clingendael'.**

[240] Balkenende: Nederland gaat door met ratificatie, Algemeen Nederlands Persbureau, 13 June 2008.

[241] 31 percent were neutral, 25 percent of the respondents said not to be happy with the Irish 'No'. Source: public opinion poll by Peil.nl/Maurice de Hond, 14 June 2008.

the decision not to hold a second referendum would be non-democratic, calling the critique 'a pity' and 'shameful'.[242]

Poland*

Government and President: divergent viewpoints about Lisbon Treaty

Overview

The Polish parliament ratified the Lisbon Treaty on the 1st of April 2008 (396 for and only 56 votes against). During the following week the Senate swiftly ratified it. The Polish President Lech Kaczyński has been threatening since mid-March that he would obstruct the ratification unless the government prepared a parliamentary resolution according to which Poland would not withdraw the opt-out from the Charter of Fundamental Rights and forego the 'Ioannina compromise'. The party "Law and Justice" also wanted a guarantee stipulating that Polish law remained the highest law in the country and that any further transfer of competences to the supranational level would need the approval of the President. After Civic Platform promised to prepare such a resolution the President agreed to drop his reservations concerning the Treaty.

After the Irish 'No', Prime Minister Donald Tusk, on numerous occasions (during the European Council, the bilateral meeting with German Chancellor Merkel) 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."[243] At the same time the Prime Minister strongly demanded that the Irish objections were treated seriously and that no one exerted too much pressure on Dublin. "It is the Irish government which has to propose something."[244] During the June European Council Summit Poland was among those countries which rejected the idea that without the Lisbon Treaty there was no possibility for the EU to enlarge any further, thus contradicting both France and Germany.

On the 1st of July the President, Lech Kaczyński, in an interview with the daily "Dziennik" said that the ratification of the treaty by Poland was, in current circumstances, pointless. The government reacted immediately and firmly. Prime Minister Tusk called Kaczyński's declaration unfortunate. "The ratification of the treaty is in the Polish interest. Poland should not be perceived as a country which has problems with the treaty."[245] Tusk carried on during his press conference by explaining that the behaviour of the Polish President will decrease Poland's credibility and weaken its hand in negotiations of difficult dossiers under the French Presidency. After the vehement critique from many European capitals and phone conversations with Nicolas Sarkozy, Lech Kaczyński toned down his rhetoric against the Lisbon Treaty. "If the Irish change their mind, not under pressure, but of their own free will, there will not be the slightest obstacle to ratification from the Polish side [...] I will also sign the treaty", he said on a visit to Georgia. "I had a big role in negotiating this treaty, and I support it".[246] It has to be said that Kaczyński's behaviour was motivated largely by internal Polish politics (this was why he pronounced with a delay his negative position referring to the outcome of Irish referendum). President Kaczyński wanted to win oversight over Polish European policy, gain conservative votes for his party "Law and Justice" and put pressure on the government to accept the US missile shield. After strong reactions, the president somewhat surprised by the outcry he had provoked, is on the defensive. The president's stance was criticized by both the "Civic Platform" and the "Social-democrats", whose leader Grzegorz Napieralski used his meeting with the Spanish Prime Minister José Rodríguez Zapatero to publicly scold the Polish President. The Polish parliament prepared the resolution that would urge the head of the state to ratify the treaty. Most commentators agree that Kaczyński's move was unfortunate, although some also wonder why Prime Minister Tusk was ready to declare that the Constitutional Treaty was dead after the French and Dutch referenda and now thinks otherwise. Most Polish politicians, commentators and think-tank experts agree that the referendum in Ireland will be repeated, although it is an option that implies certain costs (decreasing the EU's credibility). The

[242] Elsevier: Kritiek op afblazen referendum beschamend, 7 July 2008.

* **Foundation for European Studies - European Institute.**

[243] See: www.euractiv.pl (last access: 13.06.2008).

[244] See: http://wiadomosci.wp.pl (last accesss: 13.06.2008).

[245] See: http://wiadomosci.gazeta.pl (01.07.2008).

[246] Euobserver, 05.07.2008.

Irish may be placated by some declarations designed to reduce unfounded fears, everyone agrees however, that it is close to impossible to renegotiate the treaty (possibly with the exception of the composition of the European Commission which could be changed in the next Accession Treaty). All serious Polish political forces and commentators reject the option according to which Ireland should be excluded from the EU.

Media coverage

Although the question of the Lisbon Treaty was present earlier in the media coverage (during the parliamentary debate over ratification of the ratification bill), it enjoyed the increased interest of the media after the announcement of the results of the Irish referendum. The media coverage presented the views of both experts and representatives of major political scene actors. Major public opinion surveys were conducted before the Irish referendum yet they present the public views over the treaty ratification and the treaty itself and we present them shortly alongside the opinions of politicians and experts following the Irish veto.

Specialists views

Jan Barcz, one of Poland's leading specialists in EU law, suggested after the failure of the Irish referendum that the ratification process should be continued in other member states, including Poland. At the same time he suggested that the failed ratification is not a tragedy, as the European Union can still work under the current treaties in force, especially taking into account the fact that the EU has some time left before ultimately a reform is needed. The ultimate dates ,when a reform is needed, are either the time of instituting new European Parliament of the 7th term in 2009 or even 2014, while some of the Lisbon Treaty mechanisms had to be launched in advance.[247] Marek Cichocki, one of former negotiators of the treaty and advisor to the Polish President suggested "today the worst scenario for the EU would be 'pushing' the Lisbon Treaty against the moods and opinions in some of the member states"[248]. He also stressed that if the referenda had held in other countries, Ireland would not have probably been the only country in which the treaty ratification was a failure. In the opinion of Cichocki, currently the situation is not dramatic as the union keeps functioning under the provisions of the Nice Treaty. Still – in his view – the union has a serious legitimisation problem that should be dealt with carefully (not only after the Irish, but also previous French and Dutch referenda over Constitutional Treaty) in order to check out what is wrong with the European project if it does not find support and understanding among the Union's inhabitants. In the view of the experts there is little likelihood that the treaty can be ratified – as planned – by 1st January 2009, and that this will have consequences for the current activities of the European Union and for the French, Swedish and Czech Presidencies, which will be dominated by the question of what to do with the Lisbon Treaty.[249] Pawel Swieboda, the head of the research centre "demosEuropa" suggested that the failure of the treaty in the referendum has nothing to do with support for the European integration idea, as this remains strong among the Irish. He proposed three scenarios for the future after the Irish 'No': 1) continuation of the ratification process and the consequent pressure on Ireland to discuss with the partners its main problems and possibly – after being granted additional guarantees - and possibly repeat the referendum. He adds however that this solution is complicated because after the failed referenda on the Constitutional Treaty in France and the Netherlands the works for the new treaty opened and nobody was forced to change opinion; 2) the second scenario would be to postpone the reform until the emotions calms down and begin the process anew in a more democratic form; 3) the third scenario would be to reform the European Union without changing everything at once – as the core of the problem lies in opening the whole spectrum of the union's problems together.[250] He added that even if a referendum is not the ideal instrument for the Union's reform, it should be treated seriously and the 'Irish problem' if followed by right conclusions can be perceived one day as a salutary turning point, which will strengthen – instead of blowing up – the European project.

Government's and governing parties' view

Just after the results of the Irish referendum were announced, Prime Minister Donald Tusk proposed that despite the Irish 'No,' the treaty

[247] European service of the Polish Press Agency: Intervention in the debate over Irish referendum on 20 June 2008, available under: www.europap.com.pl (last access: 01.09.2008).
[248] Ibid.
[249] See: www.eruopap.com.pl (last access: 23.06.2008).
[250] Gazeta Wyborcza, 14./15.06.2008, p. 10.

ratification process should continue.[251] On 16th of June, during joint press conference with German Chancellor Angela Merkel in Gdansk, he advised that the ratification process should be continued despite the Irish veto.[252]

On 19th of June, the Prime Minister expressed his criticism against the idea of a 'two-speed Europe' and disrespecting Ireland. He claimed for respect for all partners in the Union, regardless of their size and suggested that the union should not undertake any impulsive decisions. He added that the union could still function on the basis of the Nice Treaty – as the treaty was meant to improve the union and not to save it from any disaster.[253] While commenting on the opinion of French President Sarkozy, Prime Minister Tusk opposed the view that without the Lisbon Treaty it would not be possible.[254] Commenting further for newspaper "Gazeta Wyborcza",[255] Prime Minister Tusk expressed his hopes that the union will find a solution for the treaty's entry into force, however with full respect for the Irish opinion, subtlety and tact. He stressed that the decline of the treaty does not mean the faultiness of the treaty itself. Similar comments came from the Minister of Foreign Affairs who reinforced that the treaty was not opposed by the candidates countries, willing to join the EU. He opposed the opinion that the treaty failure was caused by enlargement, new members or the candidates. He added that from the technical point of view further enlargement is possible without the Lisbon Treaty, by means of accession treaties, in case there is still the political will to enlarge the EU.[256] On June 18th, the Vice-Minister for Foreign Affairs, Grażyna Bernatowicz, announced that during the forthcoming summit Poland would advocate the continuation of the ratification process. She suggested that the successful ratification in 26 member states would not necessarily put pressure on Ireland but instead could be an encouragement for Ireland to change its views. The Vice-Minister for Foreign Affairs added that the worst solution for the union would be the revival of the attempts of some member states to organise themselves around the structures of enhanced cooperation, e.g. 'Euroland'.[257] Mikołaj Dowgielewicz, head of the Office of the Committee for European Integration commented that the European Union was able to overcome greater problems and that the Irish 'No' does not mean the end of the union's functioning. Therefore, it would be advisable to act with caution and understanding in order to find a solution enabling Union's functioning with due consideration of Irish doubts. The basis for that should be – in the view of Dowgielewicz – the careful analysis of the Irish 'No' by both the Irish government as well as the European institutions. The union, he adds, should be able to present not only legal solutions but also a political vision to explain the Irish and other European citizens why the entry into force of the Lisbon Treaty is important and what would that mean for them.[258]

The Marshal of the lower house of the Polish parliament ("Sejm") hoped that solutions could be found under Irish law or alternatively a compromise solution can be found by the union similarly to the formula of Lisbon Treaty adopted after the failed ratification of the Constitutional Treaty. The Marshal of the the upper house of the Polish parliament ("Senate") declared his support for the treaty adoption and stressed that the hold-up of the treaty did not came from the new member states.

A representative of the "Polish Peasants' Party", which is part of the governing coalition, advocated prompt ratification of the treaty by the Polish President so that Poland could be in the nion's vanguard group in case the 'two-speed Europe' situation occurs.[259]

President – countersignature on the ratification bill question

The position of the President of the Republic of Poland has undergone some change since the early reaction until the most recent declarations regarding finalisation of the ratification process.

On 15th of June[260] the Minister at the Chancellery of the Polish President, Michał Kamiński, announced that the president would

[251] See: www.europap.com.pl, 18.06.2008, (last access: 23.06.2008).
[252] See: www.europap.com.pl, 16.06.2008, (last access: 23.06.2008).
[253] Ibid.
[254] Similar views expressed the Prime Minister already earlier during the press conference with Angela Merkel on June 16th 2008. See: www.eruopap.com.pl (last access: 23.06.2008).
[255] Gazeta Wyborcza,14./15.06.2008, p. 10.
[256] Ibid.
[257] Ibid.
[258] Ibid.
[259] Stanislaw Zelichowski, MP, quoted in business portal money.pl after Polish Press Agency, available under: www.money.pl (last access: 04.07.2008).
[260] Minister Miachal Kamiski on Radio ZET quoted after: www.europap.com.pl (last access: 23.06.2008).

countersign the ratification bill after fulfilment of the 'political agreement' with the prime minister (See above).[261] The president himself on the 16th of June appealed for respect for the Irish decision so that nothing is imposed on Europe's nations, being the union of free, sovereign nations and people and that all countries should be treated equally.[262] According to daily "Dziennik"[263], on 20th of June the president declared "he will not hurry" with the countersignature of the ratification bill. The most recent news releases communicate that in a telephone conversation with French President Sarkozy, Polish President Kaczyński declared that Poland would not be an obstacle to the ratification process.[264]

Opposition parties

The former Vice-Minister for Foreign Affairs, Pawel Kowal, current MP of "Law and Justice", appealed for respect for the Irish decision.[265] On the 22nd of June other members of the party stressed that in their view the situation is analogous to that after the Constitunial Treaty failure, which means that after the defeat of the treaty by Ireland that the treaty is bound to be considered as not ratified and that further works over ratification in other countries would become pointless.[266] Former leader of the "Left Democratic Alliance", the openly pro-European party, expressed his serious doubt about prompt ratification of the bill by the Polish President.[267]

On 19th of June nine Polish MEPs of ALDE and PES group appealed to the president for urgent countersigning of the ratification bill. They stressed that Poland should actively involve in the process aimed at overcoming the post-referendum crisis. The MEPs identified the European Union's reform process as indispensable, while common foreign and energy policies together with further enlargements as the ones essential for both the EU and Poland. In the same statement they expressed their opposition against the 'two-speed Europe' concept and stressed that they wished Poland to be among the leaders of European integration.

Public opinion

The opinion poll by "PBS DGA" on 16th March addressed the question of the desired model of Lisbon Treaty ratification in Poland and the public attitude towards the treaty itself if the treaty had been ratified by referendum and not by parliamentary vote. An equal number of 42 percent of respondents would like to see the referendum and parliamentary ratification with 16 percent undecided. With regards to the hypothetical popular voting: almost 60 percent of the respondents did not know how they would vote, while 36 percent declared voting for, 6 percent would vote against and 3 percent provided the answer 'hard to tell'.[268] Another poll[269] published in May 2008 indicates that the question of ratification is not very important for public opinion with only 7 percent of respondents declaring high interest in the issues (37 percent of the total number of those interested) and about 60 percent of those not interested. However 55 percent of the interviewees suggested that the Polish President should ratify the document, with 54 percent convinced that ratification of the treaty will contribute to strengthening of cooperation between the member states and improvements in the union's functioning.

Portugal*

Dropping the Lisbon Treaty or making efforts to save it?

The Irish 'No' vote in the referendum, naturally, provoked some controversy along the traditional lines. Eurosceptic analysts and parties saw in it, a vindication of their reservations and criticisms, while those favourable to deeper integration pointed to the fact that the EU remains highly popular in Ireland.

[261] Safeguard clauses in granting negotiation mandate to Polish delegates to EU institutions in case EU debates over decision-making procedures.
[262] President Kaczynski during visit in Lithuania. See: www.europap.com.pl (last access: 23.06.2008).
[263] See: www.europap.com.pl. (last access: 23.06.2008).
[264] Polish Press Agency, 04.07.2008, quoted after Puls Biznesu website: www.bp.pl (last access:04.07.2008).
[265] Ibid.
[266] Przemyslaw Gosiewki, MP, former Deputy Prime Minister, on Radio ZET quoted in: www.europap.com.pl (last access: 04.07.2008).
[267] Wojciech Olejniczak on Radio ZET, source: http://www.europap.com.pl/.
[268] PBS DGA for Gazeta Wyborcza, poll, 16.03.2008, available under: www.pbs.dga.pl. (last access: 03.09.2008).
[269] Public Opinion Research Centre (CBOS): Opinie o traktacie lizbońskim (Public Opinion about the Lisbon Treaty), research communiqué BS/74/2008, May 2008, p. 2, available under: www.cbos.pl (last access: 03.09.2008).

* Institute for Strategic and International Studies.

The Portuguese Prime Minister, José Sócrates, argued that the ratification process should go ahead. In this he had the support not only of his own Socialist Party[270], but also of the two main right-wing parties, PSD[271] and CDS-PP[272] respectively a member and a former member of the European People's Party. At the same time, the Portuguese government was again concerned that Ireland should not feel pushed into a corner, and emphasised, as it did with the difficult case of Poland during the negotiations of the treaty, that in a union everyone has to move forward together. Contradictory, perhaps, political unpractical maybe, but reflecting powerful concerns: on the one hand that the EU should not again be paralysed by institutional discussions and to preserve an achievement of the Portuguese EU-Presidency; while at the same time, safeguarding the principle of the equality of member states. Still, the prevailing tone was given by the statement of the Foreign Minister Luís Amado: "Europe will be ungovernable in two or three years without the Lisbon Treaty" and therefore "everything has to be done to save the Treaty" not excluding a second referendum in Ireland after some further reassurances to the Irish. This is "not at all undemocratic" in his view, because the final say on how to sort things is given to Ireland – a crucial point.[273]

The Left Bloc and the Communists predictably have a different view, and both criticised that option as undemocratic, in line with their traditional critique of European integration as elitist and capitalistic. A Left Bloc MEP Miguel Portas declared his satisfaction with the Irish people that "expressed the will of all the people in Europe that could not vote" in rejection of these "authoritarian solutions", and stated conclusively "The Lisbon Treaty is dead".[274] However, he then went on, on his own initiative, to suggest that the most democratic way forward would be for the Council to give constitutional powers to the new European Parliament to be elected in 2009, so that it could make a proposal to get out of the crisis, this could mean going back to "the Constitution or the Constitutional Treaty, to revise the Lisbon Treaty, to negotiate a new Treaty among the governments, or to get out of the Union"; then the proposal approved by the European Parliament would still have to be approved by the European Council but would have been debated and legitimised by the European elections. How this would satisfy the Irish, be intrinsically more democratic than ratification in national parliaments, or work in practice given the number and diversity of MEPs involved was not made clear. Still it is an interesting idea, and a sign of some change of attitudes in these parties, at least by those most involved in European institutions.[275]

One of the most influential political analysts, and one of the few to openly advocate eurosceptic positions on the "right" – a senior figure of PSD, José Pacheco Pereira – argued in his widely read weblog that "all doors are open" after the Irish 'No'. The problem was that these reforms basically resulted from France and Germany wishing to have more voting power. Smaller countries, like Ireland but also Portugal, had every interest in maintaining the norm of unanimity for most decisions. So he welcomed Irish courage in voting 'No'.[276]

A contrasting view also from the 'right' comes from another influential commentator, currently an advisor to President of the European Commission José Manuel Barroso – João Marques de Almeida. He argues that "Brussels", i.e. the institutions of the EU proper, cannot be blamed for the 'No' vote in Ireland, where, actually, the EU remains extremely popular. Moreover, the treaty is not an obscure text because of an elitist plot to deceive the people, but merely as the result of a negotiated compromise, of an effort to respect the concerns of different member states, otherwise a simple treaty could have been easily written by the European Commission. Almeida claims that national referendums on European treaties suffer from a basic flaw: many hundreds of millions of those concerned are not nationals and therefore cannot vote. Now is time for governments but also for people in member States to face their responsibilities and decide what they want. He concludes that keeping the *status quo* is not an option – Nice was not made to last. And warns that if the EU is not allowed to become more effective globally, the

[270] Partido Socialisto (PS).
[271] Portido Social Democrata (PSD).
[272] Centro Democrático Social-Partido Popular (CDS-PP).
[273] Público: Portugal quer evitar um cenário de incerteza, 10.06.2008.
[274] Miguel Portas: Tratado de Lisboa Morreu, available under: http://www.esquerda.net (site of Left Bloc) (last access: 13.06.2008).
[275] Miguel Portas: Réplica a Vital Moreira, available under: http://www.miguelportas.net/blog/?p=384#more-384 (last access: 20.06.2008).
[276] José Pacheco Pereira: A Europa tem todas as saídas, available under: http://abrupto.blogspot.com/2008/06/coisas-da-sbado-europa-tem-todas-as.html (last access: 20.06.08) also available under: www.sabado.pt (last access: 20.06.2008).

trend for bigger European states to move on with their new 'concert of powers', giving little say to medium and small states, will probably become overwhelming, and will be very negative for the interests of countries like Portugal, and indeed Ireland.[277]

These two views synthesise well the main themes of the ongoing debate in Portugal. Those of a more sceptical inclination will tend to emphasise how the results of the Irish referendum show that the EU has gone too far, not least too far away from the people, that all attempts to unify Europe against the will of the people have failed, and that many good *ad hoc* options exist.[278] Those of a more pro-European bent will tend to argue that there might be justified treaty fatigue, that Ireland is naturally free to make its choice, but so are other member states, and one more treaty is needed before Europe can focus on more important matters, or the alternative will be to move on with some kind of core Europe.[279]

The prevailing view, certainly within the dominant parties and the most influential analysts, is that the ideal situation would be for Ireland to accept a few additional guarantees, without any additional changes in the text of the Treaty that would open a Pandora's box of endless re-negotiations of previous compromises. If this does not work then the EU would enter uncharted waters adding to the uncertainty of the current global crisis. In terms of the wider public, there is a widespread feeling of fatigue with these institutional discussions and a concern that the EU should deal with very serious economic and social challenges having a major impact on their quality of life. But it is unclear whether this will move public opinion towards favouring dropping the Lisbon Treaty or making one final effort to save it.

[277] João Marques de Almeida: 19 'Sims', Diário Económico Online, available under: http://diarioeconomico.sapo.pt/edicion/diarioeconomico/opinion/columnistas/pt/desarrollo/1137891.html (last access: 06.07.2008).
[278] From the ‚far left' see Baptista-Bastos: A Europa está doente, Jornal de Negócios, 27.06.2008; from the 'right' see José Ribeiro e Castro: A vingança dos pais-fundadores, Público, 04.07.2008.
[279] Vital Moreira: A oportunidade, Público, 17.06.2008.

Romania*

Wide span of "judgments", absence of official views on mending ways

The first official reaction following the announcement of the disappointing result of the Irish referendum came on June 13th 2008, from the Ministry of Foreign Affairs. Foreign Minister (and former Romanian permanent representative to the EU) Lazăr Comănescu stated that it was "the option of the Irish electorate and has to be respected as such", while also expressing his trust that "as shown in other moments, the member states together will find the best way for continuing the consolidation of the European construction"[280].

Somewhat more surprisingly, the positions subsequently expressed by other top-level Romanian officials were equally optimistic and deprived of concrete suggestions as to the solutions available for breaking the deadlock. Before leaving for the Summer European Council on June 19th, President Traian Băsescu declared to the press that he does not see the situation engendered by the Irish rejection as a "crisis", but merely a "difficulty", and expressed his belief that the European Summit will "find solutions in order for the Lisbon Treaty to enter into force before the European Parliament elections of June 2009". Prime Minister Călin Popescu-Tăriceanu's remarks on the subject sounded slightly more concerned. He first briefly touched upon the issue at the opening of the Cabinet meeting of June 18th, stating that "the Lisbon Treaty should not be abandoned" and elaborated a bit more two days later, at the end of the meeting of the European Liberals (ALDE), when he acknowledged that the decision of the Irish people generates a "complicated and delicate situation", before going on to state his hope that the Irish government will come with solutions for overcoming this stalemate.[281]

A common feature of all the statements coming from the highest-level official circles is the absence of any concrete suggestion or proposal concerning the ways by which the situation created by the Irish 'No' vote can be unblocked.

* **European Institute of Romania.**
[280] Romanian Ministry of Foreign Affairs: press release, 13 June 2008.
[281] Cotidianul, 21 June 2008.

On the opposition side, the most substantial reaction came from the MEPs representing the Social-Democratic Party (PSD). Unlike the positions summarised above, the statement of the Romanian Social Democrats, issued on June 14th, made some sharp and controversial judgments. Most of them referred to the outcome of the Irish referendum as such, the message of which "cannot be understood and, hence, cannot guide future political actions as long as the arguments for the negative vote had nothing to do with the content and the objectives of the Treaty and, on the other hand, Ireland used to be one of the main beneficiaries of European policies". Furthermore, it was said that respecting the option of the Irish people "cannot be equated with the defiance (sic!) of the wishes of the citizens of the other member states".[282] Even more interesting, if not outright provocative, were assessments going beyond the strict Irish context. It was thus mentioned that the episode has demonstrated once again that "direct democracy cannot ensure the progress of the European process", hence the conclusion that "European integration is a process which has to be led politically by the elected representatives of the European citizens". Moreover, taking the precedents of the French and Dutch referenda as arguments, the Romanian Social Democratic MEPs drew the conclusion that "the attempt to integrate ambiguous popular wishes in the European treaties only leads to documents even more difficult to understand by European citizens and more distant from their genuine European expectations". This analysis was completed with concrete solution proposals fully coherent with its content, hence no less prone to controversy:

- a continuation of the ratification process by all member states which have not completed the procedure;
- a call on the European Council to devise measures allowing for "the European integration process to continue without Ireland", which might entail the possibility that this country's relation "with the EU" continues on the basis of an adapted version of the Nice Treaty, while the "countries having ratified the Lisbon Treaty will act on the basis of this Treaty";
- the Irish government should organise a new referendum, but this time the "central question" asked should address the option of the Irish people "between staying in the EU in the context of the Lisbon Treaty or exiting the Union".

Four days later, on the occasion of the European Parliament's plenum debate devoted to the preparation of the European Council in the aftermath of the Irish referendum, the most prominent member of the Romanian part of the PES group, Adrian Severin, added some interesting perspectives. Drawing a comparison between the reluctance to admit new EU members and the eagerness to accommodate the idiosyncrasies of existing ones, he called it „unproductive and unsustainable to treat the eurosceptics better than the euroenthusiasts".[283] Echoing the view already expressed in the joint statements of his Romanian fellow members of PES, he went on to state that whereas „the Irish people should take as much time as necessary in order to reflect on its European future", they ought to „use their own time and not the others' time". Therefore, he concluded, „an interim status for Ireland within the EU, letting the European integration progress with fewer states involved, must be considered".

It is difficult to assess to what extent the comprehensive positions expressed above are indicative of the one held by the Romanian Social Democratic Party (PSD) at large. On the one hand, the leadership of the party was too immersed at that time in internal debates (and even feuds) triggered by the outcome of the recent Romanian local elections to take the time for articulating an official party position on this topic. On the other hand, notable Social Democrats made statements pointing in a different direction. Thus, former Prime Minister and PSD top leader, Adrian Nastase, expressed the view that the other member states should have withheld their ratification procedures until after the Irish referendum, because "the very moment that a defection arises, the process becomes meaningless".[284] The divergence between an absolute deference to the Irish preferences and their almost complete disregard is obvious and very

[282] See: http://corinacretu.wordpress.com/2008/06/16/europarlamentarii-psd-despre-referendumul-din-irlanda/ (last access: 22 August 2008).

[283] See: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20080618+ITEM-002+DOC+XML+V0//EN&language=EN&query=INTERV&detail=3-081 (last access: 22 August 2008).

[284] Gardianul, 19 June 2008.

wide, hence the conclusion that the actual position of PSD is difficult to ascertain at this point in time.

In the aftermath of the Irish referendum, the Romanian media carried out numerous discussions and analyses devoted to this subject. Given the difficulty of summarizing such a large number of views, preference was given to those opinions expressed by authors who are both notorious and have a career path that brought them close to the domestic decision-making processes.

A very pessimistic account of the vagaries of the Lisbon Treaty's ratification was given by a columnist of the weekly "Dilema Veche" (and former Secretary General of the Ministry of Foreign Affairs), Sever Voinescu. In his view, the negative Irish vote represents the answer given by "one of the most robust democracies of the world" to politicians who are "misleading their electorates […] because they know their projects do not meet the acquiescence of citizens". Voinescu held the view that nothing was learned by the "European political elite" following the failure of the Constitutional Treaty and, in order to avoid its re-occurrence, recourse was made to a "cheap trick", ratification by Parliaments alone, that is. The author went on to castigate the "irresponsibility" of those who are pushing for the continuation of the ratification process as if the Irish referendum were a small incident, prone to subsequent correction, and firmly placed himself in the camp of those who think that the "Treaty is dead" and what has to be done is "returning to the drawing table and devising something different".[285]

A similar view, but deprived of the same categorical conclusions, was offered on June 24th in the daily "Cotidianul" by a local political analyst with a long tenure in the Romanian NGO environment, Cristian Parvulescu. While equally laying the blame on the "politicians who destroyed the prestige of Europe", Parvulescu went on to substantiate this accusation by linking its substance to the contradiction inherent in "emphasising the inter-governmental arsenal and privileging technical aspects, while at the same time attacking Europe on almost any topic simply in order to obtain a larger domestic room for manoeuvre". His conclusion is that, following three popular 'Nos' in three years, the "European machinery […] will be hard to restart".[286]

[285] Dilema Veche, 19 June 2008.
[286] Cotidianul, 24 June 2008.

A more balanced view was offered by former Presidential Advisor and current MEP (ALDE group), Renate Weber.[287] While not outright disavowing the referendum as a ratification tool, she made the pertinent remark that the progress of European integration was made possible, among other things, by the courage of visionary leaders to make decisions involving their own countries' future without popular consultation and sometimes even against the leanings of the public opinion, yet those decisions proved to be beneficial in the long run. Weber further deplored the "stupid lies" (relative to, e.g., abortion and neutrality) which lured the Irish "naysayers" and expressed her belief that, should the Irish people realise "what they lost by voting against, they would themselves ask for a remake of the referendum". Concerning the potential solutions to the problem raised by the Irish rejection of the Lisbon Treaty, Weber strenuously disagreed with the ideas revolving around the exclusion of Ireland from the "mainstream" EU, primarily because of fearing that this would signify the "beginning of the dissolution of the Union". Finally, a word of criticism was addressed to the Irish Prime Minister Brian Cowen, who belatedly endeavoured on the occasion of the Summer European Council to work for devising a solution, whereas the pre-existence of numerous indications signalling the imminence of a 'No' vote should have triggered a more timely mobilisation of the Irish government for the purpose of sketching a 'Plan B'.

Expected consequences

Surprisingly, especially against the background of moderate official reactions to the Irish '"No' vote, the most categorical assessment of its implications came from President Traian Băsescu who, in his statement made at the closure of the June European Council, asserted that "for all practical purposes, the Union cannot continue to function on the basis of the Nice Treaty".[288] The few arguments offered in support, however, do not seem to warrant such a radical conclusion: the fact that it is "extremely difficult" to carry out new elections for the European Parliament since the Lisbon Treaty would have changed the allocation of seats; and, more importantly, the fact that no institutional allowances exist for

[287] See: http://www.hotnews.ro/stiri-opinii-3394934-buturuga-irlandeza-carul-uniunii-europene-1.htm (last access: 22 August 2008).
[288] See: www.presidency.ro/pdf/date/8900_ro.pdf (last access: 22 August 2008).

taking on board new members, such as Croatia or various Western Balkan countries.

For Renate Weber (MEP, ALDE group), the Irish referendum will trigger a 2-3 years delay in the ratification process, thus rendering the Lisbon Treaty inapplicable for the election of the future European Parliament and for the designation of the future European Commission. Weber also expressed the view that there might be, in anticipation of the application of the Lisbon Treaty, a "voluntary" implementation of its provisions by the EU Council, in the sense of taking into account the consultative opinion of the European Parliament, in areas where the Lisbon Treaty prescribes the co-decision process, as if it were binding: "a sort of *de facto* co-decision".[289]

Slovakia*

EU still focused on institutional issues

The Prime Minister is interested in EU affairs especially in relation to the short-term domestic issues of Slovakia. At the Summit of the European Council on June 19-20, 2008 the Prime Minister Fico expressed his disappointment about the fact that after the unsuccessful Irish referendum on the Treaty of Lisbon the leaders of the EU were still focused on institutional issues "which don't mean anything for the people" instead of addressing the problems of "unprecedented high prices of oil and groceries".[290] The Foreign Ministry urged the search for a way out of the crisis. There were no other specific official reactions to the failed Irish referendum. In general, politicians have not anticipated any fundamental consequences for the EU or for Slovakia as a result of the failure to ratify the Lisbon Treaty.

[289] See: http://www.hotnews.ro/stiri-opinii-3394934-bututuruga-irlandeza-carul-uniunii-europene-1.htm (last access: 22 August 2008).

* **Slovak Foreign Policy Association.**

[290] TASR, 20.6.2008.

Slovenia*

No stalemate over Enlargement

There has been a lot of media and inter-political group debate about the negative impact that the Irish 'No' on the Lisbon Treaty might have had on Slovenian EU-Presidency. The Irish rebuttal without a doubt cast a shadow over the presidency; however it would have had the same effect in the case of any other EU country presiding at the time. Minister for Foreign Affairs, Dimitrij Rupel, has expressed his hope that the French Presidency will find a way to solve the quandary surrounding the Irish rejection.[291] Slovenian Prime Minister, Janez Janša, believes that the Irish votes against the Lisbon Treaty are not votes against the EU and that the process of ratification will continue.[292] The President of the Republic, Danilo Türk, sees the Irish refusal as an opportunity for all EU citizens to consider the kind of instrument the EU should be in order to help find the right answers to the world's challenges in times of globalisation and to encourage people think of the EU as their broadened homeland.[293]

Two implications of the Irish 'No' can be observed. Firstly, the consequences it has brought about for the incoming French Presidency in relation to its concentration and continuity of policies and processes on the EU political agenda, which touch upon the institution of presidency and extend beyond the French term. Secondly, the possible stalemate the non-ratification of Lisbon Treaty can have on further enlargement of the EU, especially to Western Balkan states.

As for the first, the media has noticed that the grandiose plans of the French President Sarkozy (some of them, such as the Mediterranean Union, also watered down in

* **Centre of International Relations.**

[291] STA/Delo: Rupel: Slovenija na evropskem in svetovnem zemljevidu (Rupel: Slovenia on the European and World map), 2 July 2008, available at: http://www.delo.si/clanek/63074 (last access: 5 July 2008).

[292] RTV Slovenija: Janša: Proces ratifikacije se nadaljuje (Janša: the process of ratification continues), 17 June 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=38&c_id=176327 (last access: 5 July 2008).

[293] STA/Delo: Türk: Ozemeljska razsežnost in mladost države sta naši prednosti (Türk: Territorial extension and youthfulness of the country are our advantages), 24 June 2008, available at: http://www.delo.si/clanek/62624 (last access: 5 July 2008).

the course of the Slovenian Presidency) risk being overshadowed by the stalemate in the ratification process, not only after the Irish 'No', but also after the Polish "cold shower"[294] when the Polish President Lech Kaczyński announced that there is no point for him to sign the ratification bill of the Polish Sejm. However the more sobering view, shared amongst the political elite is that while everybody will be busy solving the Lisbon Treaty, France will freely shape the existing EU to its liking on many of otherwise important issues.

As for the second, a special attention in the light of the standstill of the Lisbon Treaty ratification process has been directed towards a possible redefinition of the Western Balkans' chances in the EU accession process. Despite the French President's recent statement that Croatia could not adhere to the EU without the ratification of the Lisbon treaty, Slovenian Minister for Foreign Affairs Dimitrij Rupel, affirmed that it can.[295]

Slovenian analysts have assessed the 'panic' which has arisen among the neighbouring Balkan states after the Irish 'No' as unnecessary. Even with the unsuccessful launch of Macedonian EU negotiations, and a well known French presidential incumbent's scepticism of the EU's 'finalité-géographique', the claims that the EU enlargement will now come to a hold are claimed to be unfounded.[296]

Spain*

After the Irish referendum

The 'No' vote in the Irish referendum held last June was generally received with great disappointment among Spanish political elites, mass media and public. The main newspapers' headlines even highlighted with some overstatement that the results of the voting in Ireland meant the "worst crisis ever in the EU"[297] and that the integration process was, as a consequence of that, "close to an abyss"[298]. Of course, all analysts and most citizens, bearing in mind the unanimity requirement for European treaties ratification among member countries, realised that the entry into force of the Lisbon Treaty faced a serious setback and that a new period of political uncertainty – coinciding with the increasing signals of economic crisis – had commenced in Europe.

The somewhat deceitful idea that only 862,415 Irish voters had blocked the political will of 500 million people all around Europe was particularly stressed and, as a natural result of this viewpoint, some commentators supported the idea of rethinking unanimity among the member states, blaming it was an unsuitable procedure for reforming treaties.[299] On the other hand, the referendum was also interpreted as a manifestation of the divorce between public opinion and politicians since the five most important Irish parties had recommended supporting the Treaty but yet 53 percent of people voted against. That is to say, EU decision makers and not the particular electorate in Ireland would be guilty for pretending, after the constitutional crisis caused by the French and Dutch referenda in 2005, that they had a solution; an elitist 'plan B', called Lisbon Treaty, whose success required to avoid direct popular ratification. Thus, Irish people – who had necessarily to ratify the reform by referendum because of the interpretation of a constitutional clause that the Irish Supreme Court decided in the 1970s – would have just realised the imposture, the non-existent cloth of the EU; perhaps behaving naïvely and inconveniently but nevertheless telling the truth about the current distance of the European integration process and the citizens.[300] In fact Spaniards, when asked last April whether the EU cares about their citizens, also evidenced some frustration believing that the EU does not listen to its citizens, and that it listens only to biggest countries such as France.[301]

[294] Delo: Francija prevzela vodenje Unije: Slavje v senci poljskega 'ne' (France takes over the EU: Celebration in shadow of the Polish 'no'), 2 July 2008.
[295] STA/Dnevnik: Sarkozy meni, da Hrvaška ne more v EU brez Lizbonske pogodbe, Rupel pravi, da lahko (Sarkozy belives Croatia can not enter the EU without the Lisbon treaty, Rupel says it can, 17 June 2008.
[296] Ana Ješe: Irski "ne" ne sme vplivati na vključevanje zahodnega Balkana v EU [Irish "no" cannot bare influence on the accession process of the Western Balkans to the EU), online edition of daily "Delo", 25 June 2008, available at: http://www.delo.si/clanek/62648 (26 June 2008).
* **Elcano Royal Institute.**

[297] *El País*, 14 June 2008.
[298] *El Mundo*, 14 June 2008.
[299] For example: Carlos Closa. 2008. After Ireland: Referendum and Unanimity (Elcano Institute ARI, 62/2008), available under: www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/ARI62-2008 (last access: September 30, 2008).
[300] José Ignacio Torreblanca, "El emperador desnudo" ["The naked emperor", after famous H.C. Andersen's tale *The Emperor's New Clothes*], *El País*, 16 June 2008.
[301] See 17th wave of the Barometer of the Elcano Royal Institute (April 2008), available under:

Anyhow, the main concern of the Spanish political elites after the Irish negative response was to avoid the domino effect of a chain reaction in other countries which had not yet ratified. The socialist Prime Minister José Luis Rodríguez Zapatero, who had been re-elected for a second term after the parliamentary elections held last March, rejected any substantial renegotiation of the Treaty or any alteration in its ratification calendar. The Spanish government showed its full support to possible solutions that the following French EU Presidency may propose[302] and officially maintained the objective of an entry into force next January 2009 or, at the latest, before the elections to the European Parliament scheduled for next June 2009.

The Spanish lower chamber (*Congreso de los Diputados*) actually voted the ratification only two weeks after the Irish referendum, on 26 June, and the Senate did it as well on 15 July, thus finishing very fast the Spanish parliamentary ratification of the Treaty.[303] 322 out of 350 deputies in the Spanish Congress voted 'Yes', only 6 voted 'No', 2 did not vote and 20 were absents. In the Higher Chamber, 232 senators voted for the Treaty and only 6 did it against.[304] Spain, therefore, did not fall in the temptation of postponing the process, even if the government had been previously criticised by the opposition and conservative media for a too early ratification of the Constitutional Treaty at the beginning of 2005 with the direct intervention of the Spanish people in a referendum that became futile some months after, when France and the Netherlands stopped the ratification.[305] On the one had, the experience of a previous referendum helped the Spanish government to claim that it already enjoyed popular legitimacy to ratify despite the Irish result. On the other hand, the disappointment of having been a premature ratifier of the Constitution in 2005 – with involvement of the citizens in vain –, may have recommended a postponement as Poland, the Czech Republic or Germany have done in a way or another. Nevertheless, the calendar was not altered in Spain.

Regarding the possible solutions to the Irish problem, the Prime Minister stated that "the result of the Irish referendum was certainly not good news, but Spain confronted it with certain clear ideas. The people of Ireland have expressed themselves in a democratic way, which we respect. This is true. However, regardless of any legal considerations on the consequences of the Irish rejection of the Lisbon Treaty, Ireland must understand that its 'No' to an agreement reached after long and complex negotiations cannot simply halt the desire of the vast majority of member states to move towards a greater degree of integration in order to be in a better position to confront the challenges of the 21st century. This means being aware that we respect the majority opinion of the Irish people, but it also means that the decision of most Europeans of wanting more Europe must also be respected".[306] Then, he added that it was still possible to move forwards together and that, even it was premature to do it, he had no fear to talk about possible exceptions, different speeds or statuses within the Union, or enhanced cooperation. For his part, Mariano Rajoy, the leader of the conservative Popular Party considered the performance of the Spanish government very disappointing for criticising instead of helping the Irish people but, nonetheless, the Spanish opposition backed the plans of the government to go ahead in Spain and supported that the ratification process had to be continued in all member states.[307]

www.realinstitutoelcano.org/wps/portal/rielcano_eng/BarometeroftheRIElcano (last access: September 30, 2008).

[302] See the Prime Minister's address in the Parliamentary Journal of Debates (*Diario de Sesiones del Congreso de los Diputados*, IX Legislatura), 18th Plenary Session, 25 June, 2008, Spanish Congress, available under: www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&FMT=PUWTXDTS.fmt&DOCS=1-1&QUERY=%28CDP200806250019.CODI.%29#(Página5) (last access: September 30, 2008).

[303] The ratification was published by the Spanish Official Journal (BOE) on July 31st (http://www.boe.es/boe/dias/2008/07/31/pdfs/A32919-32925.pdf). The parliamentary process was fast indeed if we consider that elections had taken place in mid-March and the Parliament was appointed in April. The Lisbon Treaty ratification bill was the first bill to be presented by the Government in the legislative term 2008-2012 (April 30th) and the entire procedure only lasted three months.

[304] The parties who opposed the treaty were the former communist "Izquierda Unida" and two tiny leftist nationalist parties in Catalonia and Galicia. Despite this huge majority, the Spanish Constitution (art. 93) does not require any qualified majority to ratify European treaties but only absolute majority in both chambers.

[305] Referendum was held in 20 February 2005, with a a turnout of 42.32% voters. 76.73% voted "Yes" and 17.24% "No".

[306] Address by the Prime Minister Rodríguez Zapatero "In Spain's interest: A Committed Foreign Policy" on 16 June 2008 organised by the Elcano Royal Institute available in English, French and Spanish at: http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/00027 (last access: September 30, 2008).

[307] See the address by Mariano Rajoy in the Parliamentary Journal of Debates (*Diario de Sesiones del Congreso de los Diputados*, IX Legislatura), 18th Plenary Session, 25

Finally, the discussions in Spanish media and among Spanish political actors about the real implications for the EU integration process of the Irish referendum have become progressively realistic and cautious. The Spanish general public, when asked whether they thought that the Irish 'No' to the Lisbon Treaty was a crisis for the EU, showed division between 51 percent of those who believed it marked the start of a new crisis in the EU, and almost 40 percent disagreeing with this statement. Furthermore, 61 percent believe the ratification process should continue, while only one in four Spaniards think it should stop. At the same time, a majority (57 percent) also think that after the Irish 'No', the Treaty should be revised, as was done after the failure of the French and Dutch referendums.[308] The Union is not probably in its worst crisis but the government, the parties, and the experts underline the need of overcoming this uncertainty; thinking not only in Ireland but also in the other countries which have not yet ratified.

Sweden*

Ratification process continued, opposition divided

The view of the government is that the Irish 'No' is a setback for the EU, which according to the Minister for EU Affairs, Cecilia Malmström, has accomplished to produce a draft treaty that is open, democratic, more efficient and better than any previous one.[309] Urban Ahlin, foreign policy spokesman for the main opposition party, the Social Democrats, agrees with her, seeing the Lisbon Treaty as better fit for a large Union, thus giving the EU better possibilities than the Nice Treaty to work with the important issues of continued enlargement, a new climate change agreement, stimulating growth, and building a socially fairer Europe.[310]

The views on Swedish ratification differ. Urban Ahlin argues that there are reasons to wait. The Polish President's 'No'to sign the ratification document and the German decision to let ratification be decided by the constitutional court underline the concerns that exist in Sweden after the verdict in the Laval case, and Sweden should therefore take its time to deliberate on whether it should ratify the treaty.[311] However, the Swedish government in early July decided to continue its process of ratification, Cecilia Malmström stating that, in spite of the Polish and the German decisions, the Swedish procedure, aiming at a decision in the parliament on 20 November, will not be delayed. A continued ratification process is also, she argues, in accordance with what EU heads of state and government agreed on at their recent meeting.[312]

As for the continued EU procedure, Swedish government representatives have been vague in their responses, referring to agreements made among the EU leaders. The first reactions from the Minister for EU Affairs, Malmström, and Prime Minister Fredrik Reinfeldt were that the primary task would be to find out more from the Irish on how they interpret the result, and thereafter the EU will analyse the result to see how to proceed. The Prime Minister emphasised that this situation has happened before and solutions have been

June, 2008, Spanish Congress, available under: www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&FMT=PUWTXDTS.fmt&DOCS=1-1&QUERY=%28CDP200806250019.CODI.%29#(Página5) (last access: September 30, 2008).

[308] See 18th wave of the Barometer of the Elcano Royal Institute (June 2008), available under: www.realinstitutoelcano.org/wps/portal/rielcano_eng/BarometeroftheRIElcano (last access: September 30, 2008).

* **Stockholm International Peace Research Institute.**

[309] GT, Expressen: EU-ministern Cecilia Malmström: Ett bakslag för EU (EU Minister Cecilia Malmström: A set-back for the EU), 13 June 2008, available under: http://www.gt.se/1.1198091 (last access: 19 August 2008).

[310] Socialdemokraterna: Urban Ahlin (s): Irlands nej måste respekteras (The Social Democrats, Urban Ahlin (s): Ireland's no must be respected), 13 June 2008, available under: http://www.newsdesk.se/pressroom/socialdemokraterna/pressrelease/view/urban-ahlin-s-irlands-nej-maaste-respekteras-222304 (last access: 19 August 2008).

[311] Sveriges Radio: Svensk försiktighet kring EU-fördraget (Swedish caution regarding the EU Treaty), 2 July 2008, available under: http://www.sr.se/cgi-bin/isidorpub/PrinterFriendlyArticle.asp?ProgramID=1630&artikel=2169462 (last access: 19 August 2008). The Laval verdict relates to the decision by the European Court of Justice on 18 December 2007, ruling that actions taken by the Swedish construction trade union were against the EU Posting Directive. The Latvian company Laval erected school buildings in Vaxholm, Sweden, and paid its Latvian employees according to Latvian rates, rather than the higher Swedish ones. The trade unions consider the verdict an attack on existing wage agreements and fear an increased pay dumping in Europe. See: www.euro-workscouncil.net (last access: 19 August 2008); EWC News, No. 4/2007, available under: http://www.ewc-news.com/en042007.htm (last access: 19 August 2008).

[312] Ibid.; Regeringskansliet (Government Offices of Sweden): Regeringen fattar beslut om Lissabonfördraget (The Government takes a decision on the Lisbon Treaty), Pressmeddelande (Press release), 3 July 2008.

found. The important thing is not to get stuck in institutional issues once again, since this might lead to a weakening of the Union.[313]

The opposition parties interpret the outcome in Ireland and the subsequent reactions as more serious than the government parties. Social Democrat Ahlin emphasises the failure of European politicians to sufficiently well explain the contents of the Lisbon Treaty and its advantages. The concern felt by people in Europe needs to be taken seriously, he claims.[314]

Even stronger reactions came from the Left and the Green parties, parties that are generally more critical towards the EU. Members of these parties have accused the government of not respecting the Irish 'No'. They also see the differences in reactions to the French as compared to the Irish 'No' as demonstrating the lack of respect for small countries. Their view is that the Lisbon Treaty has been rejected and this has to be accepted by the European establishment.[315]

Turkey*

Does the Irish 'No' affect the accession process?

The Irish 'No' for the Lisbon Treaty has not created a widespread debate across the Turkish government, opposition, political parties, civil society organisations, press/media and public opinion in light of the weight of the domestic political agenda of the country, which remains almost exclusively focused on the closure of the case against the governing AKP (Adalet ve Kalkınma Partisi – Justice and Development Party), and the "Ergenekon" investigation on plots to overthrow the current AKP government.

The major point within the limited discussions on the referendum results concerns an emphasis on the indifference of the Turkish public to the Irish 'No' vote, which is found to be puzzling by the media, as the rejection of the Lisbon Treaty at the EU level is to have clear repercussions for the EU accession process of Turkey. It is no surprise that the results of the referendum are discussed mainly in relation to EU enlargement and Turkish accession process, as the main axis of the debate on the EU in Turkey is shaped around the relations between the EU and Turkey, rather than the EU's internal structure, institutions and dynamics. In this respect, there are two distinguishable points of view on the implications of the result of the referendum in Ireland across the Turkish media.

Negative perspective

The 'negative' view emphasises that the Irish rejection of the treaty has a significant potential to adversely affect the direction of enlargement negotiations. The statement made by the Chairman of the Committee on Constitutional Affairs, Jo Leinen, right after the announcement of the 'No' result, that 'No' to Lisbon means no to enlargement" attracted significant attention across the Turkish media and public. This implies that the rejection will certainly slow down the enlargement process as the EU has to solve its internal problems and structural reform process in order to concentrate on adding new members. Another figure whose statements were largely reflected in the media was the President of the European Parliament, Hans-Gert Pöttering, who emphasised that no further enlargement, with the exception of Croatia, would take place if the Lisbon Treaty does not come into force. Significant media coverage of the internal discussions amongst the European heads of state and German Christian Democratic Union (CDU/CSU) following the 'No' result accordingly, confirmed the suspicions of this 'negative' camp. French President Nicolas Sarkozy's suggestion to stop the enlargement process in the light of the 'No' vote to reforms, which was carried a step further by German Chancellor Angela Merkel and Austrian Foreign Minister Ursula Plassnik who

[313] See GT Expressen: EU-ministern Cecilia Malmström: Ett bakslag för EU (EU Minister Cecilia Malmström: A set-back for the EU), 13 June 2008, available under: http://www.gt.se/1.1198091 (last access: 19 August 2008); Dagens Nyheter, 14 June 2008; Statement by Fredrik Reinfeldt, in: Committee on EU Affairs: EU-nämndens stenografiska uppteckningar (stenographic reports of the Committee on EU Affairs), 18 June 2008, pp. 2-5.

[314] Socialdemokraterna: Urban Ahlin (s): Irlands nej måste respekteras (The Social Democrats, Urban Ahlin (s): Ireland's no must be respected), 13 June 2008, available under: http://www.newsdesk.se/pressroom/socialdemokraterna/pressrelease/view/urban-ahlin-s-irlands-nej-maaste-respekteras-222304 (last access: 19 August 2008).

[315] See statements by Jacob Johnson (Left Party) and Ulf Holm (Green Party), in: Comitte on EU Affairs: EU-nämndens stenografiska uppteckningar (stenographic reports of the Committee on EU Affairs), 18 June 2008, pp. 10-12.

* **Center for European Studies / Middle East Technical University.**

underlined the exceptional position of Croatia, as well as the call of the CDU/CSU to stop the negotiation process with Turkey, were extensively reported across the Turkish media. The current result, therefore, is widely conceived by the Turkish public as for the benefit of eurosceptics in both the EU and Turkey, especially when coupled with the French EU-Presidency starting from 1 July onwards.

Positive perspective

A more positive outlook emphasises that the Irish 'No' vote creates a fruitful ground for Turkey, as it will lead to a stalemate at the EU level, which would result in a looser integration. This is considered to be to Turkey's advantage. In this respect, a common point highlighted by the Turkish public is that the Irish rejection of the treaty will drag the EU into a new political crisis, which might increase the number of blocs and divisions in the EU, such as those between the supporters of widening versus deepening, the Union for the Mediterranean versus the Eastern Union, and centralists versus decentralists. Accordingly, these divisions point to the EU's increasing distance from being a political union; but when the opportunities for Turkey created by these divisions are more carefully considered, the picture that emerges is rather positive. In this heterogeneous structure, if Turkey acts together with the right partners across different fields, it can determine its own negotiation process with the right economic and political partnerships.[316]

On the other hand, a rather more informed section of the society, including academic and business circles, conceives the Lisbon Treaty as a way to strengthen the EU. An EU, which solved its institutional problems, is believed to continue successfully the enlargement process and would focus its attention on Turkey. Additionally, it is believed that the Lisbon Treaty would facilitate the decision-making processes in the EU, which faces significant problems in this respect with its 27 individual member states, and would thus pave the way for the integration of new countries. Another point highlighted in this regard is the double majority system to be established with the Lisbon treaty, which would endow Turkey with significant power, with its large population exceeding 70 million, if the country successfully completes its accession process[317]. According to this group, therefore, the Irish rejection of the Treaty is disappointing and the EU should find a way to proceed with its reform process.

[316] See for example the website www.globalstrateji.org (last access: 26 June 2008).

United Kingdom*

Disagreement over reasons for Irish rejection and over a British referendum

Throughout the process of ratification of the Lisbon Treaty in the British parliament, the opposition Conservative Party, together with much of the British press, argued that a referendum should be held for the treaty's ratification in the United Kingdom. Two premises formed the basis of this argument: first, that the Constitutional and Lisbon Treaties were essentially identical, so that the government's promise to hold a referendum on the former should apply also to the latter; and, second, that the Lisbon Treaty was in any case 'of constitutional significance' and therefore needed the direct consent of the electorate. In arguing for ratification by parliament only, the government focused its efforts on countering these two lines of argument. Others speaking out against a referendum were free to rely upon other arguments to make their case; in particular the supposed unsuitability of a treaty of such complexity for a public vote (in contrast to ratification by a representative body elected arguably for precisely such circumstances), and the contention that participants in referendums frequently cast their votes on the basis of demonstrably false information or for reasons unrelated to the question at hand – notably as a 'protest vote'.

In the event, by the time of the Irish referendum, the Lisbon Treaty's ratification had passed through the House of Commons without a referendum being conceded by the government. For those in the UK favouring a referendum, the Irish vote took on added significance, becoming something of a surrogate for that "denied" the British electorate.

In the aftermath of the Irish 'No' vote, the responses of British commentators and politicians were consonant with their pre-existing attitudes towards the need for a

[317] See the website www.abhaber.com (last access: 13 June 2008).

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

referendum, which in turn tended to be products of their underlying attitude towards the treaty itself. According to Will Hutton in the Observer, the referendum's result was founded upon "lies and disinformation".[318]

The British Foreign Secretary, David Miliband, pointed to the prevalence during the referendum campaign of "vote-no" posters which cited issues of "abortion, tax and conscription", none of which were impacted by the treaty. Those who in the UK had argued that such a complex treaty was an inappropriate subject for a public vote felt some vindication from an Irish poll held on 6 June, which suggested that a lack of understanding of what the Treaty was about – in spite of a concerted effort on the part of the Irish government to inform the public of its contents – was a significant factor in people's voting 'No'. The same poll also identified as a major reason for voting 'No' an objection simply to "being told what to do".

For many opposing the treaty, the myriad motivations for Irish voters' rejection seemed of little concern once the result was known. For instance, Conservative member of parliament David Heathcoat-Amory characterised the vote as a "a clear democratic decision to reject this dreadful document".[319] Many other traditionally eurosceptic newspapers and political commentators echoed his anlaysis.

By contrast, The "Guardian" newspaper regretted that the Irish government had "let the referendum on the Lisbon Treaty become the hostage of general public discontent",[320] and "The Economist", which had been ambivalent about the Lisbon Treaty, concluded that "in truth, the Irish referendum was not a good advertisement for direct democracy".[321]

Quite apart from arguments over the ambiguity of the message from the Irish electorate, other commentators found reason to wonder whether or not it was truly democratic that a margin of 110,000 Irish voters could over-ride the wishes of the democratically-elected governments of 26 other member states. For those agreeing with the "Economist's" description of the EU as "an intergovernmental organisation that needs a consensus to proceed", such arguments are bogus.

UK's commentators see dark future for the Lisbon Treaty

Political actors and commentators have been eager to express their "respect" for the result of the Irish referendum, though, thanks to the varied interpretations of the referendum, this entails different responses for different actors. The idea of a second Irish referendum is a central feature of discussion, and explicitly favoured by commentators such as Will Hutton[322] (who nonetheless appreciates the political difficulty in asking the Irish to vote again until the "right result" is achieved), but considered anathema by many other commentators. The Prime Minister, Gordon Brown, identified the need for "time for reflection" in Ireland, but even a cautious expression of sentiment such as this is seen by some as paving the way for a second Irish referendum indeed, as being "insulting on so many levels", according to David Heathcote-Amory.[323]

The UK's ratification complete, the British government is likely to attempt to keep this new political conundrum an inconspicuous topic in the months to come. Indeed, it has been careful not to call explicitly for any particular response by the European Council to the impasse which is forming. ("What happens now is as clear as peat soil", read one newspaper editorial[324]) For the British government, the treaty remains a domestic political liability, one which has had a great deal of political capital spent on it; capital which might have been spent in vain should the treaty fall. What it is most keen to avoid are calls for the abandonment of the treaty's ratification, or, worse still, renewed calls for a referendum in the UK.

[318] See: http://www.guardian.co.uk/commentisfree/2008/jun/15/eu.ireland (last access: 22 September 2008).
[319] See: http://www.dailymail.co.uk/news/article-1027313/EU-liars-Labour-said-Lisbon-Treaty-given-rites-today-theyll-kiss-life.html (last access: 22 September 2008).
[320] See: http://www.guardian.co.uk/commentisfree/2008/jun/14/ireland.eu1 (last access: 22 September 2008).
[321] See: http://www.economist.com/world/europe/displaystory.cfm?story_id=11579372 (last access: 22 September 2008).
[322] "[The EU] will have to ask Ireland to resubmit essentially the same treaty for a second referendum early in 2009." See: http://www.guardian.co.uk/commentisfree/2008/jun/15/eu.ireland (last access: 22 September 2008).
[323] See: http://www.dailymail.co.uk/news/article-1027313/EU-liars-Labour-said-Lisbon-Treaty-given-rites-today-theyll-kiss-life.html (last access: 22 September 2008).
[324] See: http://www.guardian.co.uk/commentisfree/2008/jun/14/ireland.eu1 (last access: 22 September 2008).

In the longer term, the lack of a 'plan B' is seen in the UK as making very real the prospect that the Lisbon Treaty will not be ratified. For most commentators, this need be no great loss. Among them, some are delighted to herald what they perceive as an obstacle to – even a bulwark against – the formation of a "United States of Europe", while others see the treaty's innovations as being worthwhile and desirable (and therefore its abandonment as being regrettable) but not indispensable for the Union's continued success. Others are more pessimistic. Following the vote, the "Guardian" newspaper concluded that "[i]n the longer term [...] the prospects of creating a Europe with a strong voice and distinct leadership are darker this morning than they were yesterday."[325]

For some commentators, many (though by no means all) of the treaty's innovations can legitimately be implemented by other means, such as by incorporation in Croatia's accession treaty. On their analysis, the future agreement of 27 or 28 governments on specific reforms present in the Lisbon Treaty as part of a larger compromise is an entirely legitimate way to proceed. Those who would deny the legitimacy of such a decision would however be likely to interpret progress along these lines merely as confirming their worst fears about the unyielding emasculation of the nation state by the European project.

[325] See: http://www.guardian.co.uk/commentisfree/2008/jun/14/ireland.eu1 (last access: 22 September 2008).

2

French Presidency and the future of the EU

The French government has already announced the priorities for its Council Presidency: namely, energy/climate, immigration, defence, and the future of the Common Agricultural Policy; but also issues like economic growth and employment, or the Mediterranean Union.

- **How are these priorities perceived in your country? What are the expectations for the French EU Presidency in your country? Are there any special interests or concerns?**

The Lisbon Treaty includes provisions for the new post of a High Representative of the Union for Foreign Affairs and Security Policy and for the creation of a European External Action Service. These provisions will affect the institutional architecture and also the external dimension of the EU.

- **Currently, several options for the establishment of such a European External Action Service are being discussed (e.g. a broad approach including all external relations, or a narrow approach including only the Common Foreign and Security Policy; based in the Commission, or in the Council). Please outline the debate and the preferences in your country as far as the scope of its tasks, its composition, relations with the High Representative, the Commission, etc. are concerned.**

Austria*

Low expectations for the French EU Presidency

The start of the French Council Presidency has been clearly overshadowed by the Irish 'No' to the Lisbon Treaty; therefore the expectations have been set rather low. Besides, due to the ups and downs in Austrian politics the media focused rather on the government crisis and other related topics. Therefore the main question discussed in the media was and is how the French President and the Presidency will solve the ongoing or reopened crisis in the EU. Another topic of interest was the issue of the Mediterranean Union, which Sarkozy plans to promote and intense, especially regarding Germany's role. It has to be said that due to history and the neighbourhood, Germany has been always observed closely.

However, the media coverage of the priorities of the French Presidency was low, presented in short articles and rarely commented on. One was made by Austria's Minister of European and International Affairs Ursula Plassnik, saying that the priorities named by the French Presidency were of great importance, with only one question where there is to be a quite big gap: regarding the issue of nuclear energy, which Austria does not see as an appropriate solution to the energy crisis and is not willing to support. More emphasis should be put on renewable energy solutions. For Austria's EU parliamentarian from the FPÖ, Andreas Mölzer, the idea of creating a Mediterranean Union was somewhat senseless; in his opinion it would be more promising to engage on the Balkans. The only issue that seemed of special concern from the Austrian point of view was the possibility for former Chancellor Wolfgang Schüssel becoming President of the European Council.

Establishment of a European External Action Service

No position papers or comments have been found on these issues.

* **Austrian Institute of International Affairs.**

Belgium*

French Presidency well perceived

Expectations for the French Presidency

The French Presidency is generally well perceived in Belgium. France is considered as being able to make great achievements, having good diplomacy and being involved in most of the European policies. Moreover, the priorities defined by France are at the heart of citizens' current concerns and there seems to be a real political will from France to come back to the centre of Europe. So, this presidency is seen in Belgium as more educational and serious than spectacular. However, two elements were often stressed. First, the 'No' vote to the referendum in Ireland reduces France's margin for manoeuvre. Hence, France will have to deal with the consequences of this rejection and has to try to find a solution. The second source of anxiety comes from the French President himself, and his character. He will have to prove he can share the European "culture of compromise", moderate his style (often seen as brutal or arrogant) and his impatience.[326]

On energy and climate matters, expectations are rather high for the French Presidency in Belgium. Belgium is confident that France will make good achievements on energy during its presidency. There was recently a meeting between the Belgian and French Prime Ministers to debate on energy policy and Belgium supported France in its desire to reach an agreement. More specifically, the beginning of a reflection on external energy policy is welcomed in Belgium. Those aspects of energy policy were perceived as rather neglected in comparison with the extensive discussions on internal and environmental aspects. As Belgium is favourable to an in-depth analysis of the multi-facetted problem of external energy relations, it hopes common orientations on energy security will emerge at the European level.[327]

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

[326] See La Libre Belgique, 30/06/08, available under: www.lalibre.be (last access: 22/07/2008); De Standaard, 01/07/08, available under: www.destandaard.be (last access: 22/07/2008); Le Soir, 30/06/08, 01/07/08, available under: www.lesoir.be (last access: 22/07/2008).

[327] Interview with a diplomat from the Belgian Federal Public Service of Foreign Affairs, Foreign Trade and Development cooperation.

Immigration was debated rather late in Belgium, but not directly in relation with the French Presidency. Indeed, the discussions on the directive on "common standards and procedures in Member States for returning illegally staying third-country nationals"[328] were difficult. The left-wing parties, trade unions and some NGOs vigorously protested against what they called the 'outrageous directive'. They think it is too repressive and disproportionate, that it criminalizes immigrants and it undermines the EU norms for human rights.[329] Marie Arena (Socialist) was not satisfied with the directive and acknowledged there were some frictions within the Belgian government.[330] Moreover, the French project of a European pact on immigration is generally seen in Belgium as a new impetus for immigration policy rather than a real innovation.[331] The Prime Minister stated he wishes that France would promote a less restrictive and less repressive approach towards immigration during its presidency. According to him, immigration is indeed an example where an integrated approach is desirable.[332]

There was no debate on defence policy related to the French Presidency. The current context, with the negative result of the referendum in Ireland (partly caused by concerns on neutrality) is seen as particularly unfavourable to a EU agreement on defence policy.[333]

Neither was agricultural policy much discussed in Belgium during this term. The only element was the recent protest movement of milk producers because of price instability, due to the progressive dismantling of the regulation mechanisms from the Common Agricultural Policy.[334] But France is considered as having too strong of a national interest to serenely lead the debates on the future of the Common Agricultural Policy.[335]

Concerning economic growth and employment, no clear relation was made between current debates and the French Presidency. As elsewhere in Europe, people are deeply concerned by the inflation rate and the decrease of their purchasing power. The inflation rate in the Eurozone currently stands at 3.7 percent and in Belgium at 5.8 percent (June), its highest rate in 24 years. However, the Prime Minister is against the French proposal to decrease value-added tax on energy products and would rather favour measures to increase purchasing power.[336]

Finally, on the project of a Mediterranean Union, there were few reactions and the media coverage was rather limited and neutral. It mainly stressed the fact that the project is less and less ambitious: it will just be a reactivation of the Euromed Partnership (Barcelona process). But it will include all member states, although there are frictions on the financial support that needs to be found for the project.[337]

To conclude, we can say that the French Presidency seems well perceived in Belgium. There are many expectations vis-à-vis the next six months, especially because the French priorities are at the heart of everyday problems of citizens (energy, economy, immigration, employment). But there are two sources of anxiety: uncertainties concerning the consequences of the Irish 'No' vote and uncertainties concerning the character of the French President, Nicolas Sarkozy.

[328] Commission of the European Communities: Proposal for a directive of the European Parliament and of the Council on common standards and procedures in Member States for returning illegally staying third-country nationals, COM (2005) 391 final.
[329] See De Standaard, 18/06/08, available under: www.destandaard.be (last access: 22/07/2008); La Libre Belgique, 18/06/08, available under: www.lalibre.be (last access: 22/07/2008) and the following online articles; http://www.avoixautre.be/spip.php?article2060 (last access: 22/07/2008); http://www.papieren-papiers.be/spip.php?article283 (last access: 22/07/2008); http://grappebelgique.be/article.php3?id_article=581, http://www.directivedelahonte.org/ (last access: 22/07/2008).
[330] See La Libre Belgique, 20/06/08, available under: www.lalibre.be (last access: 22/07/2008).
[331] See La Libre Belgique, 01/07/08, available under: www.lalibre.be (last access: 22/07/2008).
[332] See Le Soir, 19/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[333] See La Libre Belgique, 01/07/08, available under: www.lalibre.be (last access: 22/07/2008).
[334] See Le Soir, 19/06/08, available under: www.lesoir.be (last access: 22/07/2008).
[335] See Le Soir, 01/07/08, available under: www.lesoir.be (last access: 22/07/2008).
[336] See Le Soir, 16/06/08, available under: www.lesoir.be (last access: 22/07/2008); La Libre Belgique 26/06/08, available under: www.lalibre.be (last access: 22/07/2008); De Standaard, 26/06/08, available under: www.destandaard.be (last access: 22/07/2008); Le Vif l'express, 19/06/08, available under: www.levif.be (last access: 22/07/2008).
[337] See Le Vif l'express, 01/02/08, available under: www.levif.be (last access: 22/07/2008), La Libre Belgique, 15/03/08, 21/05/08, 01/07/08, available under: www.lalibre.be (last access: 22/07/2008); Le Soir, 14/03/08, available under: www.lesoir.be (last access: 22/07/2008).

Establishment of a European External Action Service

The official point of view of the Belgian Minister for Foreign Affairs[338] is that the actual external actions of the EU are considered to be consistent and it will be one of the main tasks of the High Representative of the Union for Foreign Affairs and Security Policy to examine this external consistency of the EU foreign policy. He is globally in favour of a European Foreign Affairs Minister and of a single legal personality that would be given to the EU. The Federal Parliament also thinks that the fusion of the Commissioner for External Affairs and the High Representative, in addition of its task of Vice-President, is globally a good thing, [339] but it fears that a confusion of interests might arise if the domains of the foreign policy and the security and defence policy are attributed to the same person. In addition, this High Representative depends on the unanimity among member states and therefore could do practically nothing if Europe is divided. The Belgian Parliament thus suggests this system should be kept momentarily but that the process should go further and be developed in the future.

More specifically, the Belgian Minister for Foreign Affairs emphasizes the importance of the link between the European External Action Service and the High Representative. It could provide a 'renewed dynamism' within the Commission and could reinforce the supranationality of this body, where the Commissioners represent less 'their' member state.[340] In addition, the functioning of the Commission it-self might be reorganised by, for example, grouping the Commissioners working on Relex topics, Lisbon topics, etc. The Belgian Minister for Foreign Affairs hopes that the scope of the European External Action Service will be "a broad one, along with a strong contribution from a strong Commission". He believes that, next to the establishment of an External Action Service in Brussels, other main international organizations such as the UN or the IMF would be included in the plans for future deployments abroad. He also thinks that the External Action Service should become a service provider for the Commission, the High Representative and the President of the European Council. As a result, the latter would only need a small personal secretariat and the President's office would receive a proper anchoring in the External Action Service.[341]

Similarly, the federal Parliament thinks that, even if the development aid still belongs in the domain of the community policy and is executed by its specific Commissioner, this External Action Service should have an independent structure that takes into account the distinct character of the development aid.[342] The Parliament also emphasizes the fact that this domain should clearly remain in the hands of an independent Commissioner and should not be delegated to an adjunct of the High Representative.

Concerning the functioning of the General Affairs and External Relations Council (GAERC), a clearer distinction should be made between the 'general affairs' and the 'external relations'. Currently, one should notice that the 'general affairs' section has become insignificant. The Belgian Minister for Foreign Affairs hopes that the new structure will correct the disproportion between the two sections and that the 'general affairs' part will somehow be revived. Nonetheless, he also does not think that a division of the GAERC in two would be an efficient instrument to conduct policy.

The Belgian Minister for Foreign Affairs also supports the idea of the establishment of 'EU liaison groups'.[343] This idea, launched in Helsinki in 2005 would consist of the High Representative, the Commission, the presidency and a group of member states that are willing to join their forces for defining a particular foreign policy topic. The advantage of such a group is that, it not only avoids being associated with the existing understanding of a 'core Europe' (which is often perceived as excluding member states)[344], but that the

[338] Karel De Gucht: Belgian Minister for Foreign Affairs, Speech given in Dublin at the Irish Institute for External Affairs, 09/10/07.
[339] Law project dealing with the Lisbon Treaty, External Relations and Defence Commission, Chamber and Senate, 04/03/08, doc.t 52-955 (Chambre) and 4-568/3 (Sénat).
[340] Karel De Gucht: Belgian Minister for Foreign Affairs, Speech given in Dublin at the Irish Institute for External Affairs, 09/10/07.
[341] EuroActive: Belgian Minister of Foreign Affairs Karel de Gucht gave his backing to the EEAS, 13/05/08.
[342] Law project dealing with the Lisbon Treaty, External Relations and Defence Commission, Chamber and Senate, 04/03/08 , doc. 52-955 (Chambre) and 4-568/3 (Sénat).
[343] Karel De Gucht: Belgian Minister for Foreign Affairs, Speech given in Dublin at the Irish Institute for External Affairs, 09/10/07.
[344] Duke Simon/Keukeleire Stephan: Liaison Groups and EU foreign policy, in: The EU Foreign Service: how to build a more effective common policy, EPC Working Paper No. 28, November 2007, pp. 48-55.

common interest of the EU would be guaranteed by the presence and participation of the EU institutions. Nevertheless, he admits that this formula should be excluded from "crucial and well-established EU foreign policy" domains as the Western Balkans, Middle East, relations with Russia, etc. as well as subjects of major disagreements among member states.

Bulgaria*

Special relations with the presiding member state

Carrying out a survey of Bulgaria's expectations from the French EU-Presidency reveal two fundamental features of the EU debate in this country. On the one hand, it reveals that the country gradually found its way into EU structures, entered the policy-making mechanisms and formulated its national positions in all European matters. Many changes occurred in the perceptions of society and of politicians, and significant steps were made to mobilise public opinion and raise awareness of the rights and responsibilities of Bulgaria as a full-fledged EU member state. On the other hand, this survey makes clear that further serious efforts must be developed. There is still a lack of media analysis on these important topics. Articles published in newspapers and weekly journals are the most descriptive. Bulgarian journalists focus their attention predominantly on presenting factual information in combination with offering of different points of view, but without their own detailed analytical commentary on EU issues.

Bulgarian-French relations enjoy a rich history

The development of Bulgarian-French relations enjoys a rich history and exceptional dynamics. Common European interests unite the two countries and the partnership between them covers a broad spectrum of issues. The French parliament was the only one to have ratified Bulgaria's EU Accession Treaty unanimously. As a francophone country, Bulgaria awaits France's EU-Presidency in the second half of 2008 with high expectations. France is considered to be not just one of the founders of the European Community, but also a state with a long-term vision on the European project.

Significant action outside the EU framework can serve as an additional piece of evidence of amicable bilateral relations. A joint declaration on promoting co-operation between the Council of Europe and the "International Organization of the Francophonie" was signed by Bulgaria on May 24th, 2008.[345]

While describing France's takeover of the EU-Presidency from Slovenia, Bulgarian journalists stressed the complex situation related to the negative Irish referendum on the Lisbon Treaty, as well as the rise in oil prices. Several publications emphasised that since the beginning of the year, Slovenia has had to contend with a stealing of the limelight by France.[346] Major French announcements have often overshadowed news coming from Ljubljana. The declarations of the next presiding country's officials dominated the media during the first half of 2008. Many experts suggested that important decisions concerning, for instance, the liberalisation of energy markets, were being explicitly left to Paris.

Discussion in Bulgaria on the priorities of the French Presidency began with the visit of French President Nicolas Sarkozy in October 2007. It testified to the intensity of bilateral relations. The two countries headed to a more comprehensive strategic partnership. Bulgaria and France outlined several spheres for co-operation in the EU framework. They have similar stands on the Lisbon Treaty, the Common Agricultural Policy, the development of a single energy market, the future of nuclear power generation, tighter co-operation in defence and on the European Neighbourhood Policy. Sarkozy stressed that France would make no distinction between old and new member states and promised that the presidency would very attentively listen to the problems and demands of Central and Eastern European countries.

In the observed period, several official meetings and public events for promoting the plans of the French Presidency are worth mentioning. The visit of the Bulgarian Minister of European Affairs, Gergana Grancharova, to

* **Bulgarian European Community Studies Association.**

[345] Bulgarian Ministry for Foreign Affairs: A Joint Declaration on promoting cooperation between the Council of Europe and the International Organisation of the Francophonie was signed in Strasbourg, May 24th 2008, available at: http://www.mfa.bg (last access: September 2nd 2008).

[346] See: The new clothes of the President, January 22nd 2008, available at: http://www.dnes.bg (last access: September 2nd 2008); Six months glory, January 4th 2008, available at: www.capital.bg (last access: September 2nd 2008).

the French capital on March 6th 2008[347] was important to clarify the common interests of the two countries in the EU. Her meeting with Jean-Pierre Jouyet, the French Secretary of State for European Affairs , ranged over a variety of subjects, such as the situation in Kosovo and in the Western Balkan, the EU's enlargement policy and the ratification of the Lisbon Treaty. Ivailo Kalfin, Deputy Prime Minister and Foreign Affairs Minister, also visited France and met with his colleague Bernard Kouchner on June 3rd 2008.[348] On his part Georgi Pirinski, chairman of the Bulgarian national assembly, headed a Bulgarian parliamentary delegation on an official visit to Paris.[349]

The visit of the Bulgarian Prime Minister Sergei Stanishev in France on July 4th was widely articulated in the media, in view of the fact that it will be the first meeting of Nicolas Sarkozy as French President and Head of State of EU's presiding country.[350] In parallel to official press releases, which spoke of discussions on the proposed strategic partnership agreement during this visit, the overarching tunes of media coverage of this visit related to the urgent need of the Bulgarian government to secure a positive, or at least moderate, position of the French Presidency on the (then expected) critical report of the European Commission with regard to managing EU funds. Another issue that was tied into the package deal of this official visit was the purchase of French corvettes for the Bulgarian navy.[351]

Discussing French priorities

The international conference "Spring for Europe" offered a key opportunity to discuss the priorities of the French EU-Presidency.[352] The event took place in Sofia on May 27th 2008, and was organized by the "Robert Schuman Foundation" and "Konrad-Adenauer-Foundation" and the French and the German embassies in Bulgaria. Former French President, Valéry Giscard d'Estaing, was a lead speaker at the forum. The conference was dedicated to the adaptation of Europe to the challenges of the 21st century, the future of the EU and the Lisbon Treaty. Speaking of the upcoming French Presidency, Giscard d'Estaing pointed out that Europe should build up a joint vision and approach to energy. He also called for the speedy adoption of the "Charter on Immigration and Political Asylum" in order to open the Schengen space to all East-European states.

The Irish referendum on the Lisbon Treaty became a key topic for debating the French Presidency in the Bulgarian media. Journalists' attention was attracted to the question whether or not Ireland's "No" would derail the priorities of the forthcoming presidency and overshadow France's ambitious plans. Several publications highlighted that the Irish rejection of the treaty will very likely affect France's term and break the rhythm in its operations.

The adoption of legislation on energy and climate change was confirmed as a key priority for France. Ecology and global warming, diversification and security of energy supplies are crucial points of interest for the EU. On this topic, Bulgaria shares the opinion that the different stages of development of EU member states should be a criterion in allocating the burdens under the 'energy and climate change package'. Foreign Minister Ivailo Kalfin outlined on June 25th 2008, that Bulgaria is taking on this priority. Noting that France has been supportive of nuclear power for years, he voiced his confidence that the issues of nuclear energy will be discussed more and more in the EU, striking a good balance between energy demands and environmental concerns.[353] The country needs additional financing to overcome the negative consequences of the closing down of units three and four of the "Kozloduy Nuclear Power Plant". According to the Minister of European Affairs Gergana Grancharova, European

[347] Bulgarian Ministry for Foreign Affairs: Gergana Grancharova: Bulgaria and France have many common interests within the EU, March 6th 2008.
[348] Radio Bulgaria: Foreign Minister Kalfin attends business dinner given by French Foreign Minister Bernard Kouchner, June 4th 2008; available at: http://www.bnr.bg (last access: September 2nd 2008).
[349] Bulgarian Parliament: National Assembly Chairman Georgi Pirinski Paid an Official Visit to the French Republic, May 8th 2008, available at: http://www.parliament.bg (last access: September 2nd 2008).
[350] Standard News: Sarcozy Invites PM Stanishev on July 4th", June 24th 2008, available at: http://paper.standartnews.com/en/article.php?d=2008-01-14&article=24280 (last access: September 2nd 2008).
[351] Sofia Echo: Bulgaria's corvette deal with France back on the agenda, June 27th 2008, available at: http://www.sofiaecho.com (last access: September 2nd 2008).
[352] Radio Bulgaria: Giscard d'Estaing's visit to Bulgaria, May 28th 2008, available at: http://www.bnr.bg/RadioBulgaria/Emission_English/ (last access: September 2nd 2008); European diplomats discuss EU's future at the "Spring for Europe" conference, May 27th 2008; available at: http://www.europa.bg (last access: September 2nd 2008).
[353] Sofia Echo: Foreign Minister, ambassador discuss French presidency priorities from Bulgarian angle, June 26th 2008, available at: http://www.sofiaecho.com (last access: September 2nd 2008).

assistance for this process must continue after 2009 as well. On the other hand, French government representatives declared that their country is ready to take part in the construction of Bulgaria's second nuclear power plant near Belene.

Agriculture will also dominate the agenda of the French Presidency. The selection of the topic is provoked by the emerging debate on the sharp rise of food and agricultural prices on global markets.[354] A proposal of the Common Agriculture Policy's (CAP) health check[355] was launched as a result. However, the issue is just an aspect of the tricky theme of a more complex reform of the EU's budget. The Bulgarian media noticed that current developments have strengthened the camp of CAP supporters. France and Germany are against the cuts in farm subsidies, while Britain is regarded as the key critic of the present arrangements in this area, declaring that all elements of the CAP that are designed to keep EU agriculture prices above world market levels should be eliminated. For France, agriculture is a delicate subject because the farmers in the country remain the biggest beneficiaries of direct EU payments. Bulgaria shares the same stand on preserving the current tools of assistance to the agricultural sector and rural development, without losing the prospects for direct payment.

France will also put emphasis on the drafting of the "European Migration and Asylum Pact". The theme was discussed during the working visit of the Bulgarian Interior Minister Mihail Mikov, in Paris on June 25th and 26th 2008. He had talks with his French colleague, Michèle Alliot-Marie, as well as with the immigration minister Brice Hortefeux about the proposed pact and the introduction of the 'Blue card'. Bulgaria has a positive attitude to France's motion for working out such an important document and regards this as a step forward to the building of the European Union's common migration policy. It also insists on removing restrictions to the free movement of the workforce among EU member states.

This topic is of growing importance to Bulgaria as a EU external border state. It has been transformed from an emigrant producing country to a country attracting immigrants. In the first year of membership, the number of EU citizens willing to work in Bulgaria grew considerably. The increased foreign interest is an accelerator for policy reform aimed at efficient regulation and monitoring of migration processes. A key objective is to attract foreign nationals to work in the spheres where the Bulgarian labour market experiences shortages. Simultaneously, the prevention of a 'brain drain' and the attraction of the Bulgarian emigrants back home, especially in the case of the young qualified workers, is a strategic goal of the state. Twelve of the 27 EU member states have already opened their labour markets to Bulgarian nationals without any restrictions, while the rest of the member states have introduced transition periods. However, the expectations that Bulgarians would flood the EU labour market proved incorrect.[356]

The EU's security and defence policy will also be among the priorities of the French Presidency. Bulgaria's position suggests that the guiding principle in the field should be stable partnership with NATO and the UN. Foreign Minister Ivailo Kalfin said that the sustenance of the EU's defence capacity needed to happen without excessive competition, and in trans-Atlantic dialogue. French plans in the sphere are considered as an intriguing project that will provoke a lot of debate in the forthcoming months.

The Bulgarian media emphasised that there are additional fields to be addressed during the period of the forthcoming presidency. Universal access to the Internet is identified as a key target for France. The presiding country should focus on efforts to increase the spread of high-speed Internet across Europe and to boost investment in "Next Generation Access Networks", the main infrastructure for broadband.[357]

Another significant task for the French Presidency will be to broker an agreement on a "Small Business Act" (SBA) for small and medium-sized enterprises (SME), considered vital to stimulating Europe's

[354] Econ.bg: Food price spike to hit EU farming review, May 19th 2008, available at: http://www.econ.bg (last access: September 2nd 2008).
[355] Radio Bulgaria: Changes in the CAP - responding to new challenges, May 21st 2008, available at: http://www.bnr.bg (last access: September 2nd 2008).
[356] Radio Bulgaria: Bulgaria's migration policy and the free movement of persons within EU, May 27th 2008, available at: http://www.bnr.bg (last access: September 2nd 2008).
[357] EU pushes for high-speed internet for all, June 26th 2008, available at: http://www.dnevnik.bg (last access: September 2nd 2008).

competitiveness.[358] The SBA is regarded as an important initiative that should better integrate SME's interests into European legislation in a horizontal approach. The Bulgarian member of the European Parliament, Nickolay Mladenov, underlined the significance of the forthcoming presidency with regards to the responsibility to reduce administrative burdens to increase SMEs participation in EU programmes and in public procurement, and to reduce obstacles to cross-border trade.[359]

France's programme also includes a special vision for the development of the relations between the EU and its Southern neighbours. Despite the initiatives launched in the last years, the dividing lines between the North and the South haven't vanished. The French project for a Mediterranean Union provoked bitter disputes among EU member states.[360] Metin Kazak, Bulgarian MEP, considers that it is important for Bulgaria to take active part in developing the plans for a Mediterranean Union. He underscored that the idea for the creation of a parliamentary assembly of the Mediterranean Union, with a separate secretariat and presidency on a rotational principle between the EU member states and the non-EU member states, would also imply enhancing political relations. Commenting on the French plans, the Bulgarian Minister of European Affairs, Gergana Grancharova, declared support for the idea of a Mediterranean Union. In addition, she expressed hope that Black Sea cooperation would also be a strategic issue for France. This topic also appeared in several media publications with special emphasis on the growing importance of the Black Sea region for EU's energy, transport and trade policy, as well as on its role as the border with major strategic partners like Turkey and Russia. It became apparent that there are misgivings in the area that the French Presidency will overlook or even neglect the Black Sea region to the advantage of the Mediterranean.

Concerning the relations with EU neighbours, French officials stressed that it is very important for their country to use the channel of contacts between Russia and Bulgaria, because it is one of the paths to develop EU-Russian ties.[361]

In the context of enlargement, Turkey's EU accession is a thorny issue. Bulgarian journalists drew attention to the statement of the French Secretary of State for European Affairs Jean-Pierre Jouyet that his country would not seek to block the negotiation process. On the other hand, some authors commented that the project to establish a Union for the Mediterranean might in fact be a 'trap' to divert Turkish EU aspirations.[362] Bulgaria holds the position, in principle, to support Turkey's EU membership. According to government representatives, a positive signal from Paris is the best factor for the reforms in Turkey to continue.

The French EU-Presidency is of utmost importance for Bulgaria, because its launch coincides with the European Commission's monitoring report on the country's progress in the reform of home affairs and the judiciary and in the management of EU funds.[363]

Croatia*

Croatia expects to speed up negotiations on the EU membership during the French Presidency

Croatia's expectations of the French Presidency are very high and primarily focused on speeding up the negotiations on EU membership. It was announced through bilateral high-level contacts that Croatia might open all the remaining chapters by the end of French Presidency and conclude some of them.[364] So far Croatia has opened negotiation on 20 chapters and provisionally closed two chapters, while Croatian Government

[358] French Presidency seeks strong 'Small Business Act', June 4th 2008, available at: http://www.dnevnik.bg (last access: September 2nd 2008).
[359] Meps back French Presidency on SME-friendly approach to legislation, available at: http://www.europe.bg (last access: September 2nd 2008).
[360] Mediterranean Union – yes, but…, 14th March 2008, available at: http://www.dnes.bg (last access: September 2nd 2008).
[361] Standart News: Etienne de Poncins: I'd like to see Bulgaria even more European, June 24th 2008, available at: http://www.standartnews.com (last access: September 2nd 2008).
[362] FOCUS News Agency: France pledges not to snag Turkey's EU accession talks, May 6th 2008, available at: http://www.focus-fen.net (last access: September 2nd 2008).
[363] Standart News: France to Discuss EC Report on Bulgaria, June 24th 2008, available at: http://www.standartnews.com (last access: September 2nd 2008).
* **Institute for International Relations.**
[364] This was mentioned by Vesna Pusic, president of the National Committee for Monitoring the Accession Negotiations, In the Network of the First Programme, Croatian Radio, 1 July 2008, 8.30 a.m.

submitted reports on all the remaining opening benchmarks on 30 June.

Related to the French Presidency programme, the most debated issue in Croatia was the proposal for establishing the Union for the Mediterranean. For the first time, the academic round table was organised by the "Heinrich Böll Foundation"[365] in Croatia under the title "EUROTACIJE" with the aim to discuss the priorities of the EU-presidency. As it was announced, it will become a practice before every following EU-presidency.[366] After the initiative for establishing a Mediterranean Union faced negative reactions in most Mediterranean EU member states, where the initiative was understood as strengthening the French influence in the region, the idea was transferred in a form which could satisfy the EU and the other Mediterranean countries as well as Croatia, who would like to have active role in the association, wrote Neven Šantić, a journalist.[367] Nives Malenica from the Ministry of Foreign Affairs and European Integration, expressed the readiness of Croatia to take active part on a political and sectoral level of the Union for the Mediterranean, seen as an upgrade of the Barcelona Process. Croatia's expectations are to have full involvement in the Euro-Mediterranean policy and to share economic and political interests in this area. The Mediterranean region deserves much better consideration from all the countries that surround it and this is the reason why Croatia should become a member of this Union, stressed Tonči Tadić, former Croatian MP. However, Michael Emerson from the Centre for European Policy Studies (CEPS) in Brussels was very critical regarding the idea and opened a number of questions and dilemmas on the round table, saying that it would be difficult to expect spectacular results from the Union in a short period.[368]

The issue of the European External Action Service did not receive much attention in Croatia.

[365] The German Heinrich Böll Foundation is an independent political foundation with close relations to the German Green Party.
[366] The first round table was organised in the Mediterranean Centre for Life Research in Split on 12 June 2008.
[367] Neven Šantić: "The Union for Mediterranean – a challenge for the EU and the Arabic countries". Novi list, 15 June 2008, p. 14.
[368] Ibid.

Cyprus*

The Cyprus Problem – high expectations of French Presidency

The French EU-Presidency's priorities, as elaborated by French President Nicolas Sarkozy[369] and by the French ambassador in Nicosia Nicolas Galey,[370] were well received in Nicosia, which on various occasions has reaffirmed its commitment to co-operate with France to guarantee their success.

Besides Paris' priorities to chart a common immigration policy, enhance the European defence policy, promote renewable energy resources, reform the Common Agricultural Policy and involve civil society in EU affairs, Nicosia is also concerned as regards France's position towards Turkey's accession to the EU and the European Union's involvement in the negotiation process for the resolution of the Cyprus problem.[371]

The Cyprus Problem

Concerning Turkey's accession prospects, Cyprus expects France to urge Ankara to fulfil all of its obligations towards the EU including the implementation of the Ankara Protocol[372] as well as all the commitments outlined during the negotiation of all 35 accession chapters.[373] Nicosia also expects Paris to be extremely cautious during the opening of the energy chapter in Turkey's accession bid. This chapter was 'informally' blocked by Cyprus during the Tassos Papadopoulos presidency in Cyprus, due to threats expressed by Turkey against Cyprus on its signing of bilateral agreements –

* **Cyprus Institute for Mediterranean, European and International Studies.**
[369] Presentation of the priorities of the French presidency of the EU to the European Parliament Plenary in Strasbourg, 10/07/2008.
[370] Press Conference held by the French Embassy in Nicosia, 09/07/2008.
[371] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, early July 2008.
[372] The conclusions of the European Council of December 2006 call Turkey to fully implement the Ankara Protocol which extends the customs union to states that became members in 2004 and the Republic of Cyprus, in particular. As Turkey refuses to extend the customs union to Cyprus, the opening of eight chapters of negotiations related to the implementation of the Ankara Protocol and the provisional closing of all negotiation chapters is dependent upon Turkey's full compliance with its commitments under the Ankara Protocol.
[373] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, early July 2008.

with neighbouring countries such as Egypt – for the search and extraction of oil and natural gas off the coast of Cyprus. After all, such energy agreements have proven to be in line with the policy priorities of the newly established Union for the Mediterranean.

The French Presidency's contribution to the ongoing discussions of the Cyprus problem was explained by President Demetris Christofias who, during his meeting with French Prime Minister François Fillon in Nicosia in early May, asked France to encourage Turkey to adopt a positive stance on the Cyprus problem.[374] As Cypriot diplomats explained, the input of any EU presidency in the settlement of the Cyprus problem will be greatly appreciated, beyond the Cypriot people, by the Cypriot authorities themselves: for, *inter alia*, they would need some technical guidance on the incorporation of the acquis communautaire in any agreed solution.[375]

Renewable energies

Another issue in the limelight of discussions in Cyprus is the French Presidency's plans for the question of renewable energy solutions with regard to Cyprus. In March 2008, the European Council called in its conclusions for the reduction of greenhouse gases emissions by 20 percent until 2020 and the increase in biofuel use and renewable energy resources by 10 percent to 20 percent.[376] Nicosia, however, on various occasions has argued that it is not possible to achieve the EU target by 2020, as its emissions quota is relatively high due to the island-state's large dependence on oil and its intensive air traffic. Moreover, Cyprus lacks the appropriate infrastructure (the construction of wind parks is still examined by the responsible authorities) in order to be able to produce energy from renewable energy sources. According to media reports, Paris – after consultations with the Cypriot authorities – is expected to promote a 5 percent reduction in gas emissions and the increase in use of renewable energy sources by 13 percent by 2020 for the island-state.[377]

Common migration policy

The establishment of a common immigration policy is also endorsed by Nicosia as an important priority for the French Presidency. Minister of the Interior Neoklis Silikiotis, interviewed by the "Cyprus News Agency", explained that Cyprus faces numerous immigration-related problems as thousands of asylum warrants are still pending, the country lacks detention centres, and delays in the deportation process give rights to illegal immigrants (especially women and children) to remain in the island.[378] Cyprus also faces financial problems, as it is burdened with the deportation costs, and therefore considers the engagement of EU funds as very important. Minister Silikiotis stressed that the EU ought to assume its responsibility in the fair distribution of aid to countries such as Cyprus that face a disproportionately large problem with illegal immigration.[379]

Nicosia has been a strong supporter of President Sarkozy's initiative for a Mediterranean Union, which was finally launched on July 13th. Upon his arrival from Paris, where he attended the Mediterranean Union Summit, President Christofias welcomed the aim of the Union for the Mediterranean that, in his words "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".[380]

EEAS will benefit from a step-by-step approach

As regards the European External Action Service (EEAS), there was no extensive public discussion by the Cypriot political elite. Nevertheless, high-ranking officials at the Ministry of Foreign Affairs shared with us their conviction that EU foreign policy needs to become more coherent in order to increase the union's status on the international scene.[381] The EEAS, which is envisaged by the Lisbon Treaty, is a substantial step towards a more coherent and united EU foreign policy, which will promote a more integrated European Union. In their own words, the Cypriot

[374] Statements by President Demetris Christofias, 09/05/2008.
[375] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, early July 2008.
[376] Council of the European Union (Brussels): Presidency Conclusions, 13th and 14th of March 2008, available under. http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/99410.pdf (last access: 01/09/2008).
[377] Media Releases after the announcement of the French Presidency's priorities, 10/07/2008-13/07/2008.
[378] Cyprus News Agency: Interview of Minister of Interior Neoclis Sylikiotis, available under: http://www.cna.org.cy (last access: 26/06/2008)
[379] Ibid.
[380] Statement by President Demetris Christofias, 14/07/2008.
[381] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, late June 2008.

diplomats told us that "the materialisation of this body is the end product for the enrichment of the CFSP, since the EU aims at an enhanced role in international politics"[382].

Even though the High Representative of the Union for Foreign Affairs and Security Policy is to be supported by a EEAS made up of staff from the European Commission, the Council Secretariat and the diplomatic services of the member states, the Cypriot diplomats expressed their concerns regarding the ability of small member states to promote their vital interests at a European level.[383]

Cypriot Ministry for Foreign Affairs officials also admitted that in regards to the Cyprus problem there were many obstacles that they had to face and that a number of their European counterparts had difficulties in understanding the root-causes of the Cyprus problem (namely, that, according to international law, it is the universally condemned Turkish invasion of 1974 and the massive violation of the Cypriots' human rights through the ongoing occupation of 37 percent of the Republic's territory).[384] Our Ministry for Foreign Affairs interlocutors also added that, needless to say, the EEAS should base its decisions on the established principles of international law and its main aim should be the protection and promotion of human rights.

For this very reason, Cypriot diplomats stated, a step-by-step approach will be highly beneficial for the EEAS. They explained that, beginning with a 'pilot period'; the EU-27 can then shift to a broader co-operation that will include all external relations.[385]

Czech Republic*

French priorities: arousing some suspicion, but still leaving room for cooperation – especially in energy policy

Overall, the strategy of the Czech government towards France and its priorities consisted of acknowledging the differences between the two (quite openly), followed by tough bargaining without superfluous political, ideological and emotional attacks on French positions and priorities, as well as without the demonstration of discrepancies. Czech representatives say that it is quite legitimate to have different visions and opinions (for example on Common Agricultural Policy). On the other side, negotiations are needed in order to ensure a certain coherence, to ensure that the consecutive presidencies do not move from one extreme to another. Czech officials acknowledged the (natural) differences between France and the Czech Republic and tried to find balance between them or find issue linkages.

French priorities largely concur with the attitudes of main opposition party on the Czech political scene – Social Democrats (ČSSD) – towards the European integration. Czech Social Democrats particularly agree with French attitudes towards common foreign, security and defence policy (Europe as a global actor), energy policy and as well as economic policy (European social model). Czech social democrats heavily criticised the ODS-led government (ODS is the Civic Democratic Party) for the content of priorities for the Czech presidency. Lubomír Zaorálek (ČSSD, shadow foreign minister) argues that the Czech Republic is on a collision course with France because of the discrepancy or even outright clash between the priorities of Czech and French Presidencies. He blames the government for ignoring the ČSSD as the main opposition party during the preparation of Czech priorities, but also for ignoring topics and agendas, which resonate in Europe and which, were picked up by France (common foreign, security and defence policy, migration etc.).[386]

While the Czech government, negotiating with France over the content of a joint 18-month programme, refrained from public criticism of French priorities, Czech president Václav Klaus could not resist the temptation to openly express his misgivings. He expects great pressure towards the EU "à la France". He argues that Czech attitude is necessarily different, and therefore Czechs should ensure that the EU does not move in a direction where

[382] Ibid.
[383] Ibid.
[384] Ibid.
[385] Ibid.

* **Institute of International Relations.**

[386] Otázky Václava Moravce: Blíží se předsednictví ČR v EU (Questions of Václav Moravec: Czech Presidency in the EU is approaching), Czech television (channels ČT1 and ČT24), 4 February 2008, available at: http://www.martinbursik.cz/21/442/detail/blizi-se-predsednictvi-cr-v-eu/ (last accessed 14 July 2008).

France pushes – in a direction foreshadowed by the rejected Lisbon Treaty.[387]

Czech political scene expects the French EU-Presidency to be very active. Those who do not share France's vision of Europe (Czech president, parts of ODS) are afraid that France's activism may push the EU harshly and arrogantly in a direction they deem incorrect (European defence, Lisbon Treaty). Officials, diplomats and more pragmatic politicians from eurosceptic Civic Democratic Party (those who sit in the government or in the European Parliament) acknowledge that there are differences between Czech and French priorities. But the ongoing discussions and bargaining with France left rather optimistic atmosphere and they seem to believe that French activism will be diverted to policies and agendas where French and Czech priorities match most (energy policy). And then there is the main opposition party (ČSSD), which sees hardly any overlap between Czech and French priorities. Social Democrats welcome French activism in areas such as common foreign policy and defence. But at the same time they argue that, because of a huge gap between French policies and the positions adopted by the current Czech government, the Czech Republic is heading towards a collision with France (and her activism in areas such as foreign and defence policies).

The inclusion of defence policy among French priorities is hailed by the Social Democrats. In line with French arguments, Czech Social Democrats argue that defence is a key issue of today's European Union. Defence is something that concerns the European public much more than for example, institutional reform. Social Democrats and the Green Party (which forms the government together with ODS and the Christian Democrats, KDU-ČSL) support the strengthening of the EU's role on the global stage, even though the Green Party expressed concern from the "militarization of the EU".

For the ODS, European defence is an extremely sensitive issue. It clashes with the Civic Democrat's ideas and priorities in several aspects. For the ODS, foreign and defence policy traditionally form the core of national sovereignty and therefore, any communitarisation of these agendas (qualified majority voting, European foreign minister, supranational agencies) would be hardly acceptable. Secondly, the concept of the EU as a global political actor with defence capabilities would lead to "fortress Europe", rather than to more open and liberal Europe favoured by the Civic Democrats. Last but not least, they perceive the common foreign and security policy or a defence policy as a tool in the hands of nation states, not as a manifestation of some European interest.

According to Civic Democrats, a common foreign policy at this moment simply does not exist,[388] it is an unachievable chimera.[389] If there are any EU activities (political or military actions) on the global stage, ODS tends to treat them as a reflection of the interests of the most powerful EU members, such as France or Germany. Since these countries (and old EU members generally) often succumb to anti-American moods in their populations, the "European influence" on the global stage tends to weaken transatlantic relations. Even though ODS greeted the pro-American turn of French President Sarkozy, it remains cautious towards his plans for Europe as a global political actor. To sum up, Civic Democrats do not believe in the success of a common foreign and security policy or defence policy and, at the same time, they oppose institutional changes in these areas (such as the introduction of qualified majority voting), because it would weaken small states and deprive them of key aspects of national sovereignty.

The Czech government is aware of certain incompatibilities between French and Czech priorities. Tensions were caused by different attitudes towards the EU enlargement. The negotiations were tough, but both sides were eager to come up with some agreement regarding the issue. Nevertheless, as can be seen from the current exchange between

[387] "Očekávám velký tlak na budování EU à la France. Náš pohled je nutně jiný a proto musíme usilovat o to, aby se vývoj v EU neubíral směrem, který tlačí Francie a který předurčuje odmítnutá Lisabonská smlouva." (I expect great pressure on the construction of the EU à la France. Our attitude is necessarily different and therefore we should ensure that the EU does not move in a direction where France pushes – in a direction foreshadowed by the rejected Lisbon Treaty). Rozhovor prezidenta republiky pro deník Lidové noviny o Lisabonské smlouvě (Interview with the president of the Czech Republic for Lidove noviny about Lisbon treaty), Lidove noviny, 3 July 2008.

[388] "Vždyť společná zahraniční politika neexistuje!" See: Mirek Topolánek: Cukr a bič pro Blízký východ (Carrot and Stick for the Middle East), Mladá fronta DNES, 26 March 2008, available at: http://www.topolanek.cz/3043.html (last access: 14 July 2008).

[389] "[…] tolik vzývaná společná zahraniční politika EU se […] jeví jako nedosažitelná chimera." See: Jan Zahradil: Předsednictví EU prezident obohatí (The president will enrich the presidency of the EU), Mladá fronta DNES, 18 February 2008, available at: http://zpravy.ods.cz/prispevek.php?ID=6250 (last access: 14 July 2008).

French President Sarkozy and Czech officials regarding the ratification of Lisbon Treaty, the deal between France and the Czech Republic in favour of enlargement is far from secure.[390] In fact, the Lisbon Treaty constitutes a crucial component of many tacit or explicit deals on the European and domestic (Czech) levels. "Enlargement for Lisbon" is one of them. The French President indicated he would block future enlargement of the EU if the Lisbon Treaty were not ratified. On the other side, the Czech ODS-led government treats the Lisbon Treaty as a compromise and concession for enlargement.[391] Czech government officials also try to link the issues of EU enlargement and the introduction of immigration policy, arguing that these two priorities of the Czech Republic and France are not incompatible.[392]

Generally speaking, the original project of the Mediterranean Union was not received warmly,[393] and the Czech Republic adopted a cautious position. In line with Germany's objections, Czech officials warned against priorities focused only on one part of Europe. The logic of the original plan for the Mediterranean Union (i.e. Mediterranean Union consisting of southern EU members and southern neighbours) was deemed dangerous. It was argued that such a plan would threaten the coherence of the EU – with this logic in mind, we may end up with Baltic Union, Black Sea Union etc.[394] Simultaneously, Czech diplomacy feared that the French initiative would be used as leverage against further EU enlargement and that the Mediterranean Union would be financed at the expenses of EU's policy towards Eastern Europe and Balkan.[395]

The Common Agricultural Policy and the interrelated issue of budget reform are areas where Czech officials and politicians openly admit the clash of interests. The Czech perception is that "France is rather interested in evolutionary changes".[396] But the Czech Republic wants more profound changes, including the reduction of direct payments to farmers and the liberalization of global trade with agricultural products. The reform should not end up in decreasing the subsidies for bigger farmers. Such a measure would hurt the Czech agricultural sector, dominated by bigger farms.[397] Simultaneously, the safety of food imported into the EU must be secured.[398] The Czech Republic argues that the EU should put more money into projects that make the Union more competitive (e.g. science and technology). In contrast to common foreign and defence policy or energy policy, France has no real 'soul mates' on the Czech political scene that would welcome her plans in the spheres of agriculture and budget. Despite the discrepancies between the Czech and French opinions on the reform of Common Agricultural Policy, Czech officials remain optimistic for the next round of negotiations with France.[399]

Energy security is an agenda where France's views and the official Czech position match the most. The Czech Republic prioritizes the issues of energy security and self-sufficiency, and in spite of the fact that the Green Party sits in government; the attitude of the Czech Republic towards nuclear energy is friendly. Within the EU, the Czech Republic is a member of the 'pro-nuclear club' led by France. The Czech supporters of the utilization of nuclear energy (mainly from ODS) also

[390] No EU expansion without Treaty, Sarkozy warns, EurActiv, 20 June 2008, available at: http://www.euractiv.com/en/future-eu/eu-expansion-treaty-sarkozy-warns/article-173516 (last access: 14 July 2008).
[391] "Je tady Lisabonská smlouva, určitý kompromis nebo daň za rozšíření." See: Alexandr Vondra: Odpovědnost poneseme až do konce (Interview with Alexandr Vondra: We bear responsibility till the end), Respekt, 30 June 2008, available at: http://www.vlada.cz/scripts/detail.php?id=37320 (last access: 14july 2008).
[392] Alexandr Vondra o přípravě předsednictví: S Francií máme dobré vztahy (Alexandr Vondra about the preparation of presidency: We have good relations with France), EurActive.cz, 18 February 2008.
[393] ČR i Slovensko chtějí prohloubit spolupráci EU se státy na východ (Czech Republic and Slovakia want to strengthen cooperation between EU and eastern states), Czech news agency, 26 May 2008.
[394] Alexandr Vondra o přípravě předsednictví: S Francií máme dobré vztahy (Alexandr Vondra about the preparation of presidency: We have good relations with France), EurActive.cz, 18. February 2008.
[395] V Paříži vznikla Unie pro Středomoří, připojilo se i Česko (Union for Mediterranean was established in Paris, the Czech Republic joined), iDNES.cz, 13 July 2008, available at: http://zpravy.idnes.cz/v-parizi-vznikne-unie-pro-stredomori-pripoji-se-i-cesko-pj2-/zahranicni.asp?c=A080713_120036_zahranicni_mia (last access: 14 July 2008).
[396] Vondra: ČR chce při vedení EU dokončit liberalizaci trhu (Vondra: Czech Republic wants to finalize the liberalization of common market when presiding the EU), Czech news agency, 1 April 2008.
[397] See also the previous issue of EU-27 Watch No. 6, p. 166.
[398] Priority předsednictví: ČR a Švédsko chápou reformu zemědělské politiky podobně (Priorities of the Presidency: Czech Republic and Sweden perceive the reform of agricultural policy similarly), EurActiv, 5 March 2008, available at: http://www.euractiv.cz/ceske-predsednictvi/clanek/priority-predsednictvi-cr-a-svedsko-chapou-reformu-zemedelske-politiky-podobne (last access: 14 July 2008).
[399] Ivo Hlaváč: Health check je pro liberalizaci SZP nezbytný (Health check is necessary for the liberalisation of CAP), EurActiv, 27 June 2008, available at: http://www.euractiv.cz/ceske-predsednictvi/interview/ivo-hlavac-health-check-je-pro-liberalizaci-szp-nezbytny (last access: 14 July 2008).

played the same card as France did: they argued that nuclear energy is a solution not only to the problem of security of energy supplies, but also to the threat of global warming.[400] Nuclear energy (as a 'low-emission' source) is thought to be a better solution than inefficient renewable resources, for which the Czech Republic does not even have predisposition.[401] Moreover, energy policy is one of the very few areas where the attitudes of the main governing party (Civic Democrats) and largest opposition party (Social Democrats) are in agreement.[402]

Similarly to France, energy security is high on the European agenda of the Czech Republic and represents one of the priorities for Czech Presidency. The public debate on the energy security of the Czech Republic and the EU as a whole is burgeoning. The supporters of nuclear energy are gaining the upper hand within this debate. At the beginning of July, an independent commission led by the president of the Academy of Sciences of the Czech Republic released part of their work on the energy report. The preliminary report is giving a green light to expanding the nuclear power station at Temelín, causing a deep friction within the government.

Discussions about the European External Action Service have been overshadowed by the imminent issues of the future of the Lisbon Treaty and the Czech EU Presidency

Before the rejection of the Lisbon Treaty in Ireland, Czech politicians nourished the idea that the Czech Republic would have a strong say in the decision who will occupy the key posts established by the Lisbon Treaty (especially the President of European Council and High Representative of the Union for Foreign Affairs and Security Policy).[403] Nevertheless, concrete suggestions for personalities suitable for these posts were not voiced. The only exception was words of support for the candidature of Tony Blair for the President of European Council.[404] If Tony Blair chose to run for High Representative of the Union for Foreign Affairs and Security Policy instead (as some speculations suggest), he would also have support from the Czech side.

While the post of the Union Minister for Foreign Affairs, proposed by the rejected Constitutional Treaty, and the new post of the High Representative were publicly debated, the European External Action Service (EEAS) remains the topic of closed expert and academic discussions. The preferences towards the EEAS emerge only slowly and the Czech Republic adopted a wait-and-see attitude. Moreover, since the ratification of the Lisbon Treaty is uncertain, one can expect that the debate about the Czech position towards the EEAS will give way to more [urgent] topics: the future of the Lisbon Treaty. After the Irish rejection of the Lisbon Treaty, the Czech Republic does not have to bother its head with the selection of appropriate persons for the post of the High Representative and the topic of EEAS will probably be sidelined as well.

The government is rather hesitant about the EEAS and its prospects. Nevertheless, there are several arguments why a small country such as the Czech Republic should actively take part in the discussions and promote the establishment of the EEAS. The Service may increase the efficiency of the Czech foreign service. The EEAS, in which the Czech Republic will participate, will allow the Czech Republic to rationalize the network of Czech missions abroad by reducing the number of embassies.[405]

The Czech Republic will opt for narrowing the scope of the tasks of the EEAS. The European Commission proved to be an effective administrator of the enlargement agenda, European Neighbourhood Policy and the development agenda. Moreover, policies pursued by the Commission in these agendas are mostly in line with Czech preferences. On

[400] Czech Prime Minister tells European Nuclear Energy Forum: nuclear power will help us meet set targets, Radio Praha, 23 May 2008, available at: http://www.radio.cz/en/article/104353 (last access: 14 July 2008).
[401] Czech Republic's potential for hydroenergetics is quite low, we do not have much sunlight for solar power stations and also the potential for biofuels is quite limited. See Alexandr Vondra o přípravě předsednictví: S Francií máme dobré vztahy (Alexandr Vondra about the preparation of presidency: We have good relations with France), EurActive.cz, 18. February 2008.
[402] Pavel Telička, Lubomír Zaorálek (ČSSD) and Jan Zahradil (ODS) in Studio 24, Czech television (channel ČT24), 1 July 2008.
[403] Jan Zahradil (MEP, foreign affairs expert of the Civic Democratic Party), quoted in Výhledy: Lisabonské smlouvy vidí čeští europoslanci dost odlišně (Czech MEPs see the outlooks of the Lisbon Treaty differently), Czech News Agency, 20 April 2008.
[404] Alexandr Vondra: Blaira bych zařadil mezi nadějné kandidáty (I would place Blair among hopefuls), Euro, 21. January 2008.
[405] Vít Střítecký: "Jak dál s 'evropskou diplomacií'?" (How to carry on with "European diplomacy"?), Policy Paper, Institute of International Relations, Prague, March 2008.

the contrary, the priorities and positions of the High Representative (and thus the EEAS) are difficult to foresee. If the broader model was realised and the EEAS took over more tasks from Commission, the Czech Republic might lose one of its allies on the European level without gaining new one. Last, but not least, ODS strongly opposed the idea of a EU foreign minister. It may block the establishment of a stronger EEAS for the same reason, thus stronger "European diplomacy" would endow the EU with state-like qualities. On the other side, one may expect a positive reception from Social Democrats and other pro-European parties (the Green Party and Christian Democrats). But as we mentioned earlier, even though the proposals for a EU foreign minister and a High Representative attracted substantial attention from Czech politicians, EEAS is not publicly discussed. EEAS remains the topic of a few involved diplomats and experts and the attitudes of political parties and politicians can only be estimated on the basis of their attitudes towards European integration generally and with common foreign policy in particular.

Denmark*

French Presidency agenda regarded as ambitious

The French Foreign Minister's speech at the Europe Day on 9th of May recently stated that the priorities of the French Presidency equal the normal workload of three presidencies. With its wide focus on energy, defence and migration besides the institutional issues regarding the future of the Lisbon Treaty, the agenda of the French Presidency is considered ambitious in Denmark.[406] The general expectation to the French Presidency is mixed. The Danish government and parliament support the priorities of the French Presidency on most points:

The effort of the European Commission to reform the European energy sector has previously been supported by the Danish Minister for Climate and Energy, Connie Hedegaard.[407] The French reform is therefore seen as a welcome step for Denmark, which considers itself a front runner in developing sustainable energy. Furthermore, the prioritisation of climate change is in tune with the global United Nations Climate Change Conference "COP15", which is to be held in Copenhagen in December 2009.

- The official Danish position towards developing the military dimension of European Security and Defence Policy (ESDP) and the intent of the French Presidency to strengthen ties with NATO is positive. The Danish Defence Minister Søren Gade has hinted that it may be time to consider a planning unit that coordinates the European defence efforts. In his view this will strengthen the responsibility of Europeans for military peacekeeping missions.[408]
- The Danish government supports the French migration efforts and wants to enhance this part of the EU co-operation. Yet, Danish migration policy is a sensitive policy area due to a heated national debate, the relatively tight rules on family unification and the Danish EU opt-out from this policy area.
- The Danish government and parliament are in support of liberalising the Common Agricultural Policy.[409] This is, however, in opposition to the French wishes to defend the current model.[410]

While the ambitious agenda may set EU moving, it may be of concern from a Danish point of view if NicolasSarkozy creates too many unresolved EU issues before any possible referenda on the Danish opt-outs.[411]

* **Danish Institute for International Studies.**

[406] Information: Fransk EU-formandskab i sværvægtsklasse, 24 June 2008, available at: http://www.information.dk/161213 (last access: 25 June 2008).

[407] Danish Ministry for Climate and Energy: EU's klima- og energipakke – EU's største grønne udfordring, available at: http://www.kemin.dk/Nyheder/pm-euenergi.htm (last access 25 June 2008).

[408] Berlingske Tidende: Frankrig tilbage i NATO med krav om øget EU-forsvar, 17 June 2008, available at: http://www.berlingske.dk/article/20080617/verden/706170032/ (last access: 25 June 2008).

[409] Danish Ministry of Food, Agriculture and Fisheries: Ned med landbrugsstøtten, available at: http://www.fvm.dk/Default.aspx?ID=18486&PID=167232&NewsID=4889 (last access: 27 June 2008).

[410] European Public Health Alliance: What can be expected from the French EU Presidency?, 5 June 2008, available at:: http://www.epha.org/a/3083 (last access: 27 June 2008).

[411] Europa: EU-formandskab giver Sarkozy ny chance, Ugebrev fra EU-Kommissionen i Danmark, 5 June 2008, available at: http://www.ugebrevet-europa.dk/artikel.asp?AjrDcmntId=599 (last access: 27June 2008).

The Danish debate on the future of the ESDP after the Lisbon Treaty has been overshadowed by the Danish opt-out in the area of defence policy. In this debate some critical observers in Denmark have objected that the ESDP does not explicitly restrain itself to participation in missions that are approved by the UN and that Denmark should therefore focus more on reforming the UN.[412] In practice, Denmark is bound by its defence policy opt-out that was adopted with the Edinburgh Agreement in 1992. The opt-out, which can only be removed by referendum, means that Denmark does not participate in the build up of EU military capacities or in EU military missions.[413] Thoughts of having a referendum on the future of the Danish opt-outs have recently been postponed due to the Irish rejection of the Lisbon Treaty.[414]

Estonia*

More Europe is fine but keep our interests in mind

The Estonian government's priorities for the French Presidency are stipulated in a document approved on July 10th 2008.[415] In general, these priorities are in favour of 'more Europe', aligning quite well with the objectives of the French government. However, Estonia has specific concerns in a number of areas.

In general affairs, the most important objectives of the Estonian government for the French Presidency are to "find a constructive and satisfying solution on how to proceed with the Lisbon Treaty" and to ensure the "active continuation of the EU enlargement process according to previously agreed principles."[416] The Estonian government continues to hope that the Lisbon Treaty will take effect on January 1st 2009. With regard to enlargement, Estonia continues to actively support Croatia's, Turkey's and Macedonia's membership aspirations.

Energy security is high on Estonia's agenda. Expectations for the French Presidency include reaching agreements related to legislative packages of the internal energy market, climate change and energy.[417] Estonia generally supports the positions of the European Commission concerning the internal energy market as well as energy and climate policies. The diversification of energy sources and supply channels, as well as the development of a clear and concrete foreign policy concerning energy, are regarded as essential priorities. However, Estonia has a number of specific concerns. These include the demand that equal access to the transmission networks be ensured for all market participants. The development of new energy infrastructure should be carried out "in a spirit of true cooperation, so as to secure supplies for all of Europe, not just for individual states."[418] Estonia also claims that the differing characteristics of the market, and the uniqueness of the energy sector of each member state must be recognised. For instance, the system for trading the permissible quantities of greenhouse gases should take into account the unique characteristics of Estonia's oil shale energy. The government also insists that the European Union implement the same competitiveness and environmental standards for the firms of third countries in order to avoid possible market distortions and to reduce energy security risks. Estonia also has strong concerns about the environmental consequences of the growing transport of Russia's gas and oil to Europe, relating, in particular, to the Baltic Sea.

Developments in the field of migration policy are of great interest to Estonia. Priorities for the French Presidency include minimum harmonisation of rules at the EU level regarding the migration of highly qualified workers from third countries. Estonia continues to defend the position that the degree of opening of labour markets to third country nationals should remain a decision of individual member states. Estonia also supports the

[412] Information: Skal EU's militær adlyde FN?, 11 March 2008, available at: http://www.information.dk/156207 (last access: 25 June 2008).
[413] Ministry of Defence Denmark: Det danske forsvarsforbehold, available at: http://forsvaret.dk/FMN/Forsvars-+og+sikkerhedspolitik/International+sikkerhedspolitik/EU/Det+danske+forsvarsforbehold/Forsvarsforbehold.htm (last access: 25 June 2008).
[414] Ritzau: Fogh parkerer EU-afstemning, 24 June 2008, available at: http://jp.dk/indland/indland_politik/article1377024.ece (last access: 25 June 2008).

* **University of Tartu.**

[415] Estonia's priorities in the European Union during the French Presidency, available under: www.vm.ee (last access: 1st of September 2008).
[416] Ibid.
[417] Ibid.
[418] Estonian Minister of Foreign Affairs Urmas Paet: Address to the "Riigikogu" on behalf of the Government of Estonia, 21st of February 2008, available under: www.vm.ee (last access: 1st of September 2008).

establishment of sanctions at EU level against employers of illegal third country nationals.

Immigration is a sensitive issue in Estonia, given the country's history with massive influxes of Russian-speakers during the Soviet period, the integration of whom into the Estonian society continues to pose problems. The pooling of immigration-related competences at the European level has given rise to concerns (expressed, mostly, by critics of the government) that Estonia might, again, be subjected to 'externally-directed demographic policies' involving, in the worst case, EU-level decisions on immigration quotas for specific member states and the relocation of immigrants to the new member states in order to disperse the immigration pressure.[419] In this context, the possible introduction of visa-free travel between Russia and the EU is also seen as a threat to Estonia.

Estonia supports the completion of the Common Agricultural Policy's health check together with necessary adaptations to the measures of the policy for the period 2009-2013. In the long term, Estonia finds it important that all EU agricultural producers are treated on equal terms. The Estonian government wants to specify the definition of less favoured areas and insists that compensation for agricultural activities must be based on objective criteria. The final aim of the reforms, according to the Estonian government, should be the abolishment of market organisation measures (including milk production quotas).

In the realm of defence and security, Estonia aims for a more unified European security and defence policy and the further development of EU military and civilian crisis management capabilities.[420] Estonia calls for more attention to unresolved regional conflicts in the EU's neighbourhood, to a common external policy to ensure energy security, and to the further enhancement of EU-NATO co-operation. A new priority of the Estonian government is combating cyber warfare. This agenda draws its rationale from the massive cyber attacks on Estonia's IT infrastructure during the spring 2007 crisis in relations with Russia. Estonia has already successfully pushed this topic onto NATO's agenda: a cyber defence centre, funded by seven NATO allies, was set up in Tallinn in spring 2008. Cooperation within NATO is not enough: Estonia argues that the EU should develop a broad and coherent policy for fighting cyber crime.

With regard to competitiveness and economic growth, Estonian priorities for the French Presidency include reaching an agreement on the "Small Business Act" that would strengthen growth and competitiveness of small and medium-sized enterprises, reaching an agreement on an EU-wide community patent system and developing better cross-border health services by clarifying the regulations regarding reimbursement and improving the availability of these services to citizens.

In principle, Estonia supports the search for new approaches for developing co-operation with the Mediterranean partners. However, it claims that these forms of cooperation must be consistent with the agreed-upon objectives and methods of the European Neighbourhood Policy. The financing of projects focusing on the Mediterranean Partnership from the European Neighbourhood and Partnership Instrument (ENPI) should not lead to redistribution of funds among regions or the reduction of funds available to the Eastern dimension of the European Neighbourhood Policy.[421]

Strengthening the foreign policy making capacity of the EU is a key priority for Estonia. The government has started to discuss the implementation of the provisions of the Lisbon Treaty that pertain to the new post of a High Representative of the Union for Foreign Affairs and Security Policy and for the creation of a European External Action Service (EEAS). According to Foreign Minister Paet, the High Representative should "become one of the world's leading spokespersons for democratic values."[422] Regarding the EEAS, the preference seems to be for a broad mandate, including not only Common Foreign and Security Policy but also other external activities such as development aid and enlargement. However, the government emphasizes that all member states must be included in the building up of the service and that all large and small states, as well as geographical regions, must be fairly represented. "For us, it is extremely

[419] Anti Poolamets: Lissaboni leping kinnistab liitriigistumist, Eesti Päevaleht, 16th of June 2008.
[420] Estonia's priorities in the European Union during the French Presidency, available under: www.vm.ee (last access: 1st of September 2008).
[421] Ibid.
[422] Estonian Minister of Foreign Affairs Urmas Paet: Address at the "Eidgenössiche Technische Hochschule" in Zürich, Switzerland, on 7th of April 2008, available under: www.vm.ee (last access: 1st of September 2008).

important, that in this action service, just as in other international organisations, Estonians are also employed," said Paet.[423]

Finland*

Finnish perspective on the French Presidency priorities

The Finnish media has not clearly presented the four French priorities so far. The main newspaper mentioned them for the first time a day before the start of the French Presidency. The expectations of Finland during the French Presidency are threefold. Firstly, Finland is looking forward to issues related to developing the European Security and Defence Policy and its responsibilities. Secondly, emphasis is being put on the Lisbon Process. Thirdly, for Finland relations between the EU and Russia play an important role. The expectations in this regard are high due to the strong presidential system in France and Russia having new rulers. In addition to this, the energy and climate package should be almost ready by the beginning of next year when the European Parliament starts the electoral campaign.[424]

Finland's View on Developing EEAS

The Finnish media has been rather silent on the European External Action Service (EEAS). The main newspaper wrote one article on the issue in February that was titled "EU is building up the new external service in silence behind the scenes". The focus of this article was on the preparations to build up the service that have been started by the diplomats and civil servants of the EU member states. In addition to the representatives from the EU member states, the service will consist of the professionals from the European Commission and the Council Secretariat.[425]

The Finnish Ministry for Foreign Affairs outlined in May the Finnish stance on the development of the new EEAS.[426] According to the Ministry, Finland takes a positive view of the EEAS, seeing it as an opportunity to have a more integrated role in implementing the Common Foreign and Security Policy (CFSP) of the European Union. Finland also expects to receive notable support for its own foreign service. Increased information will become available through the EEAS, and even though the EU delegations do not affect the tasks of the member states' own foreign missions, Finland's global presence will expand as a consequence of the EU delegations. In Finland's view, the EEAS should bring together the tasks falling under the scope of the 'EU Foreign Minister', which are now handled by the European Commission's External Relations Directorate General and the Council Secretariat. For instance, the EU's capacity to respond to different crises will be stronger when resources are combined. The EEAS must cooperate in particular with the European Commission in affairs that remain the Commission's responsibility, such as trade policy.

According to the Secretary of State at the Ministry for Foreign Affairs, Pertti Torstila, the EU's external action should be regarded as a whole and thus the EEAS should ease institutional tensions that traditionally exist in this field in Brussels. The preparatory work carried out in 2004-2005 (before the Constitutional Treaty got into turmoil) should provide the basis of the new service. Finland has insisted that the work has to proceed fast. The concrete organisation of the EEAS will take time, but hopefully the EEAS will be fully operative in five to eight years. The preparatory work will have to involve all member states. In the negotiations on the Constitutional Treaty, Finland was among the member states that saw added value in the future 'EU Foreign Minister' and in having him assisted by 'EU diplomacy'. In addition, Finland pushed for more qualified majority voting in the CFSP. Finland estimates that it will send approximately 15 to 25 officials to the EEAS and the EU delegations during the first five years. Regarding different competence areas, the tasks of the Council Secretariat related to the CFSP will be transferred to the EEAS, as will be the tasks of the Directorate General

[423] Estonian Minister of Foreign Affairs Urmas Paet: Address to the "Riigikogu" on behalf of the Government of Estonia, 21st of February 2008, available under: www.vm.ee (last access: 1st of September 2008).

* **EUR Programme/Finnish Institute of International Affairs.**

[424] Personal interview with a civil servant at the Finnish EU Secretariat.

[425] Helsingin Sanomat: EU rakentaa hiljaa kulisseissa ulkosuhteiden uutta hoitoa, 9th of February 2008.

[426] See Finland's goal a strong European External Action Service and an internationally influential European Union, available at: http://formin.finland.fi/public/default.aspx?contentid=130386&nodeid=15146&contentlan=2&culture=en-US (last access: 16th of June 2008).

RELEX of the Commission. But little else is a more delicate issue than this. For instance, Finland would be reluctant to include tasks related directly to the conduct of trade policy in the EEAS, as the European Commission performs them very well now and trade is at the core of its responsibilities.[427]

Just before Ireland's referendum, the main newspaper, "Helsingin Sanomat", wrote about the EU's future leaders and how they have already been secretly chosen. The problem according to "Helsingin Sanomat" is that there are neither rules nor elections to choose these leaders. The newspaper mentioned two names as candidates for the position of the President of the European Council: Jean-Claude Juncker and Tony Blair. Regarding the other posts, the first question is whether the President of the European Commission, José Manuel Barroso, deserves another five-year term. Javier Solana is the favourite for the new post of the High Representative of the Union for Foreign Affairs and Security Policy, but the Swedish Foreign Minister Carl Bildt would get this post after him. However, nothing is certain because if the Danish Prime Minister Anders Fogh Rasmussen becomes a compromise candidate between Juncker and Blair, there would be already two 'centre-right' Scandinavians. Two other posts, namely the President of the European Parliament and the current position of Juncker as a leader of the eurogroup, should reflect the results of the European Parliament elections.[428]

French Presidency and the future of the EU

France*

French Priorities: a forgotten social agenda

Expectations are high regarding the French Presidency. Three years after the French 'No' vote to the Constitutional Treaty and six months after the Lisbon Treaty ratification by parliament, in a tense economic and social climate, the French Presidency is somehow seen as a way to reconcile the French people with the European Union. In January 2008, a poll from "IFOP" showed that 61 percent of French people thought that the French Presidency should have positive effects on France and its influence in Europe, 30 percent think that there will be no particular effects, and 9 percent believe there will be negative effects.[429]

The French government announced that its main priorities during its six month presidency would be: energy/climate, immigration, defence and the future of the Common Agricultural Policy, but also economic growth, unemployment and the Mediterranean Union. This immediately generated a strong reaction by the opposition (left-wing) parties, which have been focusing on the importance of inclusive social policies and good public services. Former Prime Minister Lionel Jospin opened the discussion in March after a consultation visit with the current President, Nicolas Sarkozy. On that occasion he declared that, in order to reconcile the European peoples with the EU, focusing on its social dimension was necessary.[430]

This opinion is strongly defended by all left-wing parties. On July 1st 2008, a large coalition led by François Hollande (Socialist), Marie-George Buffet (Communist), and Jean-Pierre Chevènement (MRC[431]) released a common declaration establishing priorities, according to the left, for the French Presidency. They insisted on the importance of implementing social policy, preserving public services, and advocated for a harmonisation of social policies.[432] However, this vision is not shared by Nicolas Sarkozy, who recently declared: "We have the best social protection system in Europe. You certainly do not want me to compromise it with the others".[433]

Still, these matters seem very important for 'organised civil society'. A study has taken place within different organisations (namely companies, trade unions, NGOs, local institutions, and think tanks).[434] It revealed that most of them were determined to influence the agenda of the French Presidency. This study also pointed to the main convergences and divergences between the government and the civil society priorities. The main convergence is the climate change issue: all parties agree that struggle against CO_2 emissions should be on top of the agenda. Another issue is

[427] Pertti Torstila, Seminar on the EU Foreign Policy and the European External Action Service, Parliament of Finland, 25th of February 2008.
[428] Giles Merrit: EU:n tulevia huippujohtajia valitaan jo salamyhkäisesti, Helingin Sanomat, Editorial. 2nd of June 2008.

* Centre européen de Sciences Po.

[429] Opinion poll, "IFOP" for Touteleurope.fr, January 2008.
[430] Le Point: Sarkozy consulte Jospin sur la Présidence Française de l'UE, 18/04/2008.
[431] Movement républicain et citoyen.
[432] AFP: Présidence de l'UE: déclaration commune Hollande, Buffet, Chevènement, 01/07/2008.
[433] France 3: Public Allocution, 01/07/2008.
[434] EurActiv: Résultats de l'enquête sur les attentes et propositions pour la Présidence française de l'UE, 03.12.2007, availble under. www.euractiv.fr. (last access: 29/08/2008).

that of 'Europe – protection'; if the government sees it only from an economic perspective, 'civil society' is also waiting for progress in terms of specific forms of general interest, and a more accurate protection of the EU's interests in the globalisation framework.[435]

Finally, the recent poll from "IFOP" showed that three of the priorities of the French Presidency (defence, immigration and energy) were not viewed as such by the French.[436] Their priorities are rather the environment and sustainable development (27 percent), consumer protection, defence of European enterprises (20 percent), and immigration (11 percent), which differs slightly from the priorities set by the government.

The European External Action Service: an organisation still to be defined

The question of the European External Action Service (EEAS) and its physiognomy has not been commented on a lot in France thus far. Nevertheless, according to the Lisbon Treaty, the member states have to fix its composition, perimeter and financing and many different options are currently foreseen by the various member states.

The EEAS 'perimeter', or the different services from the European Commission to be integrated in this new structure, is a very delicate question. In a recent report presented to the "Assemblée Nationale", it is argued that the idea of an extensive delimitation of the competences (i.e., including the current DG External Relations, Europeaid Cooperation Office, DG Trade and even DG Environment) cannot be considered favourably, notably because it could lead to a 'de-communautarisation' of some policies.[437] This report suggests that the EEAS should be composed of the Council competent services, DG Relex and EU delegations officials. It is also argued that a compromise between the restrictive and the extensive definition could be found by agreeing on a restricted perimeter, while placing the European Commissioners for Enlargement, External Aid and External Trade under the High Representative's authority. This framework could guarantee the coherence of the EU's external action. Finally, the report recommends making sure that the credits corresponding to shared competences are fungibles, which would mean abounding European Security and Defence Policy credits.

With regards to these issues, the French right-wing MEP, Alain Lamassoure, put forward his personal ideas. Firstly, he considered that the EEAS should be a unified service, with clearly defined competences between the Council and the European Commission (for instance, five different missions can be found in Kosovo at the present moment). His second recommendation was that every diplomatic service should send its best officials to the new external action service, "otherwise, this won't be a European diplomacy; it will be a '28th diplomacy' additional to the 27 already existing"[438]. But these changes are not supposed to affect bilateral diplomacies: a clear distinction needs to be made between EU diplomatic missions outside and inside the EU. Alain Lamassoure's last comment – a more controversial point – was that the use of terms like 'embassies' and 'ambassadors' should be abandoned inside the EU. Relations between the European countries are not diplomatic, he says, it is common work inside the EU.

Finally, for the Foreign Affairs Minister, Bernard Kouchner, this service should not emanate only from the Commission, because this could lead to the gradual eclipse of member states' policies. He argued that one of the priorities of the French Presidency would be to maintain these national policies.[439]

Germany*

The German debate about the French EU-Presidency priorities

Being the closest political partner within the European Union, the German debate about the French EU-Presidency is quite substantial. All relevant German actors are quite engaged in observing and evaluating the announced priorities, no less due to the fact that the German government was involved in the preparations with the French Presidency from the start. As mentioned above,[440] because of

[435] Ibid.
[436] Opinion poll, "IFOP" for Touteleurope.fr, January 2008.
[437] Roland Blum: Rapport d'information déposé par la Commission des Affaires Etrangères sur l'avenir de la politique étrangère et de sécurité commune et de son financement, Assemblée Nationale, 16/10/2007.
[438] EurActiv: Traité de Lisbonne : le service diplomatique soulève des questions, 13/05/2008, available under: www.euractiv.fr (last access: 29/08/2008).
[439] Assemblée Nationale: Compte rendu intégral des débats, Séance du 14/05/2008, available under: www.assemblee-nationale.fr/13/cra/2007-2008/156.asp (last access 29/08/2008).
* **Institute for European Politics.**
[440] See the answer on question 1 for Germany.

the failed ratification of the Lisbon Treaty in Ireland, the focus of the debate shifted from the four official French EU-Presidency's priorities, to the question of the Reform Treaty's future.

In this subchapter German actors' interests and concerns with regard to the French agenda for the second half of 2008 will be analysed according to the following issues of the debate: energy/climate, future of the Common Agricultural Policy (CAP), defence, immigration, Union for the Mediterranean.

Energy and climate policy

The debate on energy and climate issues has become one of the most vitally discussed topics in German politics and society, with growing attention to the fight against global warming. Basically all relevant political parties and non-governmental organisations agree on the fact, that combating climate change and the need to secure energy supply will be part of the main challenges in the coming decades. The results of the European Council Summit under the German Presidency in March 2007 and the broad agreement, reached on the G-8 Summit in Heiligendamm, influenced the German position on climate policy for more than one year now. Especially Chancellor Angela Merkel (CDU) and the Minister for Environment, Sigmar Gabriel (SPD), keep declaring that Germany feels responsible for the enforcement of the agreement's content, concluded under their leadership. Taking these aspects into account, the French Presidency will be strongly supported by the German government in implementing the ambitious targets for a European energy and climate policy.[441] The introduction of new directives and regulations on EU level in fulfilment of last years agreements ("Climate and Energy Package"), however, lead to the appearance of some conflicts of interests within the political system in Germany. These differences can be observed, on one hand, by the debates between the German government and the European Commission, and, on the other hand, in a similar way between the German Federal Ministries for Economic Affairs and for Environment. As it is already made apparent, the ministers and their staff have different opinions of importance on the need to support competitiveness, security of supply and environmental issues. Concrete thematic differences between the European Commission and German ministries as well as between the two German ministries responsible, can be found in the following areas[442]:

- First, the future of the EU-emission-trading-system (ETS) after 2012 and the amount of certificates being sold or handed over for free as well as the burden-sharing for the sectors not affected by the ETS.
- Second, the design of the new directive on renewable energies and the future of the German feed-in-system.
- Third, the binding targets of biofuel usage in European and German energy markets.
- Fourth, over the last few months, the dramatic rise in oil prices added another issue to most debated proposals: Which measures should be used to lower the social effects of rising prices for fossil fuels.

The political parties in Germany stand divided on several issues of the French Presidency's programme. Christian Democrats (CDU/CSU) refer increasingly to the need to protect German consumers and industry in global and European markets. They advertise for the need to retain companies who, because of the extension (and the subsequent additional cost) of the new rules for the ETS, would have otherwise decided to leave the country.[443] This process, called "carbon leakage", is seen as one of the main challenges in preserving the competitiveness of the German economy. The meeting of Chancellor Merkel and French President Sarkozy in Straubing, Germany, on 9 June 2008 had been well received by CDU/CSU politicians. It was particularly welcomed because of its results, which provide short- and middle-term protection to German

[441] Cf. Angela Merkel in an interview with "Straubinger Tagblatt". See: Merkel: Wir unterstützen die französische Ratspräsidentschaft nach Kräften, Regierung online, 9 June 2008, available at: http://www.bundesregierung.de/Content/DE/Interview/2008/06/2008-06-09-merkel-staubinger_20tagblatt.html (last access: 16 July 2008).

[442] For further information see: Oliver Geden/Severin Fischer: Die Energie- und Klimapolitik der Europäischen Union. Bestandsaufnahme und Perspektiven, Baden-Baden 2008.

[443] Cf. Marie-Luise Dött (CDU): Positionen zum europäischen Emissionshandel endlich offensiv einbringen, press release, 10 July 2008, available at: http://www.cdu.de/archiv/2370_23739.htm (last access: 16 July 2008); Markus Pieper (EVP-ED/CDU): 50% höhere Strompreise durch EU-Emissionshandel, CDU/CSU-group in the European Parliament, press release, 27 June 2008, available at: http://www.cducsu.eu/content/view/5099/4/ (last access: 16 July 2008).

car manufacturers from being issued unreachable emission reductions for their products.[444] Nevertheless, no agreement had been found between Merkel and Sarkozy on the issue of supporting European companies affected by the full integration into the ETS. While the French position aims at introducing tariffs on CO_2-intensive products from non-EU countries, the German government favours financial help for companies being affected by global competition.

German Social Democrats (SPD) support the most important points of the EU energy and climate policy and share the opinion of Environmental Minister, Sigmar Gabriel, on the need to play an active role in the fight against global warming. Nevertheless, the governing SPD's rejection to the use of nuclear energy might be the cause of a serious conflict for future negotiations on climate protection measures, especially regarding the French position on the topic. Liberals (FDP) share the opinion of the CDU/CSU in developing a climate policy that is not damaging economic development and protecting the interest of important industrial companies.[445] Therefore, they support a more market-oriented climate policy model. One emphasis lies on the liberalisation of the EU energy markets, which has been restarted by the European Commission in September 2007 and could also lead to an agreement in autumn 2008. The German government earns the most criticism on its energy and climate policy from the oppositional Green Party ("Bündnis 90/Grüne"). Its members fear that last year's ambitious targets will not be accomplished as long as Chancellor Merkel is supporting the interests of the German economy (e.g. as seen during the French-German meeting in Straubing and the results for the automotive industry). The Green Party introduced a proposal to establish a "European Community on Renewable Energies", similar to the European Community for Coal and Steel and the European Atomic Energy Community in the 1950s.[446] This new community could then be using the same method that was previously applied for the subsidy of coal and nuclear energy. The Left Party ("Die Linke") wants the European climate policy to be even more ambitious and therefore, support a 30 percent target for 2020. They estimate it as absolutely necessary to include German industry even more strongly into the emission trading system.[447]

Whereas the political parties argue about the details of the European Commission's "climate-and-energy-package", being a priority of the French Presidency, the debates within civil societies and among non-governmental organisations and industrial groups are of a more general nature. On the one hand, environmental NGOs, such as "BUND" or "Greenpeace" urge the German government to be more proactive on climate policy, since European agreements on climate protection have to be implemented as laws. On the other hand, German industrial groups, such as the "Energy-Intensive Industry Union" ("VIK"), see the emission trading system only as another way to earn more state money, but not to succeed in fighting global warming.[448] A similar structure of the debate can be found in German media. The rather conservative newspaper "Die Welt", celebrates the agreement between Merkel and Sarkozy in Straubing as a success for German automotive industry[449], while, at the same time, the "Süddeutsche Zeitung" points out, that the agreement will be worthless for climate protection.[450]

A Health check of the CAP

The review of the CAP is one of the long-term issues which falls upon the French

[444] Cf. Werner Langen (EVP-ED/CDU): Einigung Merkel-Sarkozy bringt CO2-Grenzwerte bei Autos voran, CDU/CSU-group in the European Parliament, press release, 10 June 2008, available at: http://www.cducsu.eu/content/view/5039/4/ (last access: 16 July 2008).
[445] Cf. Das Parlament: Streit um Energiepaket, 28 January 2008.
[446] Cf. Green group in the European Parliament: Grüne fordern "Europäische Gemeinschaft für Erneuerbare Energien", press release, 24 June 2008, available at: http://www.gruene-europa.de/cms/default/dok/240/240073.gruene_fordern_europaeische_gemeinschaft@en.htm (last access: 16 July 2008).
[447] Cf. speech of deputy Eva Bulling-Schroeter in the German parliament ("Deutscher Bundestag") on 11 April 2008: EU-Emissionshandel und Erneuerbare, available at: http://www.bulling-schroeter.de/reden/pr20080411.htm (last access: 16 July 2008).
[448] Cf. Verband der industriellen Energie- und Kraftwirtschaft (VIK): Emissionshandel: Neue CO_2-Steuer durch die Hintertür, press release, 6 May 2008, available at: http://www.vik.de/index.php?id=71&backPID=71&tt_news=149 (last access: 16 July 2008).
[449] Cf. WeltOnline: Marktgerechter Klimaschutz, 11 June 2008, available at: http://www.welt.de/welt_print/article2089414/Marktgerechter_Klimaschutz.html (last access: 16 July 2008).
[450] Cf. Wolfgang Roth: Klimaschutz mit Drosselklappe. Der deutsch-französische Kompromiss nimmt zu viel Rücksicht auf die Autohersteller, in: Süddeutsche Zeitung, 11 September 2008.

Presidency.[451] The attention towards developments in the agricultural policy are of no great German public interest. Only the fact of rapidly growing food prices draws some attention to this field. On the question of the future development of the CAP, Germany represents a moderate position between protectionist attitudes, as those in France, and full liberalization, as demanded by Great Britain.

Chancellor Merkel promised German farmers to support their interests at the proceedings of the "health check" on the EU level. On the German farmers' day in Berlin, she declared that, "every form of agriculture has its right to exist and deserves a future perspective"[452]. Her policy input will be directed especially on the cutback on bureaucracy in the national and European administration.[453] In addition, German policy aims at planning reliability, dependability and fair conditions for competition inside Europe.[454] The Ministry of Agriculture shares the view of the European Commission on many points, such as the decoupling of direct payments and the introduction of more market oriented instruments. Nevertheless, there will still be a need for protection of European markets, regarding some specific products which could not compete on global markets. However, the Ministry warns the Commission not to cut the direct payments too far. According to the Parliamentarian State Secretary in the Ministry of Agricultural, Gerd Müller, this would not be a "health check" but more or less an "amputation" on jobs and farms in Germany, especially in the weak East of the country.[455]

Political parties in Germany reflect their position on agricultural policy by the diverging interest of their electorate. Conservatives such as the CDU, and especially the Bavarian CSU, strongly support German farmers in standing against plans of the European Commission to cut subsidies, while Social Democrats and the Left Party represent moderate positions. Liberals also demand cutting costs of the bureaucracy, while the Green Party support environmentally consistent concepts on land use as well as ecologically sensitive agriculture.[456] Therefore, the CDU/CSU-group in the Bundestag demands reforms on the European level be stopped until 2013 to give farmers more planning reliability, as well as demanding cuts in the expensive work of the administration. This goes in line with the work of Agricultural Minister, Horst Seehofer (CSU) in the Council of Ministers, who resists the wishes of the European Commission to cut back payments to farmers before 2013. The SPD also criticises the digression of subsidies before 2013, especially in connection with the size of the farming site. In opposition to the CDU/CSU, the Social Democrats demand a deeper integration of climate policy into the agricultural agenda and welcome the support for measures on environmentally sensitive farms. Liberals also support planning reliability until 2013 and no digression of payments. However, farmers should be given support towards working more efficiently and productively, in order to compete on free markets within a reasonable timeframe. The Greens are the only party to attack the German government fundamentally and welcome the plans of the Commission in most issues, especially towards rethinking subsidies before 2013. With a particular focus on the battle against climate change, Green politicians say that the agricultural sector has to apply more effort to cut emissions.[457] This is not accomplished by supporting ecologically non-sensible sites with massive financial input. Therefore, a rapid and fundamental reform of the CAP on the EU level is needed.

[451] It is interesting, however, that the French government highlighted this issue in their programme as there is not any time constraint to deal with the "health check" already.
[452] Translated by the author. Angela Merkel, according to: EU-info.Deutschland: Merkel sagt deutschen Bauern Unterstützung auf EU-Ebene zu, 28 June 2008, available at: www.eu-info.de/dpa-europaticker/134874.html (last access: 16 July 2008).
[453] Cf. ibid.
[454] Cf. Website of the German federal government on agricultural policy, http://www.bundesregierung.de/Content/DE/StatischeSeiten/Breg/ThemenAZ/Landwirtschaft/landwirtschaft-2006-07-28-eu-und-internationale-agrarpolitik.html (last access: 16 July 2008).
[455] Cf. speech of the Parliamentarian State Secretary Gerd Müller at the international workshop "A fair design for an European agricultural policy": Health Check: Neue Wege für den ländlichen Raum?, Berlin, 6 March 2008, available at: http://www.bmelv.de/cln_044/nn_749972/DE/12-Presse/Reden/2008/03-06-MuellerEuropAgrarpolitik.html__nnn=true (last access: 16 July 2008).
[456] Cf. for an overview: parliamentary debate on the "Health Check" in the German parliament ("Deutscher Bundestag"), see: Bundestagsplenarprotokoll 16/136, Anlage 8, pp. 14426 (D)-14433 (A), available at: http://dip21.bundestag.de/dip21/btp/16/16136.pdf (last access: 16 July 2008).
[457] Cf. Fraktion Bündnis 90/Grüne im Deutschen Bundestag: Klimacheck für die europäische Agrarpolitik, 16 January 2008, available at: http://www.gruene-bundestag.de/cms/agrar/dok/215/215115.klimacheck_fuer_die_europaeische_agrarpo.html (last access: 16 July 2008).

Within German society, the lobby-group of German farmers is the most noted voice on the issue of the CAP's future. Their position is, in most aspects, compliant with the German position in the Council, demanding planning reliability. This entails not changing policy until 2013 and not cutting subsidies, as well as a simplification of procedures. The media is more concerned with high food prices than with the European Commission's intended reform of the agricultural policy. Nevertheless, especially in left-wing and liberal press sources, there is some criticism towards farmers and the German government. Here, main topics include the blocking of all steps to reform the financial structure in the EU and therefore driving global food markets into an even more severe crisis.[458]

Most representatives of the academic community are missing a strategic approach to the future developments of the CAP. With respect to the WTO negotiations on agricultural products, a second thought should be given to Europe's position on the issue.[459] Other authors fear that the Irish 'No' in the referendum on the Lisbon Treaty could be used by French President Sarkozy to bring the EU back on a more protectionist track for the coming years and thereby collect important support from the strong agro-lobby in France.[460]

'Europe of defence'

The question of further developments within the European Security and Defence Policy (ESDP) was not widely discussed in German politics in recent months. If mentioned, foreign relations and security issues concern more national aspects, such as the concept of a new security strategy, as proposed by the CDU/CSU-group in the German parliament ("Deutscher Bundestag"), and the deployment of more German soldiers to Afghanistan. The focus on security and defence policy as one part of the French Presidency's programme has not received much attention, even less after the negative Irish referendum.

Nevertheless, the German government, as represented by the Minister of Defence, Franz Josef Jung (CDU), supports the French plans for the further development of a genuine ESDP.[461] Concerning reforms, he suggested the extension of the "EU Battle-Groups" towards naval and airborne forces. The minister also mentioned the importance of civil reaction forces, as showed by the example of EULEX[462] in Kosovo. The advancement of a comprehensive European policy with regard to security issues should nevertheless go hand in hand with the development inside NATO.[463] There was some disagreement between Jung and his French colleague, Hervé Morin, about the structure of a new general staff headquarters for the enlarged European battle groups. Jung fears double-structures between EU and NATO, but offers to negotiate the matter between France and the disapproving British government.[464]

The German political parties are divided about the French proposals, but this is not a debate which is held on a daily base. There are two main aspects of the CDU/CSU's new security strategy: firstly, the party wants to strengthen the ability of civil-military reaction and make it interoperable with NATO-structures. Secondly, they support the development of rapid civil reaction forces within the military.[465] Even if the need for a new security strategy is not shared by the Social Democrat Party (SPD), the opinion to strengthen civil-military abilities is mutual. In a joint paper, French Socialist, François Hollande, and the then SPD-leader, Kurt Beck, mention the extension of military and civil forces as necessary to prevent conflicts and secure peace. Therefore, they agree that the development of stronger battle

[458] Cf. e.g. Petra Pinzler: Scheinheilige Helfer. Wieder wollen die Reichen die Armen mit ihren Überschüssen ernähren. Das schadet auf lange Sicht allen Beteiligten, in: Die Zeit, 10 July 2008.
[459] Cf. Bettina Rudloff: Parallele europäische Agrarreform und WTO-Agrarverhandlungen. Behindern oder stärken sich beide Prozesse wechselseitig?, SWP-Aktuell 29/2008, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=4881 (last access: 16 July 2008).
[460] Cf. Andreas Maurer/Daniela Schwarzer: Der Schuss vor den Bug. Frankreich muss die Prioritäten seiner EU-Ratspräsidentschaft umgewichten, SWP-Aktuell 62/2008, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5110 (last access: 16 July 2008).
[461] Cf. Franz Josef Jung, according to: heute im Bundestag: Jung fordert weiteren Ausbau der ESVP, 4 June 2008, available at: http://www.bundestag.de/aktuell/hib/2008/2008_163/01.html (last access: 16 July 2008).
[462] European Union Rule of Law Mission in Kosovo.
[463] Cf. Ansgar Graw: Jung will Eingreiftruppen zur See und in der Luft, in: WeltOnline, 1 June 2008, available at: http://www.welt.de/politik/article2055716/Jung_will_Eingreiftruppen_zur_See_und_in_der_Luft.html (last access: 16 July 2008).
[464] Cf. ibid.
[465] Cf. Beschluss der CDU/CSU-Fraktion im Deutschen Bundestag vom 6. Mai 2008: Eine Sicherheitsstrategie für Deutschland, p. 9, available at: http://www.cdu.de/doc/pdfc/080506-beschluss-fraktion-sicherheitsstrategie.pdf (last access: 16 July 2008).

groups is needed.[466] On the opposition's side, Green Party deputy Omid Nouripour warns that, „with the proposal for force of 60.000 troops and the reductions within the French Army, the European Security and Defence Policy could become the instrument of a French policy of military intervention"[467]. The "militarization" of the ESDP was one of the strongest arguments for the Left Party to refuse the ratification of the Lisbon Treaty.[468]

While there is no constant as well as consistent debate in the media or between relevant non-governmental organisations, the academic society is referring to this priority of the French Presidency in some publications. Some authors seem to be rather sceptical about the positioning of the security and defence policy on the forefront of the agenda. Especially regarding the need to persuade the Irish electorate to give the Lisbon Treaty another chance, it would not be suitable to pay too much attention to the development of European troops.[469]

European Pact on Immigration and Asylum

The French proposals in the context of a "European Pact for Immigration and Asylum", which is planned to be decided upon by the Council of Ministers in October 2008, are only briefly discussed and criticised in German discussion. Although European migration and asylum policy is generally an issue of high interest among different German actors, the French ideas are less controversially argued than other priorities of the French Presidency. The French priorities mainly meet the Merkel government objectives, but are criticised by the smaller opposition parties, such as the Green Party and the Left Party. Not surprisingly, according to several non-governmental organisations like "ProAsyl" and "Attac Germany", the French approach for a European immigration and asylum pact is said to be too restrictive vis-á-vis immigrants from developing countries.[470]

The German debate about objectives for the future of migration and asylum policy is rather of a more general nature than being focused on the French EU-Presidency's agenda. Since political actors openly pronounced that Germany has become an immigration country, governments dealt mostly with the question of how to better integrate the population with foreign backgrounds. In fact, all political actors clearly differentiate between measures to protect against possible threats (like illegal migration, border control, the fight against terrorism and trans-national crime) and those areas where no menace can be detected (like asylum and integration policy, and the supervision of legal migration). Thus, the latter areas should instead be dealt with at the national level. However, like France, Germany is experiencing a "change in approach, from an immigration policy influenced by sovereignty and security considerations, to a policy that increasingly accepts Europe as an immigration continent"[471]. In addition, politicians recognise the growing need to stimulate legal immigration of skilled workers who are recently missing, according to national economists.[472] Thirdly, it has to be mentioned that Germany is no longer only an immigration but also an emigration country. The number of people emigrating from Germany in 2007 almost met the number of

[466] Cf. SPD: Kurt Beck und Francois Hollande legen gemeinsame Erklärung zur Zukunft der Europäischen Union vor, press release, 3 May 2008, available at: http://www.spd.de/menu/1713270/ (last access: 16 July 2008).
[467] Cf. Fraktion Bündnis 90/Grüne im Deutschen Bundestag: Keine Interventionspolitik à la Sarkozy, 18 June 2008, press release No. 0671, available at: http://www.gruene-bundestag.de/cms/presse/dok/238/238938.keine_europaeische_interventionspolitik.html (last access: 16 July 2008).
[468] Cf. Die Linke Fraktion im Deutschen Bundestag: Elemente der Verfassungsklage gegen den Vertrag von Lissabon, 26 June 2008, available at: http://www.linksfraktion.de/nachricht.php?artikel=1409556873 (last access: 16 July 2008).
[469] Cf. Andreas Maurer/Daniela Schwarzer: Der Schuss vor den Bug. Frankreich muss die Prioritäten seiner EU-Ratspräsidentschaft umgewichten, SWP-Aktuell 62/2008, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5110 (last access: 16 July 2008).
[470] Cf. e. g. ProAsyl: Migration und Flüchtlingsschutz im Zeichen der Globalisierung, press release, 5 June 2008, available at: http://www.proasyl.de/en/archive/press-releases-german-only/presse-detail/news/migration_und_fluechtlingsschutz_im_zeichen_der_globalisierung/back/64/pS/1215697905/chash/3bd14b9dc5/index.html?print=yprprprprprprprprprprprinter.html (last access: 16 June 2008); Attac: Attac kritisiert Abschieberichtlinie als inhuman, 18 July 2008, available at: http://www.attac.de/aktuell/neuigkeiten/detailansicht/datum/2008/06/18/attac-kritisiert-abschieberichtlinie-als-inhuman-1/?no_cache=1&cHash=8804552f12 (last access: 16 July 2008).
[471] Translated by the author. Catherine Withol de Wenden: Von Widersprüchen und Notwendigkeiten: Perspektiven französischer und europäischer Migrationspolitik, DGAP Analyse Frankreich 4/2008, available at: http://www.dgap.org/midcom-serveattachmentguid-1dd412376c327a6412311dd9c3f47813aedabb8abb8/dgap analyse-2008_04_dewenden.pdf (last access: 16 July 2008).
[472] Cf. e.g. Green Party: Zukunftschancen werden verspielt, press release No. 111/08, 16 July 2008, http://www.gruene.de/cms/default/dok/242/242489.zukunftschancen_werden_verspielt.htm (last access: 17 July 2008).

those immigrating to Germany.[473] On the one hand, the latter phenomenon is due to the fact that immigration flows are constantly declining, whereas on the other hand, more and more Germans are leaving the country for work-related reasons (about 636,857 in 2007).[474]

With regard to the French EU-Presidency's priorities, the grand coalition government particularly supports the envisaged better protection of the EU's external borders via more and better instruments for the EU's border security agency FRONTEX, as well as a common European asylum system.[475] Interior Minister Wolfgang Schäuble (CDU) tries to calm down any fears of 'a fortress Europe'.[476] Minister of Justice Brigitte Zypries (SPD) admits, however, that the development of a common European Asylum Policy will be a long-lasting, "difficult" project, as national regulations for asylum are quite diverse.[477] On the contrary, the oppositional Green and Left Parties both criticise the lack of solidarity vis-à-vis asylum seekers and qualify the EU migration policy as being inhumane.[478] According to the Green party, the concept of circular migration could not be realised if legal migration is not sufficiently supported.[479] The Left Party accuses European interior ministers of aiming at Europe to become a "bunker".[480]

The media debate is quite clear in its evaluation: Although President Sarkozy's activeness and engagement is hoped to have an accelerating effect on European integration in general,[481] the asylum pact is doubted to be the right tool and is described to be too segregated against third countries.[482] German journalists are worrying that Sarkozy's concept of 'protecting Europe and its citizens against all threats of globalisation' could rather produce fears instead of the intended feeling of security.[483] It would, however, be more than necessary to attract highly qualified workers from aside the EU, as they only make up 5 percent of all immigrants coming to Europe (compared to a proportion of 55 percent migrating to the United States).[484]

Interestingly, polls prove that the German public supports a leading role for the European Union in migration policy and in control of external borders.[485] Interviewees seem to concede with Sarkozy's objective to orient the French Presidency agenda toward the (French and European) citizens' worries, which would

[473] Cf. Newsletter Migration und Bevölkerung: Studie zur Auswanderung aus Deutschland, 8/2007, available at: www.migration-info.de/migration_und_bevoelkerung/artikel/070807.htm (last access 16 July 2008).
[474] Cf. Statistisches Bundesamt Deutschland: Wanderungen zwischen Deutschland und dem Ausland 1991 bis 2007, available at: http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Content/Statistiken/Bevoelkerung/Wanderungen/Tabellen/Content50/WanderungenInsgesamt,templateId=renderPrint.psml (last access: 16 July 2008).
[475] Cf. Antwort der Bundesregierung auf die Kleine Anfrage der Fraktion der FDP – Drucksache 16/9376 –, Bundestagsdrucksache 16/9556, available at: http://dip21.bundestag.de/dip21/btd/16/095/1609556.pdf (last access: 16 July 2008).
[476] Wolfgang Schäuble, cited according to: Zeit online: Innenminister-Konferenz. „Europa wird kein Bunker", 8 July 2008, available at: http://www.zeit.de/online/2008/28/EU-Innenminister (last access: 16 July 2008).
[477] Cf. Der Tagesspiegel: Zypries: EU-Asylpolitik wird schwierig, 8 July 2008, available at: http://www.tagesspiegel.de/politik/international/Asyl-EU;art123,2567963 (last access: 16 July 2008).
[478] Cf. Green Party: Inhumanen Einwanderungspakt stoppen, press release No. 107/08, 1 July 2008, available at: http://www.gruene.de/cms/default/dok/240/240884.inhumanen_einwanderungspakt_stoppen.htm (last access: 16 July 2008); Jan Korte (MP Left Party): Europa muss sicherer Anlaufpunkt für Menschen in Not werden, press release, 7 July 2008, available at: http://die-linke.de/die_linke/nachrichten/detail/artikel/europa-muss-sicherer-anlaufpunkt-fuer-menschen-in-not-werden (last access: 16 July 2008).
[479] Cf. press release of the Green party faction: Kontraproduktive Signale von künftigen EU-Ratsvorsitz, No. 0576, 30 May 2008, available at: http://www.gruene-bundestag.de/cms/presse/dok/235/235794.html (last accessed: 16 July 2008).
[480] Jan Korte (MP Left Party): Europa muss sicherer Anlaufpunkt für Menschen in Not werden, press release, 7 July 2008, available at: http://die-linke.de/die_linke/nachrichten/detail/artikel/europa-muss-sicherer-anlaufpunkt-fuer-menschen-in-not-werden (last access: 16 July 2008).
[481] Cf. Martin Winter: Projekt "Schutzraum Europa", in: Süddeutsche Zeitung, 2 July 2008, available at: http://www.sueddeutsche.de/ausland/artikel/169/183596 (last access: 16 July 2008).
[482] Cf. e.g.: Eric Bonse: Alle Schotten dicht, in: Handelsblatt, 19 June 2008, available at: http://www.handelsblatt.com/politik/handelsblatt-kommentar/alle-schotten-dicht;1445185 (last access: 16 July 2008); Alex Rühle: Da kann ja jeder kommen, in: Süddeutsche Zeitung, 20 June 2008, available at: http://www.sueddeutsche.de/ausland/artikel/135/181574 (last access: 16 July 2008).
[483] Cf. e. g. Kathrin Haimerl/Birgit Kruse/Thorsten Denkler: Sarkozy – der Angstmacher bläst die Backen auf, in: Süddeutsche Zeitung, 1 July 2008, available at: http://www.sueddeutsche.de/ausland/artikel/51/183479/ (last access: 16 July 2008).
[484] Cf. Joachim Fritz-Vannahme: Zuwanderer gesucht!, in: Zeit online, 2 July 2008, available at: http://www.zeit.de/online/2008/27/europa-migrationspolitik-3 (last access: 16 July 2008).
[485] Cf. Special Eurobarometer: The role of the European Union in Justice, Freedom and Security policy areas, February 2007, p. 13, available at: http://ec.europa.eu/public_opinion/archives/ebs/ebs_266_en.pdf (last access: 16 July 2008).

entail more European co-operation in the fight against transnational crime, terrorism and illegal migration. In sum, German observers are unsure whether the "European Immigration and Asylum Pact" will be realisable without the Lisbon Treaty. As unanimity is still required for all Justice and Home Affairs decisions, some political scientists did not believe in French mediation capacities to make all member states agreeing upon this pact.[486]

Barcelona Process: Union for the Mediterranean

Shortly after the official establishment of the Union for the Mediterranean on 13 July 2008 in Paris, German politicians and commentators fully recognized and supported this new project of EU-co-operation with its Mediterranean neighbourhood. After criticising the "dozed" Barcelona Process, the CDU-speaker of external relations, Eckart von Klaeden, welcomed Sarkozy's initiative as a necessary approach to revive the co-operation between the EU and this region.[487] The breakthrough in relations between Syria and Lebanon led especially to a positive evaluation of Sarkozy's engagement in the Union for the Mediterranean project by the German media.[488] In the past, the question of how to interact with Syria created some tension within the governing 'grand coalition' – as Foreign Minister Frank-Walter Steinmeier pleaded for a strengthened association, Chancellor Merkel refused to deepen relations with Syrian President Assad and his country.[489]

On French 'Bastille Day', the 14 July, the former dissonance between Germany and France, which was brought about by Sarkozy's plans for a Mediterranean Union, seemed to be forgotten. In the framework of the Union for the Mediterranean's official launching, French President and Foreign Minister emphasized the helpful Franco-German cooperation and Sarkozy explicitly thanked Chancellor Merkel for her support.[490] Foreign Minister Steinmeier's positively evaluated that the Union for the Mediterranean will concentrate its activities on different concrete projects like one about solar-energy.[491] "This is a project that is particularly close to my heart", he said.[492]

Originally, Sarkozy's plans only included a regionally restricted, closer co-operation between EU and non-EU member states that are directly located at the shores of the Mediterranean sea. Also, as he launched this first plan without consulting neither the other EU partners, nor the estimated future Union for the Mediterranean-member states, the French President was quickly confronted with several critics from different directions. The German government mainly criticised three points: Firstly, it feared a division of EU member states; between those supporting stronger ties with the European Union's southern neighbouring countries and those aiming at a strengthened co-operation with the Eastern neighbourhood. Secondly, the link between the already existing Barcelona Process and the new initiative was missing and could have caused a duplication of structures and instruments. Thirdly, the financing of Sarkozy's initiative was unclear, and any EU-payments for a regional project were not in German interests.[493]

[486] Cf. Daniela Weingärtner: Mehr Gerangel als Glanz, in: Das Parlament, 30 June 2008, available at: http://www.bundestag.de/dasparlament/2008/27/EuropaWelt/21361049.html (last access: 16 June 2008). On the contrary, other authors are convinced that Sarkozy will concentrate on the realisation of the Pact and is likely to succeed. Cf. Andreas Maurer/Daniela Schwarzer: Der Schuss vor den Bug, SWP-Aktuell 62/2008, p. 6, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=5110 (last access: 16 July 2008).

[487] Cf. Radio interview between Jürgen Liminiski and Eckart von Klaeden: Unionspolitiker zufrieden mit Mittelmeerunionstreffen, Deutschlandfunk, 14 July 2008, available at: http://www.dradio.de/dlf/sendungen/interview_dlf/816070/ (last access: 16 July 2008).

[488] Cf. WeltOnline: Sarkozy macht sich zum Friedensstifter, 14 July 2008, available at: http://www.welt.de/welt_print/article2210607/Sarkozy_macht_sich_zum_Friedensstifter (last access: 17 July 2008).

[489] Cf. Nikolas Busse: Anerkennung aus Deutschland, in: Frankfurter Allgemeine Zeitung, 13 July 2008, available at: http://www.faz.net/s/RubDDBDABB9457A437BAA85A49C26FB23A0/Doc~E67E4D2DDD6B94E2E8EB86771CE53B604~ATpl~Ecommon~Scontent.html (last access at: 16 July 2008).

[490] Cf. Süddeutsche Zeitung: Olmert: Frieden so nah wie nie, 13 July 2008, available at: http://www.sueddeutsche.de/,tt3m1/ausland/artikel/138/185553/ (last access: 16 July 2008); n-tv online: Zufrieden in der zweiten Reihe, 14 July 2008, available at: http://www.n-tv.de/Zufrieden_in_der_zweiten_Reihe_Merkel_feiert_in_Paris/140720080813/993597.html (last access: 16 July 2008).

[491] Cf. Eric Bonse: Sarkozy schafft sich Freunde am Mittelmeer, in: Handelsblatt, 14 July 2008, available at: http://www.handelsblatt.com/politik/international/sarkozy-schafft-sich-freunde-am-mittelmeer;2011222 (last access: 16 July 2008).

[492] Translated by the author. Frank-Walter Steinmeier, quoted according to a dpa message, Paris, 13 July 2008, available at: http://newsticker.welt.de/index.php?channel=new&module=dpa&id=18320376 (last access: 16 July 2008).

[493] Cf. Handelsblatt: Paris verprellt Berlin mit Mittelmeer-Union, 6 February 2008, available at: http://www.handelsblatt.com/politik/international/paris-

Chancellor Merkel underlined the German interest in "overtaking responsibility" not only for the EU's eastern neighbourhood, but also for the "Mediterranean region",[494] and Foreign Minister Steinmeier stressed that all the issues the Union for the Mediterranean was supposed to deal with were issues of common EU concern: ("control of migration flows, environment protection, trade, energy supply, fight against organised crime and terrorism").[495] Those problems could only be overcome by the EU's joint action instead of only regional Mediterranean co-operation. Once again, the logic of the Franco-German engine, that implies a compromise between these two partner countries becoming a feasible alternative for the EU-27, worked. After some months of irritation between both governments,[496] talks between Merkel and Sarkozy finally led to a reconciliation of German and French interests regarding the Union for the Mediterranean project.[497] They agreed that the Union for the Mediterranean should include all 27 member states, a co-chair of an EU member state and an non-EU Mediterranean state, and that it should mainly deal with common projects. The European spring Council then agreed upon the new Union for the Mediterranean project being an official revival of the Barcelona Process.[498]

The only German party that still openly protested against the Union for the Mediterranean project was the generally eurosceptic Left Party. In general, mainly politicians participated in the German debate about the upcoming Union for the Mediterranean. The German media debate was strongly focused on the original tensions between Berlin and Paris because of the solo attempt of Sarkozy at the beginning. At a later stage, it mainly questions whether Sarkozy will be able to withdraw from playing a dominant (French) role in the framework of the Union for the Mediterranean.

Conclusion: German position regarding the French Presidency

In summary, the German position regarding the French Presidency has to be evaluated against the background of the special relationship between both countries. The regular meetings between authorities on all levels in the forefront of the French Presidency prove the importance of bilateral consulting. Both sides estimate this constant exchange as precondition to reach agreements within the whole Union. Due to the negative Irish referendum, as in most other countries, the German concerns about certain aspects of the French agenda slightly shifted. First of all, the future of the Lisbon Treaty became the main issue in political debates about the further developments of the EU. Besides, the implementation of the "Climate and Energy Package" remains one of the major topics for German as well as French actors. All other priorities such as migration, defence, agricultural and economic policy are less vividly discussed. Sarkozy's initiative for a Mediterranean Union was first critically received, especially in the media, but earned more positive feedback after the Franco-German compromise in January 2008.

European External Action Service

At present, discussions about the concrete shape of the European External Action Service (EEAS) are most intense at the governmental level. Inside the German Foreign Ministry ("Auswärtiges Amt") both those in charge of the Common Foreign and Security Policy (CFSP) ("Political Department 2") and in the task force on the implementation of the Lisbon Treaty in the "European Department" are heavily involved in the planning of the EEAS details.

Parliament has taken some interest in the issue during the ratification procedure of the Lisbon Treaty, while the wider public is not involved. The Committee on European Affairs organised several hearings with experts on the results of the intergovernmental conference. One of them was devoted to CFSP issues including the High Representative of the Union for Foreign Affairs and Security Policy and the EEAS. In addition opposition parties in the

verprellt-berlin-mit-mittelmeer-union;1387425 (last access: 16 July 2008).

[494] Cf. Frankfurter Allgemeine Zeitung: Sarkozy: Freundschaft verewigen, 31 January 2008, p. 7.

[495] Translated by the author. Cf. Frank-Walter Steinmeier in an interview with the Agyptian newspaper Al-Ahram, 23 April 2008, available at: www.auswaertiges-amt/diplo/de/infoservice/presse/interviews/2008/080423-html (last access: 16 July 2008).

[496] Cf. e.g. Financial Times: Merkel rebuffs Sarkozy on Mediterranean Plan, 31 January 2008.

[497] Cf. Press statements of Merkel and Sarkozy, Hannover, 3 March 2008, available at: http://www.bundesregierung.de/nn_1516/Content/DE/Mitschrift/Pressekonferenzen/2008/03/2008-03-03-pk-merkel-sarkozy.html (last access: 16 July 2008).

[498] Cf. Council of the European Union: Presidency conclusions of the Brussels European Council of 13/14 March 2008, 20 May 2008, p. 20, available at: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/99410.pdf (last access: 16 July 2008).

German parliament ("Deutscher Bundestag") – the Left Party ("Die Linke") and the Liberals (FDP) – made formal parliamentary requests to the government on the EEAS. While the former issued some concern about another 'militarization' of the EU through integrating the ESDP institutions into the EEAS,[499] the FDP request focused on the consistency question.[500] Particular emphasis was put on a strengthened role of the High Representative and the support function of the EEAS against too large of a role of the future President of the European Council.

Though being supportive of the Lisbon Treaty provisions on the CFSP in principal, the Christian-Democratic CDU faction (as one of the coalition parties) in the "Deutscher Bundestag" favoured the integration of the EEAS into the European Commission. In line with its integrationist approach, the Christian-Democrats thus supports the proposal of the European Parliament while the government's considerations are rejected as being neither functionally nor politically desirable.[501]

In line with its previous considerations in the aftermath of the Constitutional Treaty, the German government wishes to see the EEAS as a sui generis creation. This implies something new which has to be strongly oriented towards the functions of the future High Representative of the Union for Foreign Affairs and Security Policy, as defined in the Lisbon Treaty, and it must operate under his/her authority. According to the German government, the basic parameters of the new 'creature' have to be defined in a comprehensive way in advance, even though the implementation of the EEAS may be more evolutionary due to budgetary restraints, diverging concepts among the 27 and even more so after the Irish 'No' to the Lisbon Treaty.

The German government underlines the equality of the EEAS personnel in disregard of its origin, and claims an even distribution of the posts between those officials coming from the Council Secretariat, the European Commission and the national diplomatic services. Equal status implies that officials from the member states can be posted both in the EEAS in Brussels and in the EU delegations abroad. In budgetary terms the total EEAS staff should be financed from the EU-budget.

The "Auswärtiges Amt" is highly interested in being represented in the EEAS right from the beginning and in an "appropriate" way i.e. in leading positions as well.

[499] Kleine Anfrage der Fraktion DIE LINKE, Bundestagsdrucksache 16/8557, available under: http://dip21.bundestag.de/dip21/btd/16/085/1608557.pdf (last access: 23 September 2008). See also the answer of the federal government: Antwort der Bundesregierung auf die Kleine Anfrage der Fraktion DIE LINKE – Drucksache 16/8557 –, Bundestagsdrucksache 16/8713, available under: http://dip21.bundestag.de/dip21/btd/16/087/1608713.pdf (last access: 23 September 2008).

[500] Kleine Anfrage der Fraktion der FDP, Bundestagsdrucksache 16/9174, available under: http://dip21.bundestag.de/dip21/btd/16/091/1609174.pdf (last access: 23 September 2008). See also the answer of the federal government: Antwort der Bundesregierung auf die Kleine Anfrage der Fraktion der FDP – Drucksache 9174 –, Bundestagsdrucksache 16/9316, available under: http://dip21.bundestag.de/dip21/btd/16/093/1609316.pdf (last access: 23 September 2008); Alexander Graf Lambsdorff: Europäischer Auswärtiger Dienst – alle Fragen offen!, press release, 27 May 2008, available under: http://www.europa.fdp.de/presse.php?id=19299&presse_y=2008 (last access: 23 September 2008).

[501] Michael Stübgen (CDU): Europäischer Auswärtiger Dienst muss bei der EU-Kommission angebunden werden, press release, 24 April 2008, available under: http://www.presseportal.de/pm/7846/1178475/cdu_csu_%20bundestagsfraktion (last access: 23 September 2008).

Greece*

French Presidency priorities correspond closely to Greek ones

The goals of the French EU-Presidency are seen at first as over-ambitious – almost of a Gaulistic character – but with a tendency to be watered down little by little.[502] In any event, the priorities of the French Presidency correspond closely to areas of major interest in Greek public discourse. Moreover, there have been recent points of political convergence between Greece and France (most importantly for Greece: coordination of positions in the Bucharest 2008 spring NATO Summit over the controversial issue of FYROM[503] joining the Alliance, where the Greek veto was openly supported by France) which increased the visibility of French initiatives in Greek public opinion and made for an overall feeling of joint positioning in international fora.

Of the priorities declared by Paris, energy is of major interest for Greece – especially from an energy security point of view – due to its recent

* **Greek Centre of European Studies and Research.**

[502] See the newspaper TO VIMA, 17 July 2008.

[503] Former Yugoslav Republic of Macedonia.

openings to 'pipeline foreign policy'. Greece is actively participating in oil and gas pipeline projects (namely the "Burgas-Alexandroupolis oil pipeline" and the "South Stream gas projects"), through which Russian energy flows towards the EU are to increase. Given US warnings against 'increased dependence from Russian oil and gas', Athens is very much interested in putting its energy policy in a European/EU-setting.

Immigration has always been a topic of interest for Greece, since the country is a main point of entry for economic migrants from Balkan countries, but more importantly from ex-Soviet countries (the Ukraine, Moldova, Georgia, Armenia) and also from the Near and Middle East (Syria, Egypt, Iraq – up to Pakistan and Afghanistan) and Africa. There has been a recent sharp increase in migratory flows, which in part use Greece as an entry point to the EU, coming mainly through Turkey across the Aegean to the several Greek islands and long mainland coasts. Efforts to rationalise such migratory flows have been unsuccessful, while the proportion of illegal/unregistered aliens remaining and seeking work in Greece is increasing. Thus, there is mounting social pressure to 'do something' about immigration (although up to now no flare-ups of the Italian sort have been noticed) and any EU initiative in which national measures could be inserted is most welcome politically.

As to defence policy, the never-ending security problems that Greece faces in its part of the world keep it a steady supporter of a wider and more active EU defence policy, notwithstanding the fact that special Greek interests (e.g. over the FYROM issue, Greek-Turkish relations, the Cyprus issue) keep Athens wary of any majority voting in Common Foreign and Security Policy matters. For Greece, building up a 'European' defence capacity is mainly viewed as an overall security umbrella over EU member states.

Last but not least, Greek concerns run high as to what moves and initiatives will come from the French Presidency to salvage the Reform Treaty following the Irish 'No'. The Greek Parliament initiated ratification proceedings for the Lisbon Treaty hours before the Irish referendum; the issue came to the forefront of public attention due to a row within the Socialists ("PASOK") as to whether Greek ratification should proceed through a Parliament vote or by referendum.

Thus, the issue of the institutional future of the EU has gained sudden political interest in Greece – both among the elites and in public opinion. The next steps of Brussels but also of the French Presidency are closely watched.

Hungary*

Hungary appreciates French Presidency priorities

For Hungary, a member state who will participate in the next trio presidency, all the present priorities announced by the French EU-Presidency are of high importance and their special treatment is welcome. In regards to the environment, energy and climate issues,[504] at the ministerial meeting on the 3th until 5th of July, all member states – including Hungary – reinforced their earlier commitment to reduce CO_2 emissions by 2020. Beyond the agreement on principle however, it is rather difficult for most of the new member states to fully comply with the target. On this point, Hungary would not like to slow down the negotiations leading to the final agreement by the end of the year, but would like to draw attention to the efforts Hungary already made between 1990 and 2005. According to Hungarian diplomats, the new member states need longer time and more investments to introduce clean technologies, which should be taken into account when calculating the emission trading system (ETS) quota. From this point of view Hungary does not support the Commission allowing Austria, Luxembourg, Spain and Italy to increase emissions by 2020 even above their Kyoto target. Hungary would also support the formula whereby 20 percent of the gains from ETS could be re-channelled to the new member states – against the 10 percent approach of most of the old members.

As far as immigration is concerned,[505] Hungary has always been supporting a joint strategy and financial solidarity at the EU level. Europe is facing on the one hand huge immigration

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

[504] See: http://kitekinto.hu/global/2008/07/06/klimavedelmi_minicsucs_magyarorszag_is_erdekelt (last access: 28 August 2008).

[505] See an article on this in the Hungarian daily, Népszabadság, available under: http://nol.hu/alternativ/cikk/498304/ (last access: 28 August 2008).

pressures, and on the other hand an increasing need for a larger labour force due to an aging population. Hungary agrees with the French Presidency that these aspects should somehow be reconciled, that is why the Hungarian Minister has also endorsed the European Pact on Immigration and Asylum in Cannes (a document to be finally adopted at the October summit). Hungary is currently presiding over the so-called "Salzburg Forum" (comprising Austria, the "Visegrad Group"[506], Bulgaria, Romania, Slovenia and Croatia) aiming at tightening cooperation in the field of immigration. In the status of acting president, Hungary has also been expressing the views of these states when it lent support for the European Pact on Immigration and Asylum. Furthermore, Hungary deems it important that the European labour market be fully liberalised first among the 27 member states, and only thereafter should the European Union widen the entrance vis-à-vis third country job seekers.

Regarding security and defence policy, in the Hungarian view,[507] it is time to revise the 2003 European Security Strategy (ESS) with an outlook towards rendering it more concise, simpler and more focused. The revised ESS should be concentrating on a renewed European Security and Defence Policy marked by the systematic reinforcement of the European Union's civil and military capacities. It seems that there is an increasing need in the world for crisis management, peacekeeping and humanitarian missions to which the EU should be able to respond via quantitative and qualitative upgrading of its capacities. Thus the new ESS must reflect these reinforced commitments of the European Union.

In regards to the EU's tighter relations with the Mediterranean region, Hungary supports this idea although the new system of relations should be filled with substance during the presidency. Hungary deems it important that the new initiative for enhanced partnership between the European Union and the Mediterranean partners will occur in the EU framework and not outside of it (i.e. embracing only the seaside states).

Regarding the future of the Common Agricultural Policy (CAP), the official Hungarian position has not been made available yet. At the same time, the major interest of Hungary in this respect can be summarised as follows: Hungary is interested in a sustainable CAP which would still be based on the initial fundamental principles of a common market, Community preference and financial solidarity.[508] At the same time, Hungary also acknowledges the importance of sustainable finances supporting the CAP. This is why Budapest would be interested in the following elements of a new reform: further decreasing the regulated agricultural prices, abolishing the quantitative restrictions on production, full decoupling of direct payments accompanied with 'cautious' modulation (not endangering the competitiveness of larger farms). Hungary is fundamentally interested in a system that would not go on limiting production but would pave the way for competitive specialisation. In addition, Hungary always supports increased EU assistance to rural development. With cited interests, Hungary is somewhere between the 'London group' urging thorough CAP reform (i.e. the UK, the Scandinavian states and the Netherlands) and the 'traditionalists' wanting to preserve the present system (e.g. France, Spain or Greece). In fact, Hungary can be flexible enough to contribute to common European compromises with regards to the CAP of the future.

Finally, concerning economic growth and employment the improvement of the situation is a must in Hungary, where both GDP growth and employment are among the lowest in the EU-27. In Hungary more and more experts share the view that the EU should have stronger competences under both policy areas pushing the member states towards more dynamic growth coupled with sustainable public finances and accompanied with increasing employments rates.

Options for the creation of a European External Action Service

Hungary would prefer a European External Action Service (EEAS) effectively coordinating all aspects of the Union's external relations – be it economic, development-type or foreign

[506] See the web site of the "Visegrad Group" under: http://www.visegradgroup.eu/main.php?folderID=858 (last access: 28 August 2008).

[507] The answers regarding defence and the Mediterranean are based on an interview with a high official of the Hungarian Ministry of Foreign Affairs.

[508] The answer is based on an expert report ordered by the Ministry for Foreign Affairs in 2007, which is available in Hungarian language under: http://www.vki.hu/kulkapcs/KAP.pdf (last access: 28 August 2008).

and security policy related.[509] The EEAS should be a 'sui generis' independent institution, led by the High Representative of the Union for Foreign Affairs and Security Policy. It should be financed by the common budget and should comprise officials/diplomats from the Commission and the Council's Secretariat General (together 2/3) and from the member states (1/3). While it is regulated by the Lisbon Treaty that the High Representative of the Union for Foreign Affairs and Security Policy would be the Vice-President of the Commission and would chair the Foreign Affairs Council, the chairmanships of the approx. 30 working groups under this broad policy area remain to be settled. In this respect the Hungarian view is that working groups like the ones on enlargement, European Neighbourhood Policy, external trade, or development, as well as defence and Petersberg-type missions should be chaired by the presiding country, while the EEAS representative could chair working groups dealing with multilateral relations or human rights.

Ireland*

No severe concerns regarding the presidency's agenda

The French government assumes the chair of the Council of the European Union in wake of the Irish 'No' to the Lisbon Treaty. None of the official French priorities, however, require the enactment of that treaty to become operable.

The rejection of the Lisbon Treaty does require France to mediate further negotiations among the member states on the next steps.

Energy/climate change

Climate change and energy policy are two priority areas for the French Presidency. Policies in both areas increasingly overlap and in recognition of this, the French held a joint informal meeting for both European Energy and Environment Ministers in Paris on 4-5 July.

The French are determined to sign off on the European Council's Energy and Climate Change Package of last January, outlining its legislative proposals aimed at achieving the ambitious targets set during last year's German Presidency. It is hoped that the package can be finalised by December's meeting of the European Council.

The directive on energy efficiency has been singled out as a key element of this package by the French. At July's Energy Council, Ireland supported the Council decision to make energy efficiency the cornerstone of the EU's carbon reduction policy and the decision to improve the energy performance of buildings and products. The issue of whether there should be a legally-binding 20 percent target for energy efficiency by 2020 was contested with the UK, Germany and Poland in favour of introducing flexibility in reaching the objective of 20 percent energy efficiency.

On the issue of energy efficiency in buildings, positive steps have been taken since the Council initiated by the Irish Minister for Energy announced a new 9 million Euro grant scheme for developments. Houses under the scheme will use 70 percent less energy and be responsible for 70 percent less emissions and will be eligible for an 'A2 Building Energy Rating'. Speaking at the launch of the scheme, Minister Eamon Ryan declared "the threat of climate change and the impacts of rising oil, gas and electricity prices mean that we must aim for the very highest efficiency standards possible, while tackling the carbon emissions from our electricity use in the home."[510]

The renewables directive also was a topic of discussion in the Council meeting. The French Minister for Ecology, Energy, Sustainable Development and Country Planning, Jean-Louis Borloo, clarified that the 2020 target for 10 percent biofuels in transport refers to all renewable sources of energy: hydrogen, electricity etc. The 27 member states decided to include sustainability criteria for biofuels in two legislative texts currently under discussion: the renewables directive and that on fuel quality. In the middle of July, a paper from the Irish Labour Party called on the Irish government to reduce its target of 5.75 percent biofuels in transport fuel by 2010 and 10 percent by 2020, in light of negative recent reports from the World Bank and the British Government. The paper also called on Ireland to lead the drive towards a complete review of

[509] The answer given here is based on an interview with a high official of the Hungarian Ministry of Foreign Affairs.

* **Institute of International and European Affairs.**

[510] See: http://www.dcenr.gov.ie/Press+Releases/Minister+Ryan+launches+Low+Carbon+Housing+Scheme.htm (last access: 22 September 2008).

EU targets on biofuels and guarantees that biofuels are fully traceable. Following on from this paper and other pressures both domestic and international, the Irish Minister disclosed that he had abandoned the plan to have biofuels make up 5.75 percent of all transport fuel by 2010.

Explicitly on climate change, the ministers discussed the meeting in Poznan, Poland at the end of 2008 working towards agreement at Copenhagen in December 2009.

Immigration

The Irish government has expressed its support for the planned reforms in principle. A spokesman for Minister for Justice Dermot Ahern said that the government could envisage signing up for the reforms after closer examination and debate of the individual aspects of the proposals.[511]

While the Minister for Justice is "favourably disposed" to the proposals, there are some aspects of the reforms that the government may opt out of along with Britain.[512] This reflects the historical cooperation between the Irish and British governments in the common travel area and the fact that Ireland is not in the Schengen zone. Minister Ahern stated that the initiative undertaken by the French Presidency "sends a strong signal that 27 countries can move together on the issue [...] while respecting each country's own competence."[513]

Irish opinion also recognises the significance of the French Presidency proposals. The Immigration, Residence and Protection Bill[514], currently before the Irish parliament ("Dáil") received criticism from many sides, who claimed that the measures contained were excessively strict. The European Pact for Immigration and Asylum, and the measures contained may be used as a means of justifying these strict measures in the proposed Irish legislation. All governments have a right to regulate who enters their jurisdiction, however wealthy countries have a responsibility to share and Ireland's record of treatment of asylum seekers has not always been positive. Creating a fortress Europe is not the answer, according to an opinion article in "The Irish Times".[515]

The Migrant Rights Centre Ireland noted that the draft EU proposals appeared to "emphasise a tightening up of Europe's borders." The organisation believes that due to the vital role that immigrants play in our workplaces and communities, they are important and not "disposable objects." During the government debates on the proposed measures they urged the Minister to "advocate for humane and practical solutions, including regularisation."[516]

Defence

Ireland, as a country with a policy of military neutrality, maintains its traditional position that any action in the framework of the European Union regarding defence and security policy must respect the specific character of the autonomous defence policy of each member state.

Future of the common agricultural policy

The current global food crisis has given added impetus to the need to reform the agricultural sector in the EU, which is criticised as being overly protected and over-subsidised. The European Commission published its 'health check' on the Common Agricultural Policy (CAP) in 2008, paving the way for an eventual reform in 2013. This reform will be a delicate task for the French Presidency. According to Pascal Lamy, Director-General of the World Trade Organisation (WTO), the European agricultural sector will remain a well-protected industry in spite of future liberalisation.

Due to historical affiliations with agricultural sector, Ireland is particularly interested in the results of the 'health check' of the CAP and in how the eventual reform will be handled. And the current WTO talks are regarded as one of the indicators as to how those reforms may go. The "Irish Farmers' Association" (IFA, the largest Irish agricultural lobby) has expressed concerns over the direction of WTO talks, in particular with the proposed tariff cuts for the

[511] Jamie Smyth: Ireland may crack down on illegal immigration, The Irish Times, 7 July 2008.
[512] RTE News: EU agrees immigration proposal, 8 July 2008.
[513] Jamie Smyth: Proposal for EU police in tourist areas, The Irish Times, 8 July 2008.
[514] Immigration, Residence and Protection Bill 2008, Bill Number 2 of 2008. See: http://www.oireachtas.ie/viewdoc.asp?DocID=8701&&CatID=59 (last access: 22 September 2008).
[515] The Irish Times: The EU and Immigration, Opinion, 8 July 2008.
[516] Metro Eireann: Consider regularisation of illegal immigrants, migrant group urges, 10 July 2008.

beef industry.[517] The IFA does however, appreciate the fact that France's position with regards to European Commissioner Peter Mandelson's proposals and priorities for CAP reform seem to be in line with their understanding of Irish interests.[518] Irish Minister for Agriculture, Brendan Smith, has said that the government is also concerned about the impact of agricultural tariff cuts proposed in WTO negotiations,[519] and will continue to raise its concerns, which it shares with France and several other EU members states.

Economic growth and employment

With Ireland facing a downturn in its economy,[520] the priorities of the French Presidency on economic growth and employment have been particular welcome. The trio of measures designed to restore confidence and security to the international markets in the form of regulation of credit ratings agencies; the adoption of Solvency II; and better coordination between regulators in the EU, were proposals welcomed by Minister for Finance, Brian Lenihan, at the ECOFIN meeting on 8 July 2008. The decision by French Minister of Economy, Industry and Employment Christine Lagarde not to push forward plans for a common consolidated corporate tax base during the French Presidency has been welcomed by the business community, including "Irish Business Employer's association".

The Irish government has broadly welcomed EU attempts towards the regulation of credit ratings agencies though they are waiting for concrete proposals to be put on the table. The Irish government do recognise that regulation at the EU level is far more effective than at national level. That it is the European Commissioner from Ireland, Charlie McCreevy, pushing the agenda forward has been receiving much positive press attention.

Solvency II also has the support of the Irish government. In a recent speech, Minister for Finance, Brian Lenihan, commented that "the efficient allocation of capital which I appreciate is a very important issue for the insurance industry". He continued by saying "By adopting this approach Solvency II is incentivising risk management and is providing the platform for a more efficient marketplace which should benefit industry and consumer alike".[521] (). As the key stakeholders and industry were consulted before any decision was taken at the EU level, their interests were represented and thus they view the proposal positively.

In the past, the Irish government has been vocal in the support of the independence of the ECB. In January 2007, the then Minister for Finance and now Prime Minister, Brian Cowen, warned the French government to stop interfering with the ECB.[522] More recently he stated that "We respect the independence of the ECB. It has a mandate in relation to price stability to fulfil. It has done that very successfully in my opinion."[523]

However, opposition finance spokesperson, Richard Bruton, has called on the ECB to adopt a more nuanced strategy as 'stagflation' is a "major fear".[524]

Union for the Mediterranean

Official reaction to the envisaged Union for the Mediterranean is positive, with Prime Minister Brian Cowen declaring that "this forum will provide a stronger basis from which EU and Mediterranean partners can cooperate on responses to common challenges, for example on climate change and security of food supplies." As Ireland is not a state in the immediate proximity of the Mediterranean, the establishment of the Union for the Mediterranean is seen as an important step in

[517] Jamie Smyth: Mandelson denies he is 'selling out' beef industry, Irish Times, 28 July 2008.
[518] Martin Ryan: IFA criticises EU's stance at world trade talks, Irish Times, 4 July 2008.
[519] Jamie Smyth: Mandelson denies he is 'selling out' beef industry, Irish Times, 28 July 2008.
[520] Alan Ahearne/Juan Delgado/Jakob von Weizsäcker: A Tail of Two Countries, bruegelpolicybrief 04/2008, available under: http://www.bruegel.org/7980 (last access: 22 September 2008); Alan Barrett/Ide Kearney/Martin O'Brian: Quarterly Economic Commentary, Summer 2008, available under: http://www.esri.ie/UserFiles/publications/20080623114553/QEC2008Sum.pdf (last access: 22 September 2008).
[521] See: http://www.finance.gov.ie/viewdoc.asp?DocID=5352&CatID=54&StartDate=1+January+2008&m=p (last access: 22 September 2008).
[522] Bernard Purcell: Cowen tells the French to lay off the ECB on rates, independent.ie, 31 January 2007, available under: http://www.independent.ie/business/european/cowen-tells-the-french-to-lay-off-the-ecb-on-rates-62193.html (last access: 22 September 2008).
[523] Deaglán De Bréadún: Taoiseach seeks review of Ireland-US relationship, The Irish Times, 19 July 2008, available under: http://www.irishtimes.com/newspaper/ireland/2008/0719/1216398986738.html (last access: 22 September 2008).
[524] See: http://www.finegael.ie//PubUploads/RBRUTON%20JULY%203.doc (last access: 22 September 2008).

multilateral governance but not as an immediate priority for Ireland.

French Presidency and the future of the EU

Italy*

France a key country for the EU

The French EU-Presidency was welcomed by the Italian press as a possible breakthrough in the EU reform process, mainly due to the political activism and strong leadership of the French President, Nicolas Sarkozy. However, opinions on the new presidency changed considerably after the Irish referendum. In particular, the work programme of the incoming presidency in the four priority areas – energy/climate, immigration, Common Agricultural Policy, and security and defence – has been defined as an ambitious project which should probably be downsized in consideration of the stalemate in the EU reform process, linked to the outcome of the Irish vote.[525] The French projects on the Union for the Mediterranean and on the European Pact on Immigration and Asylum have already been narrowed, and it seems that the French proposals in the field of security and defence will meet the same fate.[526]

It was said that Sarkozy started his six-month mandate with the promise of a modest and consensual presidency based on agreements with other EU member states, and to work together with the EU institutions and rapprochement with EU citizens. However, the Italian press has noted that the French President considerably modified its tones after the failed referendum. Several examples have been quoted in which the French President betrayed his initial intentions. For example, he stated forcefully to the Polish and Czech governments that any further enlargement to Eastern Europe would be blocked if the Lisbon Treaty were not ratified, while reaffirming his opposition to the entry of Turkey in the EU.[527] He attacked the European commissioner for External Trade, Peter Mandelson, for his conduct at the WTO negotiations. Moreover, he strongly criticised the policy of the European Central Bank (ECB), particularly with concern to the decision to increase interest rates, and accused the president of the ECB, Jean-Claude Trichet, of overlooking the urgent issue of economic growth, focusing excessively on the problem of inflation.[528]

Some space has been devoted by the Italian press to his decision to participate in the opening of the Olympic games in China on August 8th, underlining the change in his attitude towards the Chinese government after the G8 meeting in Japan. It has been noted how his recognition of the need for a strategic partnership with China, also related to the Darfur and Iranian crises, has replaced his declarations in favour of the protection of human rights in Tibet. However, it has been recalled that he will meet the Dalai Lama during his trip to China.[529]

France is still considered a key country for the EU by Italian commentators, both in positive and in negative terms. According to some, France could relaunch the EU reform process, by leading a core group of countries that are willing and able to be at the forefront of a new Europe, while leaving the door open to the other member states.[530] It is acknowledged that the Franco-German tandem can no longer be considered the motor of European integration. However, Germany is still considered the only credible partner for France in the EU. Italy cannot replace it at this time, due to its political weakness at the European level, even if Sarkozy seems to share values and ideas with the Italian Prime Minister, Silvio Berlusconi. These commonalities include an Atlantic attitude in international relations, as well as a similar approach to European issues, in particular, the necessity to overcome the current stalemate by bringing Europe closer to

* **Istituto Affari Internazionali.**

[525] Dipartimento Politiche Comunitarie, Presidenza UE, inizia semestre francese, 1st of July 2008, available under: http://www.politichecomunitarie.it/comunicazione/15989/presidenza-ue-inizia-semestre-francese (last access: 28th of August 2008).

[526] La Repubblica: Ue: Sarkozy all'attacco di Varsavia, 2nd of July 2008, available under: http://ricerca.repubblica.it/repubblica/archivio/repubblica/2008/07/02/ue-sarkozy-all-attacco-di-varsavia.html (last access: 28th of August 2008).

[527] Ibid.

[528] Corriere della Sera: I banchieri e il semestre di Sarkò, 1st of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IKHQ7 (last access: 28th of August 2008).

[529] Corriere della Sera: Sarko ai Giochi, Dubbi a Strasburgo. Ma Pechino non mi detta l'agenda, 11th July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IO1VX (last access: 28th of August 2008).

[530] La Repubblica: Sarkozy e i frettolosi becchini dell'Europa, 2nd of July 2008, available under: http://ricerca.repubblica.it/repubblica/archivio/repubblica/2008/07/02/sarkozy-frettolosi-becchini-dell-europa.039sarkozy.html (last access: 28th of August 2008).

its citizens and making the EU able to respond to such urgent issues as the rise in the price of oil and the increase in the cost of living.[531] Recently, they also expressed the same disappointment for the outcome of the EU's conduct in the framework of the WTO negotiations.[532]

The Italian Foreign Minister, Franco Frattini, has expressed some concerns on the French President's reservations concerning the integration of Turkey into the EU. Frattini exhorted the French EU-Presidency to send a positive political signal to the negotiations with Turkey during its mandate.[533]

The attitude of the main opposition party, the "Partito Democratico", towards the new EU-presidency is also characterised by a sense of trust, even if from a different perspective. As expressed by one of the Democratic Party's candidates for the European elections, Beatrice Biagini, France considers the deadlock in European integration as a risk, because it would represent a blow to Sarkozy's political-institutional action and at the same time signal France's inability to face the new challenges at the international level effectively. Therefore, in order to reaffirm its international role more than to pursue a genuine Europeanism, France will try to make the most of its mandate.[534]

Options for the establishment of a European External Action Service

The creation of a European External Action Service (EEAS) to support the future High Representative of the Union for Foreign Affairs and Security Policy is one of the key aspects of the implementation of the Lisbon Treaty. Italy is devoting particular attention to this issue and, together with other member states (in particular Germany and Spain), strongly pursuing discussion during the six-month mandate of the Slovenian EU-Presidency.[535] Other member states, like France and the UK, seem more interested in reinforcing the role of the new President of the European Council and his competences in foreign policy.

Italy sees the EEAS as a *sui generis* structure, and not an institution, linked to both the Council Secretariat and the European Commission but with an autonomous status (as concerns both its budget and composition), under the authority of the new High Representative/Vice-President of the European Commission. Italy opposes the idea of transforming the EEAS into an EU agency, as this would hamper the service's independence, especially vis-à-vis the European Commission.

Italy's original intent was to define the following aspects of the EEAS by the end of 2008 and before the entry into force of the Lisbon Treaty: legal status, modalities to ensure budgetary and management autonomy, together with autonomy in the selection of personnel, structure and competences, composition and relations with EU delegations in third states. However, this deadline has been postponed in consideration of the outcome of the Irish referendum.

Concerning the composition of the EEAS, Italy insists on the need to have both functionaries from the EU institutions in Brussels and diplomats from the national capitals, ensuring the regular rotation of personnel. Italy also aims for parity of treatment (both in legal terms and as concerns salary) for the service's personnel (coming from the European Commission, the Council or the member states), where the functionaries will have the status of temporary agents. Merit should be the primary selection criteria for the future members of the EEAS, while geographic balance has also been underlined as an important aspect by Italy and Spain, together with other small and new member states.

The tasks of the EEAS, in the Italian view, should include all the competencies of the new High Representative/Vice-President of the European Commission and cover the full spectrum of the EU's external policies: it is indeed unconceivable to reduce the mandate of the EEAS to Common Foreign and Security

[531] L'Occidentale: L'asse Sarkozy-Berlusconi sarà il motore della nuova UE, 20th of June 2008, available under: http://www.loccidentale.it/articolo/irlanda+rimandata+a+ottobre,+l%E2%80%99asse+sark%C3%B2-berlusconi+potr%C3%A0+essere+il+motore+della+nuova+europa.0053310 (last access: 28th of August 2008).

[532] Il Giornale: Wto, Italia e Francia fanno fronte comune, 28th of July 2008, p. 18, available under: http://www.ilgiornale.it/a.pic1?ID=279025 (last access: 28th of August 2008).

[533] Diregiovani.ue: Ue: Frattini: Da Sarkozy mi aspetto segnali su ingresso Turchia, 2nd of July 2008, available under: http://www.diregiovani.it/qw/producer/dettaglio.aspx?id_doc=12841 (last access: 28th of August 2008).

[534] News Italia Press: Una Francia determinata alla presidenza dell'Unione europea, 2nd of July 2008, available under: http://www.newsitaliapress.it/pages/dettaglio.php?id_lnk=6_2913 (last access: 28th of August 2008).

[535] This contribution mainly relies on interviews conducted with diplomats at the Italian Ministry of Foreign Affairs.

Policy only. The new service should include regional offices and thematic offices dealing with certain issues. Only trade policy, together with development and enlargement activities, should rest outside the scope of the EEAS. In any case, it is important to avoid duplications of EEAS offices, both within the Council Secretariat and the European Commission.

The nature of the relations between the new service and EU delegations in third countries remains rather controversial. The most logical solution would be to structure the EU delegations on the model of the current permanent representations of member states to the EU, with a head of representation and diplomats from the Ministries of Foreign Affairs that work with other experts coming from different administrations. An agreement should be found on the composition of the personnel in the delegations, defining which part of the personnel should come from the EEAS and which part should be maintained as it is at the moment.

Latvia*

Latvia's views on the French presidency's priorities for the European Union and the future of the EU

Focus on neighbourhood policy and foreign affairs

The ministry of Foreign affairs published in July a document setting forth its position on those issues considered to be particularly relevant for Latvia during the period of the French EU-presidency.[536] The document addresses the following major issues:

- the Lisbon Treaty;
- the European Neighbourhood Policy;
- the EU's strategy in the Baltic Sea region;
- EU enlargement and the Western Balkans;
- EU and Russia;
- Transatlantic relations;
- European Security and Defence Policy (ESDP);
- completion of the Doha Round discussions so that an accord is in place before the end of 2008;
- development cooperation policy

At first glance, the above list appears to differ considerably from the priorities announced by the French Presidency. While the Latvian foreign ministry's document deals with defence and the Union for the Mediterranean, it does not appear to address directly such issues as energy/climate, immigration, the future of the Common Agricultural Policy, economic growth and employment. The other differences that stand out are the inclusion by Latvia of several topics not highlighted in France's list, such as the EU's strategy in the Baltic Sea region, EU enlargement and the Western Balkans, EU and Russia, Transatlantic relations, the Doha Round and Development cooperation policy.

Closer examination of Latvia's foreign policy and Latvia's reaction to priorities announced by previous EU-presidencies suggest that the Latvian document was formulated more as an 'aide-mémoire' for the presiding country, rather than a list of demands. It is, therefore, safe to surmise that in January 2009, Latvia will not use these differences as a pretext to issue a critical assessment of France's Presidency. Considering the French priorities as a whole, it is also quite clear that they are neither exclusive nor exhaustive: these topics are the ones to which Paris would like to draw attention, but they are not the only important matters that it expects to deal with. Clearly, just as Latvia, France is interested in enhancing Europe's role in the world and, therefore, relations with the United States and the Russian Federation will figure prominently on its agenda.

Closer examination of Latvia's policy statements and actions also reveals many similarities with the French Presidency's priorities, both in terms of content and general assessment of particular issues and how best to resolve them. Thus it is that energy and climate issues, Common Agricultural Policy, economic growth and employment are also among the foremost concerns of the government and parliament in Riga.[537] There is

* Latvian Institute of International Affairs.

[536] The document is available in Latvian and is called Latvijai būtiskākie jautājumi ārlietu jomā Francijas ES prezidentūras laikā 2008. gada otrajā pusē (The most significant foreign affairs issues for Latvia during the French presidency of the EU in the second half of 2008). For the full text see http://www.mfa.gov.lv/lv/eu/Prioritates/FrancijasPrezidentura/ (last access: 10 September 2008).

[537] These concerns are reflected in the statement of 29 July 2008 by Latvia's cabinet of ministers on the Slovenian and French Presidencies. See http://www.mfa.gov.lv/en/eu/news/4341/?pg=10713 (last access: 10 September 2008).

also agreement with the deep concern over the situation in Georgia, particularly after the Russian invasion, and the belief that the EU must play a key role leading to the peaceful resolution of the military conflict that has beset the country. Furthermore, for Latvia Georgia is one of the focal countries of its development co-operation program and in the context of European Neighbourhood Policy. Therefore, Latvia welcomes President Sarkozy's efforts to obtain a cease-fire and Chancellor Merkel's firm reminder to President Medvedev on the prompt and complete withdrawal of Russian soldiers from Georgia. Of ever-increasing relevance in Latvia are also the myriad issues related to migration, the protection of citizens, immigration and asylum, all the more so because so many Latvians are now working in Western Europe, especially in Ireland and Great Britain and the first residents of Georgia asking for political asylum came to Latvia in early August.

Concerning the Lisbon Treaty, currently there is no discussion going on in Latvia about some of the more specific aspects of the treaty, such as the proposed creation of a High Representative of the Union for Foreign Affairs and Security Policy or the nature of the European External Action Service (EEAS). The response to Question 1 reflects the main concerns of the population and the views of the Foreign Ministry: under the French Presidency ways must be sought to bring the Lisbon Treaty into effect; hence, the ratification process should continue, regardless of the results of the Irish referendum. The EU must treat with respect the decision of the Irish people and analyse carefully what happened in Ireland in order to find a solution. For Latvia, it is crucial that the EU does not become fragmented in the solution-seeking and solution-implementation processes; thus, the solution that is needed is one that promotes a united Europe, rather than a Europe of 'several speeds'.

Regarding the European Neighbourhood Policy, Latvia offers several concrete proposals:

1. A decision must be taken on the preparation of the negotiation mandate for the new EU-Moldova agreement.
2. A wide-ranging agreement is needed in order to buttress the legal basis for deepening the EU's relations with Ukraine. In this context, Latvia supports the idea of an EU-Ukraine free trade area.
3. Concerning Georgia, the EU should continue the work toward easing the visa formalities with Georgia; find a way to broaden the base internationally for the solution to the problems related to Abkhazia and Southern Ossetia; support Georgia's initiative of March 28 for a peaceful solution to the conflict with Abkhazia; after a feasibility study, the EU should decide on more effective ways to foster Georgia's economic integration, including a free trade agreement.
4. Before the parliamentary elections in Belarus, the EU should give an unequivocal signal that it expects these elections to conform to internationally accepted, democratic norms.
5. Latvia wants to develop regional co-operation with the EU's neighbours. Consequently Latvia supports the Polish-Swedish Eastern Partnership initiative. One form of co-operation would involve the European Parliament and would be between the EU member states' parliaments and the parliaments of the neighbouring countries.
6. Although co-operation with the EU's neighbours to the East is one of Latvia's policy priorities, Latvia firmly believes that the ENP and its implementation must be balanced. This means that the EU must be equally attentive to all its neighbours, whether to the East or the South, and this attention should not vacillate when the EU-presidency changes. Consistent with this outlook, Latvia participates actively in the Mediterranean Dialogue, the Barcelona Process and welcomes the new opportunities for further cooperation that should come from the Union for the Mediterranean.

The focal points of the EU's strategy in the Baltic Sea region, according to Latvia, should be energy, ability to compete, education, science and culture; environment, and social security. This strategy should promote better use of EU financial resources for Baltic Sea regional initiatives. For its effective implementation, the strategy reckons also with the participation of countries around the Baltic Sea which are not EU members. Here Latvia

sees also the possibility of positive input from the European Commission.

As for EU enlargement, Latvia believes the Western Balkan countries should have a perspective of EU integration; at the same time, an individual approach to each country is essential. In this context, the European Commission should specify its planned activities in the Western Balkans. Membership negotiations must continue with Croatia and Turkey in accordance with the existing EU enlargement policy; the pace should depend on each country's course of reform and progress in the fulfilment of commitments. The EU must continue to help strengthen the state-building processes in Kosovo and facilitate Kosovo's participation in the EU's and other international initiatives in the Western Balkans.

After Russia's military invasion of Georgia, Latvia's parliament condemned that act.[538] Both President Valdis Zatlers and Minister of Foreign Affairs Māris Riekstiņš have been urging the EU and other international organisations to reassess their relations with Russia because the old approach is no longer appropriate; they believe that by its behaviour, Russia has destroyed the trust that other countries had placed in it. Furthermore, the EU and NATO should offer a membership perspective for both Georgia and Ukraine. Ways of rapprochement for other countries bordering the Russian Federation should also be facilitated by both organisations.[539]

These views neither contradict nor obviate the specific suggestions on EU relations with Russia that Latvia made in connection with France's assumption of the EU-presidency. Latvia wants the negotiation of the new EU-Russia Partnership and Cooperation Agreement to be completely transparent and a continuation of a balanced development of the four common spaces with the Russian Federation. The EU-Russia consultations about human rights must be constructive and balanced. On border-related issues, Latvia wants soon a demarcation of its border with Russia, improved infrastructure and clearer legal procedures for more efficient border-crossing. A functioning readmission treaty and simpler procedures for obtaining visas are essential before the EU can consider visa-free travel with the RF. Concerning the resolution of energy issues, the EU and Russia should have a legal base spelled out in the EU-RF umbrella agreement that fully reflects the Energy Charter, St. Petersburg Summit accords, G-8 Summit declaration and principles of market economy. While favouring Russia's speedy accession into the WTO and the start of talks leading to an EU-Russia free trade agreement, Latvia wants Russia to observe consistently WTO trade principles; specifically, Latvia wants Russia to end the discriminatory railway tariffs and resolve the issue of taxing export timber.

Concerning transatlantic relations, Latvia lists a wide spectrum of concerns shared by the EU and the USA. These range from coordination of views on the relations with Russia and other countries to the development of a transatlantic economic council and a constructive dialogue on energy and climate change.

In connection with the ESDP, Latvia stresses the need to continue developing the EU-NATO strategic partnership so as to deal effectively in the management of crises, especially in Afghanistan. Looking at the European Security Strategy, Latvia would like the strategy to be endowed with an action plan and effective instruments for its implementation.

Latvia is keen on furthering more effective and better coordinated development co-operation with developing countries and, therefore, urges the EU to seek more practical solutions to the reduction of poverty throughout the world. Riga notes with satisfaction the French Presidency's priority of seeking to strengthen democratic practices in local governments of developing countries; this is also one of Latvia's priorities in the realm of development co-operation.

EEAS: just a draft opinion

Concerning the possible changes in the EU's management of its external affairs that would result after the Lisbon Treaty is adopted, there has not been any public debate on the relevant issues in Latvia. Latvian officials, however, have consistently voiced their support for reforms and the establishment of the EEAS. A tentative position has been drafted by the Latvian Ministry of Foreign Affairs, but the full text is not yet available to the general public. Some ideas in that document have, however, become known to specialists and these are summarised below:

- The current institutional balance must be preserved when considering the new leading EU offices stipulated in

[538] LETA, 14 August 2008.
[539] LETA and BNS, 15 August 2008.

the Lisbon Treaty and the competences that go with each office.
- The community method of decision-making must also be preserved.
- Close co-operation is essential between the President of the European Commission, the President of the European Council, and the leader representing the country holding the EU presidency; that leader should be accorded a significant role in the European Council and at the EU summits with third countries.
- In selecting candidates for top EU offices and for the EEAS, the European Union's diversity must be borne in mind and the choices should be made equitably and represent both the older and the more recent members states, the larger and the smaller ones, as well as the various geographical regions and political parties.
- The EEAS should be established via the consolidation of the administrative, technical and financial resources of both the Commission and the Secretariat General of the Council of the European Union.
- The EEAS should have wide range of competences, even wider than those indicated in the Lisbon Treaty; at the same time, the competences should be clearly delineated between the EEAS, the Council's Secretariat General, and the European Commission to avoid duplication.
- A budget should be stipulated for the EEAS already for 2009 to provide salaries for the experts fielded by each memberstates; the experts should initially have the status of temporary agents.

Lithuania*

French presidency – the best time to talk about Lithuanian energy security

As the undersecretary of the Lithuanian Foreign Affairs Ministry, Žygimantas Pavilionis said that the French EU-Presidency would provide Lithuania with the best possibility to share its fears with Western countries about Lithuania's energy security after the closure of the "Ignalina nuclear power plant". According to him, the French Presidency is the most favourable period in which to talk about all of the energy troubles that will follow the closure of the Ignalina nuclear power plant and to consider the possibilities of how to cope with the negative consequences. There is no other more favourable period for discussing energy policies than the French Presidency.[540] During the meeting with the French Minister for Energy Jean-Louis Borloo, Lithuanian Prime Minister Gediminas Kirkilas expressed his hopes that Lithuania, together with the EU, will find solutions on how to improve the energy security of Lithuania and the whole Baltic region during the French Presidency.[541]

Attention to the Eastern neighbours of the EU

Žygimantas Pavilionis said that another important priority for Lithuania during the French Presidency is the Eastern neighbourhood of the EU.[542] Lithuanian President Valdas Adamkus declared his hope that the French Presidency will have a positive impact on an effective European Neighbourhood Policy.[543] Žygimantas Pavilionis stated, "I guess France was the first EU member state to begin to talk about the strategic importance of the Ukraine, and we really hope that during the Ukrainian-EU Summit we will be able to provide the Ukraine a perspective of membership in the EU or at least to make real steps towards this direction." That would be the most important decision regarding the East during the French

* **Institute of International Relations and Political Science, Vilnius University.**

[540] News agency Baltic news service: bns: Svarbiausias Prancūzijos pirmininkavimo ES prioritetas Lietuvai – energetinis saugumas, teigia diplomatas (Bns: the most important priority to Lithuania of the French presidency is energy security, claims the diplomat), July 3rd, 2008.
[541] Lithuanian government: J. L. Borloo: Prancūzija pirmininkavimo ES metu nori padėti Lietuvai (J. L. Borloo: France wants to help Lithuania during its presidency), June 27th, 2008, press release of Lithuanian government, available under: http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=6355 (last access: August 28th, 2008).
[542] News agency Baltic news service: bns: Svarbiausias Prancūzijos pirmininkavimo ES prioritetas Lietuvai – energetinis saugumas, teigia diplomatas (Bns: the most important priority to Lithuania of the French presidency is energy security, claims the diplomat), July 3rd, 2008.
[543] Lithuanian President: Prezidentas pabrėžė Prancūzijos svarbą Baltijos ir Rytų Europos šalims (The President has emphasized the importance of France for the Baltic and East European countries), a press release of the Lithuanian President institution, September 6th, 2007, available under: http://www.president.lt/lt/news.full/8216 (last access: August 28th, 2008).

Presidency. Žygimantas Pavilionis also commented that during the French Presidency, Lithuania would actively follow the EU-Russian negotiations surrounding the strategic partnership process. Lithuania will also raise the issues of facilitating a visa regime for the inhabitants of Georgia, Belarus and the Kaliningrad region and a more active EU involvement in solving the conflicts in the Georgian separatist regions."[544]

Concern about the fate of the Lisbon Treaty

The third priority of the French Presidency important to Lithuania would be maintaining the dialogue with the member states which have not yet ratified the Lisbon Treaty and try to find solutions, which would enable the treaty to come into force in 2009. Lithuania must avoid silent discussions which have already began about the possibility of rejecting the Lisbon Treaty and to implement a two or three speed Europe. This alternative would be not useful and even dangerous to Lithuania.[545]

The establishment of a European External Action Service is not a high salience issue in Lithuania

The establishment of the European External Action Service is not an openly debated issue in the Lithuanian media. Nevertheless, as one of the most experienced Lithuanian diplomats and the current member of the European Parliament from Lithuania, Justas Vincas Paleckis, claims – Lithuania as well as other small and middle-sized EU member states would benefit from the establishment of such an institution.[546] The undersecretary of the Lithuanian Foreign Affairs Ministry, Žygimantas Pavilionis, also emphasises the importance of this initiative by saying that the establishment of such a service is a very important issue for Lithuania as far as Lithuania does not have a wide network of diplomatic representatives in the world.[547]

[544] News agency Baltic news service: bns: Svarbiausias Prancūzijos pirmininkavimo ES prioritetas Lietuvai – energetinis saugumas, teigia diplomatas (Bns: the most important priority to Lithuania of the French presidency is energy security, claims the diplomat), July 3rd, 2008.
[545] Ibid.
[546] Justas Paleckis: Kam skambins valstybės sekretorius iš Vašingtono? (To whom the state secretary from Washington is going to call?), Internet news site Bernardinai, February 4th, 2008, available under: http://www.bernardinai.lt/index.php?url=articles/73553 (last access: August 28th, 2008).
[547] Žygimantas Pavilionis: The speech of undersecretary of the Lithuanian Foreign Affairs Ministry Žygimantas Pavilionis at the conference "Lisbon treaty: what is next?", January 17th, 2008, available under: http://www.urm.lt/index.php?1898845102 (last access: August 28th, 2008).

Luxembourg*

French priorities tackle some of the 'real problems' of European people

In his State of the Nation speech, Prime Minister Jean-Claude Juncker announced a certain number of measures implementing at least some of the priorities of the French Presidency. Furthermore, the public debate dealing with these subjects continues, especially when they are put into a specific national context.

Energy and climate

If Kyoto goals are not reachable with the authorisation of even more bio ethanol and bio diesel, increased efforts must be made in other domains of climate protection policy. Energy efficient house construction will be subsidized as well as renewable energy sources such as photovoltaic devices or central heating systems working with wood pellets. The government wants to reduce the famous "filling station tourism" in the long run. The government can't raise the taxes on gasoline and diesel in order to fight inflation. Low CO_2 emission vehicles continue to be subsidized and extended on company fleet vehicles which make about fifth of the national car population.[548]

Marcel Oberweis, MP of the CSV[549] and speaker on ecological questions, thinks that the EU is in the starting blocks to finding ways for a new policy to prevent climate change and efficient energy supply.[550] Claude Turmes green MEP is convinced that economically efficient energy policy can improve economic growth. The EU must use and develop its know-how in efficient energy management. The EU must also launch a new offensive in developing renewable energies. Turmes did not ignore any argument, from possible terrorist attacks on nuclear power plants to the

* **Centre d'Etudes et de Recherches Européennes Robert Schuman.**
[548] Jean-Claude Juncker: Discours sur l'état de la Nation, 22.5.2008 http://www.gouvernement.lu/gouvernement/etat-nation/index.html last access 12.9.2008; Tageblatt: Parlament debattiert Rede über die Lage der Nation, 28.5.2008.
[549] Chrëschtlech Sozial Vollékspartei.
[550] Luxemburger Wort: Europas Achillesferse: Energieversorgung, 8.7.2008.

unsolved nuclear waste problem, to exclude *ad aeternum* any use of nuclear technology to reduce CO_2 emissions.[551]

Immigration

EU immigration policy mainly relates to immigration from non-EU countries. Luxembourg is in a very particular situation in the sense that more than 40 percent of the resident population of the grand duchy are non-nationals. The overwhelming majority of these immigrants are EU citizens. The Portuguese community is the largest followed by Italian, French, Belgian and German communities. North African or Turkish immigration as in neighbouring France, Belgium, Netherlands or Germany is not really relevant in numbers. The only non-European community present in significant numbers in Luxembourg are the citizens from the former Portuguese African colony of Capo Verde. Their desire to integrate is stronger than that of the Portuguese community. However, since the Yugoslav wars in the mid nineties, an increasing number of Muslim refugees came to Luxembourg and made Islam the biggest religious community next to the dominant catholic community.

The Luxembourg Ministry of Foreign Affairs and immigration has had some trouble with illegal immigrants from West Africa. Claiming political exile and protection from African dictators' retaliation, some immigrants unfortunately proved to be illegal drug dealers. Due to new international cooperation and bilateral agreements, criminals could be expelled, whereas true exile seekers are protected.

As the landlocked little Luxembourg has no external border with a non EU country except for its airport, it fully profits from the Dublin agreement stipulating that exile demands must be presented in the country that the immigrant first sets foot in. Up until now, illegal immigrants not recognized as legal exile seekers have to wait for the departure to their homeland in a normal prison cell. This situation is no longer tolerable! Human rights organisations regularly condemn the poor performance of one of the richest countries in the world![552] At last a new facility is planned and should open very soon. The Luxembourg Foreign and Immigration Minister as well as the Minister of Justice repeatedly stress that they are eager to develop a common EU immigration policy.[553]

The European Parliament debate on the 'Return Directive' brought some disagreements among the six Luxembourg representatives in the European Parliament on the subject of illegal immigration. Lydie Polfer, the former liberal Foreign Minister voted in favour, Astrid Lulling and Jean Spautz followed their EPP[554] party line but Erna Hennicot-Schoepges, also a member of the EPP, the former Christian-Democratic group, refused to follow the official line.[555] She justified her negative vote by declaring that she is "worried about xenophobic tendencies gaining ground within the European Union […]. A six month imprisonment is too long."[556] Like Erna Hennicot-Schoepges, Robert Goebbels, a Socialist, and Claude Turmes a Green voted against the proposed directive. These three are in the same boat with the editorialist Danièle Fonck denouncing Sarkozy's position on immigration subjects.[557]

Defence

Being too small and too weak to develop an independent defence policy Luxembourg is and was a very strong supporter of a common EU-defence policy in coordination with its NATO membership. Luxembourg has recently increased its support to the Franco-German Eurocorps by joining a multinational water cleaning unit. Luxembourg participates in most EU security operations within the framework of its limited capacities.[558] "Luxemburger Wort" political analyst puts the responsibility on the shoulders of Brown and Sarkozy to strengthen and enhance EU defence policy.[559]

[551] Luxemburger Wort: Drei Fragen an Claude Turmes, 5.6.2008.
[552] Tageblatt: ASTI verfolgte Rückführungsdebatte. "Keine Türen in der Festung", 18.6.2008.
[553] Déclaration de Jean Schmit ministre délégué des Affaires étrangères et de l'immigration, available under: www.gouvernement.lu (last access: 27.8.2009).
[554] European People's Party.
[555] Luxemburger Wort: Europaparlament stimmt über die Rückführungsrichtlinie ab, 18.6.2008.
[556] Luxemburger Wort: Hennicot-Schoepges gegen Rückführungsrichtlinie, 20.6.2008.
[557] Le Jeudi: Où va-t-on?, 3.7.2008.
[558] Déclaration du Ministre de la défense Jean-Louis Schiltz, available under: www.gouvernement.lu (last access: 27.8.2009); Luxemburger Wort: Tschad-Mission: EU-Verteidigungsminister stimmen sich ab, 22.2.2008.
[559] Luxemburger Wort: Jakub Ambramowicz. Die Verteidigung, 27.3.2008.

Economic growth and employment

Luxembourg's economy is in fine shape with a robust growth over the past three years, thanks to the expansion of the financial sector. The current international financial crisis however, which is taking its toll, and growth likely to weaken, will have a negative effect on tax receipts. The financial sector remains sound, reflecting the high quality of supervision, but the government should aim to improve its attractiveness in the eyes of the OECD experts for high-skilled talent. The short-term fiscal position is sound, but the fiscal policy needs to evolve towards a medium-term framework.[560]

International competition will continue to exert pressure on the financial sector. However Jeannot Krecké, Luxembourg Minister of Economy, was dismissive of the OECD's negative outlook. He does not think that the pessimism in this report is appropriate. He is confident that the financial sector will enjoy a healthy future.[561]

Mediterranean Union

Luxembourg, like Germany and other 'northern' EU member states was not so keen on French President Sarkozy's idea of a Mediterranean Union in the initial stage.[562] Luxembourg, like Chancellor Merkel, did not want to split the EU in two groups: those who are concerned with the Mediterranean Union, and the others. They thought that the French President only wanted to create a French-dominated counterbalance to the apparently German-dominated East. In the meantime Jean-Claude Juncker sees in the Union for the Mediterranean "a logical amplification of the Barcelona Process"[563]. Ady Richard, editorialist and foreign policy analyst of the CSV, is not shy to pay tribute to President Sarkozy's performance. "Sarkozy has entered the hall of fame. He has made things move"[564]. His style may be open to discussion, but no one can deny that he managed, with an astonishing efficiency, to get all heads of government of the EU and the Mediterranean states, except Libya's Kaddafi, sitting around one table, including Israel and Syria.[565] "Do not put all the blame on Assad, the Syrian leader," said Danièle Fonck of the socialist "Tageblatt"[566]. "He certainly is a dictator, but more than one was invited in Paris. Syria has started indirect peace talks with Israel, so let us wait and see. For Israel's Olmert, peace has never been so close […]. Political observers of all denominations can't deny that the summit in Paris was a triumph for French President Nicolas Sarkozy."[567] This meeting could be an opportunity to restart the Barcelona Process with a greater chance of success. Therefore the European Union has to improve its foreign policy instruments: which presupposes a ratification and implementation of the Lisbon Treaty.[568]

Juncker points out that it is a must for Europe to come to terms with its Southern neighbours and develop a new Mediterranean policy. The economic, social and demographic facts are simply undeniable. Europe's population is rapidly decreasing and its attractiveness is still growing among potential illegal immigrants. More critical observers note that the problems still remain the same after the end of this 'grand rendezvous'. Who is going to pay for the cleaning of the Mediterranean? How can a new immigration policy be agreed on? How can the floods of illegal immigrants from the south be controlled?

In a recent Eurobarometer survey, Luxembourg's citizens proved to be very strongly opposed to a possible Turkish EU membership.[569] President Sarkozy made very strong declarations on this matter in the election campaign in the same direction. Will he be able to find a way out of this position? Anglo-Saxon commentators ask for free trade between the EU and the rest of the world and an end of the French policy withholding imports, including farm produce from the South.[570] EU should use its patronage to boost spending on infrastructure in the region. When

[560] OECD Economic survey of Luxembourg 2008. Summary, in: OECD Policy Brief June 2008, available under. http://www.oecd.org/dataoecd/18/52/40889129.pdf (last access: 27.8.2008).
[561] Déclarations de Monsieur Jeannot Krecké Ministre de l'économie et du Commerce extérieur, available under: www.gouvernement.lu (last access: 27.8.2008).
[562] Hartmut Hausmann: mehr als nur alter Wein in neuen Schläuchen?, Journal, 15.3.2008.
[563] Luxemburger Wort: Sarkozy le Méditerranéen, 14.7.2008.
[564] Luxemburger Wort: Union pour la démocratie, 14.7.2008.
[565] Guy Kemp: Mittelmeer Chance für Europa, Tageblatt,16.7.2008.
[566] Tageblatt: Bachir el Assad et Cie, 14.7.2008.
[567] Hartmut Hausmann Genial gelaufen, Journal, 16.7.2008.
[568] Guy Kemp: Mittelmeerchance für EU, Tageblatt, 16.7.2008.
[569] Standard Eurobarometer 69, National Report Luxembourg, Spring 2008, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_lu_nat.pdf (last access: 27.8.2008).
[570] The Economist: Charlemagne. Whistling in the dark, 10.5.2008.

asked about his contribution to the EU-Mediterranean Summit in Paris, Prime Minister Juncker declared on "Luxembourg radio" that an increase of the other EU members states' net aid to developing countries to the Luxembourg level (1 percent of the gross domestic product), could facilitate southern countries' capacities to improve education, infrastructure and economic framework.[571]

Common Agricultural Policy

"Europe wasn't able feed its citizens until the sixties when CAP really got started"; Juncker says that he was criticized and ridiculed by the British in 2005 when he asked for a guarantee of secure food supply in Europe. Today prices of nourishments are rising again. Was it a good answer to reduce European agricultural production because the CAP became too expensive? "We must reduce the living cost of the poorest. Europe must raise its contributions to developing countries to 0.7 percent of gross national product"[572].

The European Commission's and the French Presidency's proposals to simplify and modernise the CAP as they were presented to the EU Agriculture Ministers Council encountered mixed reactions. Luxembourg's Agriculture Minister Fernand Boden, fundamentally opposes any substantial modification of the modulation criteria (reduction of direct payments) before 2013. He argues that the political compromise of 2003 allows him to act in this way. Furthermore, Boden criticises the cut of financial aid for agriculture, even if that money was used in programmes such as climate change or environmental protection. Luxembourg's plan to develop the rural space – already approved by the European Commission last year – contains these kind of measures. The abolition of market regulation mechanisms proposed by the commission are not in the interest of a secure agriculture policy according to Boden. The abolition of the milk quota, scheduled for 2014, must be handled very carefully, in order not to hurt milk producers "who must try to survive a foreseeable economic and social shock" (Boden).[573]

The provisions for the new post of High Representative

The "Luxemburger Wort" supports the idea expressed in the Lisbon Treaty to give EU the opportunity to develop a credible foreign policy. The creation of the post of a so called High Representative for Foreign Affairs and security Policy is a step in the right direction. By renaming "High Representative" the post of "Foreign Minister" proves only how small minded Europeans are. The USA ignores these kinds of odd things.[574]

Several of his colleagues seem to have pushed Jean-Claude Juncker to be a candidate for the post of the President the European Council. As the Lisbon Treaty is not likely to be ratified before January 1st 2009, the post cannot be attributed before a successful Irish referendum and a final ratification of the treaty. Luxembourg national and European elections take place on the same date in June. Juncker declared several times that he will not be the President of the next European Commission.[575]

Malta*

Most important topics illegal immigration and the Mediterranean region

Malta believes that the EU must focus its attention on addressing the major challenge of energy security. Global warming, the global climate and global environment protection have become leading goals in the international community. In early 2007, Malta launched the Euro-Mediterranean Initiative for Technology and Innovation (EuroMedITI) that is already opening up partnerships between research, business and governmental sectors supporting innovation policies. Water and environment technologies, sustainable energy technologies, marine technologies, and information and communication technologies are the main areas of cooperation being focused upon.

EuroMedITI aims to develop and empower an outstanding technology and innovation

[571] RTL Letzebuerg:Interview with Jean-Claude Juncker, 12.7.2008.
[572] Luxemburger Wort: Juncker: Lösung im Oktober, 19.6.2008.
[573] Tageblatt: Boden bekräfitigt Luxemburger Vorbehalte, 16.7.2008.
[574] Luxemburger Wort: Gerd Werle. Eine glaubhafte EU-Aussenpolitik, 9.6.2008.
[575] Tageblatt: Entretien exclusif avec le premier ministre sur l'avenir de l'UE et du Luxembourg, 27.6.2008.

* **Mediterranean Academy of Diplomatic Studies, University of Malta.**

platform in the Mediterranean markets for business driven services in training, applied research and development, testing and prototyping, incubation and dissemination in the region. This will appeal directly to industries searching for a location to execute applied research and development under favourable conditions, and a hub to access the emerging Mediterranean market of more than 400 million people.

Malta's Main Security Concern: Illegal Migration

Malta also believes that the EU needs to adopt a more ambitious immigration policy to cope with the major influx of illegal migrants seeking to enter the EU, especially through the Mediterranean.

As sources of insecurity across the Euro-Mediterranean area, and indeed, the international community continue to increase, Malta believes that it seems more logical for all Euro-Mediterranean countries to dedicate their diplomatic resources to defining a set of practical confidence building measures that would create the necessary atmosphere within which a more elaborate mechanism, such as a security charter, can be fleshed out. Malta is prepared to play an important role in such a strategy by offering its good neighbour offices to the other Euro-Mediterranean Partnership (EMP) members.

When it comes to the direct tangible endeavours that the EMP should seek to realise in the short-term, the 39 partner and observer states such as Libya, should introduce a basic type of confidence building measure network that will enable them to manage and contain the large number of security challenges that risk upsetting stability across the Euro-Mediterranean area. The long list of 'soft' security issues that could derail peaceful relations across the Mediterranean includes illegal migration, maritime safety, environmental pollution, and narcotics trafficking.

In the past few years a dramatic increase in illegal immigration activity across the Mediterranean has taken place. All indicators point towards a future of even more migratory flows from south to north in the decade ahead. Such an increase in human trafficking is already having a major negative impact on the countries of origin, transit and destination of such activity.

Located in the centre of the Mediterranean, Malta finds itself in the precarious position of largely being a country of transit in the ever-increasing flow of human beings moving from the southern shores of the Mediterranean to Europe. Illegal migrants are arriving on the shores of Malta on practically a daily basis, placing an incredible strain on the security resources at our disposal.

Realising that such a dramatic increase in illegal immigration is quickly becoming a major source of instability in the international community, Malta is implementing a comprehensive foreign policy strategy to raise awareness of this humanitarian catastrophe. Unless the international community takes the necessary action to deal more effectively with this new form of human slavery that dominates contemporary Euro-Mediterranean relations, millions of lives risk being uprooted by this type of flourishing organised crime.

The time has come to focus more Euro-Mediterranean political energy on delivering practical cooperation in areas where such measures are urgently required. This includes cooperative measures in the field of management of migration control, environment control and also economic development. Such forms of cooperation are essential if the Euro-Mediterranean Partnership is to be perceived as relevant to the peoples of the Euro-Mediterranean area.

Such modalities of cooperation would of course adopt all of the existing mechanisms of partnership (association agreements, action plans, trade provisions and financial cooperation) that already exist through the Euro-Mediterranean Partnership and European Neighbourhood Policy. The main goal of this initiative would be to create a more positive atmosphere between Europe and the Arab world in all sectors, including politics, education, culture and business. The success of this initiative will lie in the informality of regular interaction between the two shores of the Mediterranean**.**

When it comes to immediate practical forms of cooperation Arab states should be encouraged to play a direct role in the management of illegal migration across the Mediterranean. One modality of cooperation that could be considered is that of cooperating more closely with FRONTEX or the Council of Interior Ministers against appropriate financial support

from the EU in a Euro-Mediterranean coastguard framework.

Preparatory discussions ahead of the ministerial summit that took place during the Portuguese Presidency in November 2007 that focused on legal and illegal migration and migration and development concentrated on identifying practical measures that can be introduced in the short-term to start addressing this phenomenon in a more concerted manner. Similar modalities of cooperation can be launched when it comes to surveillance of pollution, monitoring fishing activities and carrying out search and rescue missions in the Mediterranean.

Illegal immigration will be the most pressing contemporary challenge from the Mediterranean area. Without effective action by the EU and support from the Mediterranean countries the numbers of illegal migrants are bound to swell progressively. From presently less than 100,000 they might easily reach one million or more annually before 2025. There is no lack of young volunteers eager to find a better life in the European 'paradise'.

Malta welcomes the "Barcelona Process: Union for the Mediterranean" (BP: UfM) perspective as it is in both the EU and the Mediterranean states' interests for the BP: UfM to succeed given the indivisibility of security between Europe and the Mediterranean. Across the Mediterranean geopolitical and geo-economic indicators are not as positive as one would like. Foreign Direct Investment (FDI) is lacking, intra-Mediterranean trade remains limited, north-south economic disparity is resulting in a permanent poverty curtain across the Mediterranean, the demographic time-bomb continues to escalate, unemployment continues to multiply, illegal migration has reached alarming levels, illiteracy remains at very high levels, and an escalation of ongoing conflicts remains a serious concern.

There is a general sense of high expectation of the French EU-Presidency in Malta mainly due to the fact that President Nicolas Sarkozy has attached a great deal of importance to improving relations in the Mediterranean through the Mediterranean Union initiative. Visits to Malta by French Ambassador for the Union for the Mediterranean Alain Leroy in January 2008, French Minister for European Affairs Jean-Pierre Jouyet in March 2008 and French Prime Minister François Fillon in May 2008 have raised the profile of the French Presidency agenda in the local media and in policy circles as numerous French priorities have been focused upon including the whole issue of immigration, the energy/climate debate, the future of the Common Agricultural Policy and especially the Mediterranean Union.

Malta has been consistently advocating the necessity to upgrade the role of the EU when it comes to illegal immigration. It has continuously requested that the EU border control agency FRONTEX set up a permanent policing mechanism in the central Mediterranean, an initiative that has commenced in spring 2008 with mixed results. Illegal migrants continue to arrive in Malta on a weekly basis, much to the concern and frustration of various sectors of society in Malta.

The other main issue that has received wide attention in the media and governmental and non-governmental policy-making circles is the Union for the Mediterranean proposal that the French launched on July 13th 2008 in Paris.

The provisions regarding external relations

While Malta has not taken a stance on this issue, there is a general consensus that a broad approach should be adopted when it comes to implementing an external relations agenda – this will continue to guarantee that all member states' rights will continue to be safeguarded, including the status of neutrality of Malta.

Netherlands*

Support for French Presidency agenda

Although a formal government position has not been issued, it seems that the priorities of the French Presidency have been generally well perceived in the Netherlands. This applies in particular to the issues of climate and energy and immigration. Regarding climate and energy, it is of utmost importance in the view of the Dutch government, that during the French Presidency, the Council of Ministers will reach agreement on the climate and energy package as proposed by the European Commission. Without agreement in the Council, it will be

* Netherlands Institute of International Relations 'Clingendael'.

impossible for the European Parliament to finalise the legislative process before the elections for the European Parliament in the spring of next year.

As to the issue of immigration, the Netherlands has always been a supporter of a common European approach towards issues of legal and illegal immigration, as a follow-up of the The Hague Programme that was agreed upon among the member states during the Dutch Presidency of 2004.

Concerns about Common Agricultural Policy reform and the Mediterranean Union

Matters of concern refer specifically to the future of the Common Agricultural Policy (CAP) and the proposal for a Mediterranean Union. As to the CAP, there is concern that a discussion now about the CAP might interfere with the ongoing health check and budget review. In response to the initial proposals of President Sarkozy regarding the Mediterranean Union, it seems that some concerns focused on the restrictive character of this initiative (to restrict membership to countries of the Mediterranean) and about the funding of the initiative. Question marks were also raised regarding the link between this initiative and already existing programmes like the Barcelona Process and the European Neighbourhood Policy.

In responding to the proposal, the primary aim of the Netherlands has been to suggest the opening up of the initiative to all EU member states and to integrate it into the existing policies and programmes. Since the European Council meeting in March, which agreed along these lines, concern in the Netherlands about this initiative has evaporated.

Last but not least, it is clear that the French Presidency is faced with the difficult task to broker a solution for the Irish 'No' vote against the Lisbon Treaty. Dutch national media have reported of the impact on the ambitions of in particular French President Sarkozy, which have been downsized as a result of the need to focus on the Irish 'No' and its consequences.[576] However, there are some concerns in the Netherlands about the way this will be handled by the French Presidency. In the Dutch view, solving this issue requires patience and an even-handed approach, while the French Presidency may tend to opt for a more assertive attitude, which might turn out to be counterproductive.

[576] See De Volkskrant: Sarkozy stelt na Iers nee ambities bij, 30 June 2008.

Poland*

Most French priorities meet Polish interests

The French Presidency marked by the June visit of President Sarkozy in Poland raised quite high expectations among politicians of various affiliations. Although there are some divergent points in the main issues defined by French government, which find Polish support.

As it concerns French plans for more integrated European defence, Poland formulates its political priorities in a quite similar way. Radosław Sikorski, Polish Minister of Foreign Affairs believes the European Union should and will gradually develop its hard power capacities. In his recent Address at the lower chamber of the Polish parliament ("Sejm")[577] he said: "We are convinced that the European Union should take an active part in guaranteeing security as well as restoring, by military means as well, peace and stability regionally and beyond Europe. Such engagement by the union should complement, rather than duplicate, NATO efforts. We do not want to choose, we want to have two complementary insurance policies. In the context of the European Security and Defence Policy we will concentrate on such issues as crisis reaction, humanitarian assistance, training and the European Defence Agency. We will support the development of the European defence groups. We will take active part in the discussion about revising the European Security Strategy"[578].

As it concerns the EU presence in the international arena Poland offers its support to the reform of the UN and for a joint, EU permanent delegate to the UN Security Council.

Within this security context the special focus is put on the link between energy and security issues. According to the government position,[579] energy is not only an economic

* **Foundation for European Studies - European Institute.**

[577] Transcript of the Sejm debate, 07.05.2008.

[578] Ibid.

[579] TV interview of PM Donald Tusk, TV1 – National Main Channel, 07.05.2008.

issue. When it becomes an instrument of international politics and pressure it becomes a matter of national security. "We consider the imperative of solidarity in energy security policy, ensuing from Lisbon Treaty provisions, to be a test of Union values"[580]. Three issues are declared to be of the greatest importance:

- concrete European regulations, resulting from the spirit of energy solidarity should be translated into the language of practical standards; that no energy projects will be financed by the European Union if they are found by any member state to conflict with its needs and energy security and greater competition should be supported – i.e. through the third energy packet, providing for separation of production and transportation;
- the need for diversification of sources and routes for the delivery of energy resources and creation of a network of connections and storage facilities for the transportation of energy;
- staunch EU counteraction to any pressure or blackmail from non-EU energy providers (contracts with providers should contain solutions for eliminating such practices).

As it pertains to the EU priority to struggle with climatic changes through the cut of greenhouse emissions by 20 percent by 2020, and the French support to promotion of this objective under six months of its presidency. It is worth notice that Poland is going through substantial difficulties in fulfilment of these ambitious plans. The CO_2 emission reduction plans were one of the most discussed issues in Poland during last months. The key problem lies in the increasing discrepancy between the continuing rapid economic growth bringing extended energy demand and legal obligations to cut down CO_2 emission. Seen that coal remains the basic source of Polish energy production, the decrease of emission quotas can lead to the slow down of the economic growth and induce rapid inflation. Larger description of this complex issue of vital importance for Poland can be found in last (the seventh) point of Poland's country report.

The French Presidency's central theme of a more 'protective Europe'[581] finds firm Polish support coming from both of the political and popular milieus. Within this concept Poland supports the French position on the Common Agricultural Policy (CAP) continuity and formulas for maintaining the Union budget at a level exceeding 1 percent of GDP.

In the second half of 2008, during the French presidency, projects of regulation submitted by the European Commission on potential changes in functioning of the CAP have to be confirmed. France wants to use its presidential term in the EU to turn the attention of other member states to significance of CAP in the context of assuring the availability of agricultural products and supplies, the quality of agricultural production and preventing climate changes.[582]

The visit of the French President, Nicolas Sarkozy in Warsaw was an occasion to conclude the strategic partnership agreement between Paris and Warsaw. In the frame of agreed partnership 'common actions towards CAP defence are essential"[583], and in the common interest of France and Poland. President Sarkozy stressed the need to convince European citizens, that self-sufficiency in the food sector is one of the key elements of Europe's strength.[584] At the same time – to the great satisfaction of the Polish politicians – he underlined the need to introduce several community preferences protecting European agricultural market.[585] In regard to CAP reforms both, France and Poland will aim to keep high expenditures on agricultural sector.[586]

The above-mentioned document also confirmed the French support for the Polish (and Swedish) Eastern policy concept formulated in the Eastern Partnership Plan. This initiative was promised by Prime Minister Donald Tusk at the meeting in March, when EU leaders endorsed the idea of Sarkozy's Mediterranean Union. According to Mikołaj Dowgielewicz, Secretary of the Committee for European Integration: "the EU needs to develop a framework with these countries because of their economic potential and

[580] Ibid.
[581] EurActive: Interview: France to push 'protective Europe' agenda at EU helm, 06.11.2007, available under: http://www.euractiv.com/en/future-eu/interview-france-push-protective-europe-agenda-eu-helm/article-168064 (last access: 04.09.2008).
[582] Biuletyn nr 30 (498), 8 lipca 2008, Polish Institute for Foreign Affairs.
[583] Dziennik, 29.05.2008.
[584] Gazeta Wyborcza, 20.05.2008.
[585] Rzeczpospolita, 29.05.2008.
[586] Gazeta Wyborcza, 28.05.2008; Rzeczpospolita, 28.05.2008.

because there is a serious strategic interest for the union in terms of energy projects"[587].

French Presidency and the future of the EU

Portugal*

"France can count on Portuguese support. We share its priorities."

The priorities of the French Presidency were generally welcomed in Portugal. They are seen as close to major Portuguese concerns, namely energy and climate, immigration, defence and the Mediterranean. The fact that French diplomacy showed some concern with consulting Portuguese decision-makers made this support even more likely and publicly evident. The Portuguese Prime Minister stated during a visit by the French Prime Minister: "France can count on Portuguese support. We share its priorities."[588] Moreover, Prime Minister Sócrates and President Sarkozy are perceived as having a good personal connection, despite being placed, respectively, in the 'left' and 'right' of the political spectrum, because both share a concern with difficult structural reforms and, we might add, with making their countries punch above their weight internationally.[589]

The Mediterranean is of course, as the official program of the Portuguese EU-Presidency again made clear, always a priority for Portugal, and a consensual one among decision-makers, all main political parties, and analysts. This does not mean, naturally, an absolute consensus on what to do and how. And there is some scepticism among analysts regarding the actual impact of the new French initiative of the Mediterranean Union. There is also a realisation that Sarkozy had to wield to pressures from Germany and make the re-named Union for the Mediterranean some kind of «Euro-Mediterranean Partnership Plus» and not the more exclusive Med Club under stronger French leadership he had in mind initially.[590] What the *plus* will actually be is still unclear.

In the end, however, the prevailing view in Portugal seems to be to give the Union for the Mediterranean a chance to prove its worth. The rationale for this is paradigmatically expressed by the former European Commissioner and semi-retired elder statesman, António Vitorino: "everything that pulls the EU towards the South is good for Southern Europe. Portugal did it during its EU-Presidency with the EU-Africa Summit. France has now done that with the Union for the Mediterranean."[591] Moreover, an enhanced participation in joint institutions by the Southern Mediterranean partners may indeed be a positive result of all this. Even if no fundamental positive changes in Euro-Med relations can be anticipated by the Portuguese political or diplomatic elite. The Portuguese Prime Minister set the tone by stating in Paris, at the end of the summit where the initiative was formally approved, that the "Union for the Mediterranean is good news" because it can provide "additional ambition and political impetus" for cooperation with a critical area of the world for Europe.[592]

As for Defence, the official government position is that "European defence is the new Euro".[593] This makes it imperative that Portugal is also "on the frontline of European integration" at the level of defence as the Minister of Defence made clear in a recent statement, while underlining that missions abroad contribute "for the modernization and internationalisation of the armed forces, and for the credibility of the Portuguese state and the prestige of the country".[594] Therefore the Portuguese convergence with the French Presidency agenda is again clear; especially since a permanent Portuguese concern in this respect has been addressed by Sarkozy's guarantee that France will not seek to upgrade European Defence as a threat to NATO. Still the question remains, and is arguably more acute now: if there comes a time to choose between a real operational capability for the

[587] Interview to POLITYKA, 30.06.2008, available under: http://www.polityka.pl (last access: 04.09.2008).

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

[588] Le Point: Paris et Lisbonne à l'unisson sur l'agenda européen, 22.02.2008.

[589] After their first meeting Sarkozy is reported to have said: "I am lucky the French Socialists are not like him" cf. Dominique Audibert: José Sócrates, Le Tony Blair Portugais, Le Point, 19.04.2007.

[590] Teresa de Sousa: Merkel promete a Sarkozy todo o apoio alemão à presidência francesa da UE, Público, 10.06.2008.

[591] António Vitorino, Interview on RTP (Public TV), 14.07.08.

[592] Diário de Notícias: União para o Mediterrâneo é 'boa notícia', 15.03.08.

[593] Público: Defesa europeia será um desafio igual ao euro, 18.04.2008.

[594] Cited in Diário de Notícias: "Afeganistão 'trocado' por frota da NATO", 07.07.2008.

EU and its traditional link with NATO, will Portugal make a clear choice?

Energy, above all, and climate change as a result, were also among the priorities during the Portuguese EU-Presidency. This is also a major priority internally, in terms of investment in renewable sources of energy and on energy efficiency. The impact of the recent truckers strike only made the urgency of major structural shifts more evident.[595] Therefore any further steps in this direction by the EU as a result of the French Presidency, and especially new funds, will be most welcomed in Portugal. Again this is a widely consensual policy, seen as crucial for Portugal as the most energy dependent country in the EU.[596]

Employment and innovation are also major Portuguese concerns, to a much higher degree than agriculture. Here, however, the dominant perception is that there are some differences at the level of approaches and objectives with the French Presidency. This is not clear at the level of official public discourse, where the emphasis is on common concerns. But at least some commentators express more or less explicit reservations regarding the protectionist tone prevalent in France and other parts of Europe. According to this strong current of opinion, especially in the economic press, "protectionism would make Europe poorer". It would make no sense for the EU as the "trading powerhouse" of the global economy to be against freer trade. Moreover, it would be a dangerous illusion, especially for a country like Portugal to think it could shield itself from the world instead of adapting to it.[597]

Regarding agriculture the gap between France and Portugal is even bigger. Some investment is being made in Portugal in order to modernise agriculture further, and there is now a shift in policy towards promoting production – rather than actually paying for land to remain uncultivated in the name of rural development –, but of more added-value products, from olives to chestnuts. Still there is a widespread feeling that the Common Agricultural Policy (CAP) favours French and central European intensive agriculture, over Portuguese producers and products. The more protectionist approach apparently favoured by Sarkozy and his model of CAP would have costs in terms of EU relations with areas like Latin America with strong commercial agricultural sectors. In sum it would be negative for Portuguese interests, because it would not help its agriculture, and would have additional costs in terms of food imports.[598] There are those, however, namely in the 'far left', who are delighted to be able to quote a right-wing President of France and of the EU, in support of their more protectionist stance or of their more critical views, for instance, of the European Central Bank.[599]

In terms of migration, Portugal officially followed the prevailing line within the EU of moderating but not fundamentally changing the more restrictive proposals of the French Presidency. Still, this is an area where the Portuguese government has made a major effort in terms of developing new and more effective strategies of integration. And while there is a concern with illegal trafficking, the government has also made clear it values the economic and cultural contributions of migrants. In terms of the wider public debate the new EU legislation has met with some strong criticism in Portugal because of its insufficient guarantees of basic human rights of migrants, in contrast with the vision of the EU as a normative power, exemplary in terms of rule of law.[600]

The sometimes erratic and theatrical style of Sarkozy has obvious potential costs, not least in terms of public backtracking regarding some of his plans like the Mediterranean Union. However, there are also those who argue that this style may have the advantage of

[595] Nicolau Santos: Ensinamentos da falta de combustíveis e do cerco a Lisboa, Expresso, 16.06.2008.
[596] See Bruno Martins/Bruno C. Reis: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 6, March 2008, Berlin, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_6.pdf (last access: 25.08.2008); Bruno C. Reis: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-25/27 Watch, No. 5, September 2007, Berlin, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-25_27_Watch_No_5.pdf (last access: 29.08.2008).
[597] João Marques de Almeida: Globalização e Portugal, Diário Económico, available under: http://diarioeconomico.sapo.pt/edicion/diarioeconomico/opinion/columnistas/pt/desarrollo/1143056.html (last access: 14.06.2007).
[598] Cf. Vítor Martins: O Lugar da PAC nas relações UE-América Latina, Lisboa 2001, p. 6 passim, still provides probably the most well-argued example of the kind of criticism of CAP that you can find in Portugal (Vítor Martins is now an advisor to the Portuguese President.).
[599] For a critical note of the Left Block on the ECB quoting Sarkozy in support of its position see Left Block: BCE toma decisão controversa de subir taxa de juros para 4,25%, available under: www.esquerda.net (last access: 25.08.2008).
[600] Noémia Pizarro: Nos bastidores da Directiva "Regresso", available under: http://www.ieei.pt/post.php?post=679 (last access: 30.06.2008).

confronting some taboos and forcing the debate of key issues, even if it is unlikely to produce the kind of sustained widespread consensus needed for any major reforms within the EU. Still the French EU-Presidency, if tempered and supported by Germany and, especially at the level of defence, also by Britain could produce some achievements, at least at the level of launching initiatives that others will then try to make work in practice.

The establishment of a European External Action Service

This is of concern only for a very narrow group of people, namely diplomats and some policy-makers and academics. The main concern of the government, publicly expressed, is that the development of this external service of the EU should be done gradually. The Secretary of State for European Affairs synthesised this graphically: "if we try to move too fast, instead of having a big diplomatic bang, we might end up with a big boom", therefore, things should be done with no rush in terms of numbers and tasks, while taking care to preserve a spirit of coordination and cooperation with national diplomatic services.

However, Secretary of State Manuel Lobo Antunes also made clear that this service should be "integrated" in terms of including all the aspects of the EU's external action. He then went on to add the important caveat that it also had to be "representative", meaning that it should be concerned with welcoming diplomats and addressing concerns and policy priorities from different member states and, implicitly, also, with distributing postings and powers with even-handedness. For the Portuguese Foreign Ministry this is seen as a new challenge, requiring an expansion of the Portuguese diplomatic corps in order to make sure that there would be enough Portuguese diplomats available to be seconded to this new EU external action service.[601]

The Portuguese official approach therefore could be described not as minimalist – because it in fact supports an integrated service for all of the EU's external action – but as gradualist and concerned with maintaining in this process good working relations between the new EU external action service and national diplomatic services. There was no noticeable public discussion of this matter. Although it should be noted, that those hostile to the Lisbon Treaty, occasionally point to an external service of the EU as one of its negative points.

[601] Manuel L. Antunes: Europa: E Agora? (Official Speech by the Secretary of State of European Affairs on Europe's Day), 09.05.2008.

Romania*

Some converging and some diverging interests

As part of the preparation process of the French EU Presidency, which entailed high-level visits in all the other 26 member countries by either President Sarkozy or Prime Minister François Fillon, Romania received Sarkozy on February 4th, when the French President also delivered a speech in front of the joint assemblies of the European Parliament, touching on several of the priorities of the Presidency. These were re-iterated and explained to Romanian audiences on July 3rd, in a press conference called by the Ambassador of France.

Potential for disagreements as concerns the energy & climate package

France aims at reaching a political agreement on these legislative initiatives before the end of its tenure in the office of EU-Presidency. This area, however, is one where Romania has some reservations and even specific grievances, which are unlikely to make it an ally of France in this endeavour.

With respect to the liberalisation of the energy markets, Romania is a staunch supporter of 'unbundling' the transportation and distribution systems, respectively. France, on the other hand, has long opposed this initiative and, even in the 'honest broker' position imposed by its capacity as EU-Presidency, is unlikely to keep a low profile, as witnessed by the recent statement (June 19th) of the State Secretary for EU Affairs, Jean-Pierre Jouyet, according to him, there needs to be a "third way" to sort out this issue, because "market liberalisation cannot take place without there first being a strategic vision of energy supply policy in the EU".[602]

* **European Institute of Romania.**

[602] See: http://www.euractiv.com/en/opinion/france-intends-meet-eu-presidency-expectations/article-173513 (last access: 22 August 2008).

This contrasts sharply with the remarks made by President Băsescu just before the June European Council to the effect that Romania had carried out the unbundling prior to its accession to the EU, at the request – relayed by the European Commission – of several member states, which now seem reluctant to abide by the same rule: "Romania considers that no concession should be made and that it cannot be tolerated that some member states will keep in place vertically integrated companies, while the others, which have already implemented this reform, will just stay aside and watch".[603] Also relevant in this respect is a remark made by a Romanian Liberal MEP, Daniel Dăianu, who, on the occasion of a debate devoted to the Lisbon Strategy held in Bucharest on March 26th commented, in relation with the EU energy market, that there are EU countries "which are more equal than others and they manage to impose their points of view".[604]

On the other hand, Romania's concerns regarding the diversification and "securisation" of energy supplies have been echoed by the above-mentioned speech of President Sarkozy delivered to the Romanian parliament, when clear support for the "Nabucco" project was expressed and a statement of principle sounding like music to Romanian ears was made: "The independence of both our countries passes through the economic and energy independence of France and Romania – this is a major subject of co-operation between our countries".[605] However, this concerns a matter where no common EU position exists, nor any legislative initiative has been made or is being contemplated by the Commission, hence its limited immediate relevance.

Romania's expressed reservations with respect to other elements of the energy/environment package suggest that it will not be one of the member states on which support the presidency can count for advancing it, but on the other hand there are indications that France (even if not the French Presidency as such!) might be willing to support some of them.

Concerning the targets for the use of renewable energy, Romania easily meets them with regards to electrical energy. It already obtains over 29 percent of domestic consumption from renewable sources, and this proportion is set to reach 33percent in 2010, going up to 38percent in 2020. With respect to the gross consumption of energy in the aggregate, the Romanian government's 'energy strategy' foresees reaching a percentage ensured from renewable sources of just 11 percent in 2010, meaning that the target of 24 percent for 2020 that the Commission's proposal is attributing it is a very demanding one, especially because there is almost no use of renewable energy in the Romanian transportation sector. Moreover, Romania's stance on the use of biofuels remains ambivalent: although its agricultural potential makes it a likely top producer of such fuels within the EU, Prime Minister Tăriceanu was quoted as saying, prior to the Summer European Council, that Romania will seek to insert into the Presidency conclusions a reference to the "elimination of subsidies for crops devoted to the production of biofuels".[606]

The environment part of the package of legislative proposals formulated by the European Commission in January came in the almost immediate aftermath of a dispute with Romania, triggered by the Commission's decision to cut the allowances of greenhouse gas emissions provided in the Romanian national allocation plan. Romania, which is the first country covered by Annex 1[607] to the Kyoto Protocol to have ratified it, had devised a plan taking full credit for both the ability of its negotiators to set 1989 as reference year and the substantial reduction of emissions achieved in the subsequent decade, albeit on account of a chronic industrial recession. Concretely, Romania's commitment assumed in the framework of Kyoto was to cut by 8 percent the greenhouse gas emissions in 2008-2012 relative to 1989, whereas, given the severe industrial restructuring undertaken in the 1990s, the reduction actually achieved was of about 50 percent by the end of 2005![608]

Hence, the national allocation plan foresaw a quota of 82.2 million certificates for 2007 and

[603] See: http://www.presidency.ro/?_RID=det&tb=date&id=9990&_PRID=lazi (last access: 22 August 2008).
[604] BizCity.ro, 28 March 2008, available under: http://www.bizcity.ro/ (last access: 22 August 2008).
[605] See: http://www.cdep.ro/pls/steno/steno.stenograma?ids=6430&idm=1&idl=1 (last access: 22 August 2008).
[606] As quoted by the daily newspaper Bursa, 19 June 2008.
[607] Annex 1 includes countries which assumed specific reduction commitments, i.e. developed, as well as and transition countries.
[608] National greenhouse gas inventory data for the period 1990-2005, Note by the secretariat, UN Framework Convention on Climate Change, FCCC/SBI/2007/30, 24 October 2007.

an average of 97.6 million certificates for 2008-2012, only to be revised downwards by the European Commission, which decided late in 2007, to cut the 2007 allocation by 10.8 percent and by 20.7 percent for the period 2008-2012. Citing arguments of discrimination and excessive use of prerogatives by the Commission, the Romanian authorities filled an annulment action with the European Court of Justice on December 21st 2007. This notwithstanding, the Romanian government continued to play 'by the rules' and, on January 16th 2008, amended its allocation plan so as to abide by the Commission's decision, pending adjudication of the case in Luxembourg.

Over the course of January 2008, however, the Romanian press relayed several domestic estimates of the costs entailed by the Commission's decision, ranging from EUR 500 million to over EUR 1.2 billion!

On the face of it, the January 2008 proposals made by the European Commission with respect to the breakdown of allowances for greenhouse gas emissions seemed favourable to Romania. As emphasised, among others, by the Romanian Commissioner, Leonard Orban, Romania would be allowed to increase its emissions by 19 percent, whereas most other EU countries are being required to trim them down.[609] Once the fine print is internalised, however, there are no satisfactory reasons for Romania to be derived from this proposal. As indicated by a representative of the Ministry of Environment and Sustainable Development, on the occasion of a public debate held on March 27th, the reference year chosen by the Commission (2005) does not only disregard what the Spring European Council of 2007 had agreed upon (i.e. to take the year 1990 as reference), but also fails to give credit to the 50 percent reduction of emissions achieved by Romania between 1990-2005.

Furthermore, the Romanian Ministry of Environment and Sustainable Development has expressed strong reservations vis-à-vis the cancellation, as per the European Commission's proposals, of the gratuitous (free) allocation of emission certificates starting from 2013 and advocated, instead, a gradual transition towards such a system until 2020.

It has to be said, especially against the background of Romania being one of the EU member states with the highest current per capita level of emissions, that its stance risks putting it in direct opposition to the preferences of the presidency, given that – earlier in the year (i.e., on January 11th 2008) – President Sarkozy wrote a letter to Commission President Barroso, outlining France's desire to see the cuts in global emissions expected from each member state expressed by reference to their respective per capita starting points. On the other hand, on the occasion of his recent tour of Estonia, Latvia and Hungary, the French Minister for Energy and Environment, Jean-Louis Borloo, admitted that the EU will have to 'integrate' the concerns expressed by his counterparts regarding the too harsh adjustment that the implementation of the Commission's proposal would force on their economies. Romania shares very much the same concerns and, alongside the above-mentioned Eastern European member states, plus Poland, Slovakia and Bulgaria, has adhered to a joint position aiming at adapting the environment/energy package so as to take into account the specific problems of these countries.

It may also be of interest to note that the issue is approached from rather different angles by Romanian MEPs. Whereas Adina-Ioana Vălean (ALDE group), contends that the European Commission's proposal is a 'false friend' and the Romanian economy will suffer as a result of tight quotas it was attributed for 2008-2012, Marian-Jean Marinescu, vice-president of the PPE group, sees the package as "advantageous for Romania".[610]

Immigration and asylum: low Romanian stakes, support for the presidency positions seems assured

The issue of immigration and asylum has in Romania a very different significance from that in other member states. According to the National Immigration Office, there are only 65,000 foreigners residing in Romania (only a quarter of which originating from other EU countries), while the figure of Romanians living abroad, especially in Italy and Spain, is estimated at between 1.5 and 2 million persons. Hence, Romania has no special interest to protect against the 'invasion' of European regulations in this area, as witnessed among other things by the fact that it was one of the only 6 member states to have

[609] See: http://www.moneyline.ro/articol_15024 (last access: 22 August 2008).

[610] See: http://capital.ro/articol/planul-20-20-20-condamn-x103-rom-nia-la-energie-scump-x103-107514.html (last access: 22 August 2008).

fully transposed (as of end-2007) the European Directive on asylum.[611]

Romania's own priorities in this area, as expressed by President Băsescu before the Summer European Council, seem particularly low-key and outside the mainstream of EU's preoccupations in the field: a labour mobility partnership between the EU and the Republic of Moldova (the launching of which, on a pilot basis, was to be welcomed in the Slovenian Presidency's conclusions) and the even more esoteric "establishment of a co-operation platform on migration issues in the Black Sea region".[612]

CAP health-check seen eye-to-eye on the most salient topics

The agricultural dossier is one where Romania's positions have been closely aligned to that of France, not only because of similar interests, but also because of the good personal relations forged by the current Romanian Agricultural Minister (and former Secretary of State in charge with EU affairs in the Ministry of Agriculture) Dacian Cioloş, with his French counterparts.

A very significant episode bearing witness of this closeness has unfolded in June, when Romania and France were the only EU member states to vote, in the relevant management committee, against the European Commission's decision to extend the import duty exemptions for grains originating in third countries for another year. The episode is relevant also insofar as one of the often re-iterated priorities of President Sarkozy refers to granting the 'community preference', which in that particular case Romania was the only other country willing to uphold.

Concerning the most important stakes of the health-check, Romania's stated positions are largely coincident with those of the French Presidency. In particular, there is a firm rejection of any attempt at phasing out the Community financing of this policy. In an intervention on 27 March 2008, during a debate organized by the European Commission's representation in Romania on the topic of the potential revision of the EU budget, Minister Cioloş stated that the funds allocated for the CAP should support the defined goals of the policy, hence the need to first agree on them and then start discussing what sort of budget they need in order to get implemented.

Regarding other stated preferences of the French Presidency, they are sometimes identical (and never colliding) with the positions taken by Romania. In particular, both countries are in favour of keeping the single payment system in place, as well as of ensuring that the smallest farms do not lose their entitlement to direct payments. The issue of extending the total 'decoupling' of payments is approached by both countries in a prudent way, so as not to hamper agricultural and rural diversity. Romania's position concerning the elimination of the milk quotas until 2015 seems to entail less reservations than that expressed by France, while on the other hand the French hint at a more equitable distribution of funds (in particular, via instituting caps on the support granted to any large farm) do not tally well with Romania's stated desire to avoid any capping of individual farm financing.

Finally, one should take note of a point of potential disagreement, though it should be kept in mind that it originates at the highest political level, rather than at the technical level, where the two countries' positions seem the most closely aligned. The sensitive issue pertains to the joint letter signed in June by the leaders of eight Central and Eastern European countries (including Romanian Prime Minister Călin Popescu-Tăriceanu) which requested that the full alignment of the level of direct payments granted to their farmers with that applicable in EU-15 be anticipated relative to what is provided for in the respective accession treaties. Obviously, should such issues be pursued further, it cannot fail to trigger the irritation of at least those of the 'old' member states whose share of the current agricultural budget would be most threatened, France being undoubtedly one of them.

The establishment of a European External Action Service (EEAS)

Possible developments at the institutional level of the EU external action area foreseen by the Lisbon Treaty – namely the new position of High Representative for Foreign Affairs and Security Policy and the EEAS's still insufficient defined project – have been tangentially

[611] Council Directive 2005/85/EC of 1 December 2005 on minimum standards on procedures in Member States for granting and withdrawing refugee status, in: Official Journal of the European Union L 326, 13 December 2005, pp. 13-34.
[612] See: http://www.presidency.ro/?_RID=det&tb=date&id=9991&_PRID=lazi (last access: 22 August 2008).

tackled within the public debates in the context of various communication activities (conferences and roundtables) devoted to the reform treaty's institutional innovations. Nevertheless, none of these occasions have generated substantial and thorough visions – at least at a public level – regarding the scope, the tasks, the composition, the division of competences and the possible modalities of coordinating activities the EEAS is supposing to deal with under the Council, under the European Commission or between the two institutions. The debates have been rather focused on the novelty of these issues, as well as on their impact on the EU's future role in the international arena. In most cases, the Romanian opinions concerning the attempts to reform the external dimension of the EU tend to be in favour of any change meant to invigorate and to increase the efficiency and coherence of the actions undertaken in CFSP/ESDP fields.

Some articles and pamphlets in the national press have outlined the most important and wide expectations regarding the composition and the functioning of the future European diplomatic service based upon the information presented by the various EU official documents or European channels and newspapers. The analysts have reiterated the concerns and the controversial elements associated with the EEAS 'esoteric', closed-doors debated and still unclear initiative, for example its potential to generate disagreements and reactions of rivalry within the Council and the European Commission, as well as among the EU institutions and the member states' diplomatic structures, the risk of lacking coordination and duplicating efforts, the division of responsibilities related to the policy areas covered by its activities, the staffing issue and the unknown budgetary aspects. The articles occasionally touched upon the circulated ideas regarding the creation of a EEAS as a concrete measure and clear path towards the federalist scenario of a 'European super-state'[613].

[613] See: http://www.romanialibera.ro/a112531/politica-externa-europeana-unica-fara-corp-diplomatic.html (last access: 29 November 2007); See: http://www.euractiv.ro/uniunea-europeana/articles%7CdisplayArticle/articleID_13780/.html (last access: 9 June 2008).

Slovakia*

No real discussion about priorities of French EU-Presidency

Since Slovakia's fundamental concern inside the EU is to complete the country's full-fledged membership by adopting the Euro and by getting rid of various transition arrangements imposed by the old EU-15, there was no real discussion about the priorities of the French Presidency. Probably the biggest reaction at the start of France's EU-Presidency in Slovakia stirred the decision by Paris to abolish restrictions for the free movement of workers announced in July 2008.

Slovakia's discussion on the future architecture of the EU's external relations is limited to the officials in the Foreign Ministry. Slovakia's concerns about the European External Action Service reflect the larger problem that the country faces with both the quality and the availability of human resources. These inhibit the country's ability to formulate preferences in the EU. According to Slovakia's ambassador to the EU the country has three big concerns about the make-up and the workings of the European External Action Service. First, it wants to ensure the country's ability to influence the placing of its own officials in the proposed EU diplomatic structures. Second, Slovakia wants a clear system of financing the European External Action Service. Third, the country wishes to benefit from the EU diplomatic corps in that the representatives of the European External Action Service will help represent its interests especially in those geographic areas where Slovakia has no or very limited external representation.[614]

The biggest concern, arguably, is about the country's potential influence inside the European External Action Service. Already today Slovakia's central administration employs three times fewer people in EU departments than central administrations in neighbouring Czech Republic and Hungary. The constrained administrative capacity at home also has its external dimension in Brussels. Bratislava has been slow in pushing its cadres to mid-level management positions in EU institutions. According to Slovakia's

* **Slovak Foreign Policy Association.**

[614] The speech by Maros Sefcovic, head of Slovakia's Representation to the EU, at an annual conference on Slovakia's foreign policy, *New Challenges and New Approaches*, Bratislava, April 17, 2008.

diplomats, the country is using its administrative quotas in the EU up to about 60 – 70 percent of what it could fill.[615] In July 2007 The Slovak Governance Institute (SGI) published a study examining the voice of Slovakia in Brussels.[616] The analysis pointed to three crucial shortcomings in Slovakia's representation vis-à-vis the EU institutions. First, Slovakia is relatively weak at filling mid-management posts in the European Commission, only the Czech Republic and Poland are lagging behind Slovakia. Second, only a limited number of young persons use the opportunity for internships in EU institutions, which limits the long-term development of quality human resources. Third, in comparison to other EU member states, Slovakia's private sector does not have a sufficient institutional basis built at the EU level.

Slovenia*

Keeping the momentum for the Western Balkan

References to the French Presidency of the EU in Slovenia are scarce when it comes to their priorities, primarily due to two reasons: Slovenia's Presidency preceded the French and there is a sense of a relief, maybe even saturation of the EU issues in the media, the public as well as among the political elites, who, after a relative calm in domestic politics, are quickly turning their attention to the September general elections. The second reason is the Irish 'No' and the situation the EU found itself after it. Dealing with the consequences of the Irish rejection of the Lisbon Treaty has overshadowed the French Presidency priorities and with it the debate on them. However, there is one issue in which Slovenian government has a special interest: keeping the momentum for the Western Balkan states' future in the EU.

In the course of the Slovenian Presidency, the French, especially President Sarkozy, were already stating priorities for their term in office. In January there was a sense of 'stealing the limelight'. It lead to Prime Minister Janša stating in his presentation of Slovenian Presidency programme in the European Parliament on January 21st , that "Our Presidency will not be as spectacular as the French EU Presidency [...] but we promise to take on our tasks responsibly and to take forward the important subjects." Tensions between the current and forthcoming presidency were also seen in Prime Minister Janša's dismissal of the Mediterranean Union proposal. Janša was very clear, following President Sarkozy's presentation of the project, saying that there is no need of doubling of the institutions (having in mind the already existing Barcelona Process, institutionalised within the Euro-Mediterranean Partnership). Relations improved a lot already before the Spring Summit, but they became cordial and Slovenian political elite restrained from any comments on the French priorities, attitudes and goals, as well as on Slovenia's own views on the issues, believing it inappropriate as long as it holds the Presidency, trying hard to play the honest-broker role.

Still, Slovenian views on the issues amongst the French priorities can be identified. Above all, it needs to be mentioned that the French Presidency priorities are not surprising and that they follow up on many of the on-going processes. When it comes to energy policy, Slovenia was happy to reach an agreement in the Council on the 6th of June on the (weakened) unbundling issue, closing the internal market debate related to energy market and thus opening the way for France to concentrate on the external security and supply related issues. In terms of 'timing' and 'actor ness' this is widely viewed as appropriate. Likewise holds true for the Common Agricultural Policy. The Health Check of the Common Agricultural Policy under the Slovenian Presidency advanced well and in co-operation with the French. It is viewed as only natural, in terms of Common Agriculture Policy's own tempo and the French well-known interest in it.

Concerning Mediterranean projects and immigration, Slovenia's stance during its own Presidency was that of balancing the East and the South, having already taken upon itself this role during the preparations of the trio presidency programme (together with Germany and Portugal). It can be expected that it will join those, who will oppose

[615] The speech by Maros Sefcovic, head of Slovakia's Representation to the EU, at an annual conference on Slovakia's foreign policy, *New Challenges and New Approaches*, Bratislava, April 17, 2008.
[616] See: http://www.euractiv.sk/verejna-sprava/clanok/oslabeny-hlas-slovenska-v-bruseli (last access: September 30, 2008).

* **Centre of International Relations.**

duplications of structures, but support new impetus for both, the Mediterranean and the Eastern dimension, following on the joined Polish-Swedish proposal for the new impetus in the neighbourhood policy. On defence issues, though Slovenia is clearly a minor player, the French defence minister met his counterpart in Slovenia in mid-January to ensure the continuity of the policies, especially to discuss the EU's military capabilities and the European Defence Agency's (three year) budget.

One desire is present, though: further enlargement and the process of bringing the Western Balkan states closer to the EU is undoubtedly the top interest of the Slovenian political elite and in the media. The Slovenian Presidency worked hard to retain support for further enlargement in the EU and to bring the Western Balkan states a step closer. It would like to see the French Presidency to not drop it from the top of the EU's agenda, but to continue with processes such as visa-liberalisation dialogue and especially actively working towards setting the date for beginning of accession negotiations with Macedonia.

French Presidency and the future of the EU

Spain*

French EU-Presidency: positive expectation

In general, the French EU-Presidency has been received with positive expectation in Spain. Some of the French priorities are considered as main issues for the Spanish European policy.

Strengthening ESDP

Related to defence matters, France's EU-Presidency arrives in a context characterised by a constructive transatlantic and intra-European environment, but with the shadow caused by Ireland's rejection of the Lisbon Treaty. Despite the limitations of different national interests and priorities of the EU members, the favourable atmosphere offers the French EU-Presidency a good opportunity to revitalise ESDP and advance on the road to European strategic autonomy. The Spanish National Security is linked to the security of the European continent, it is a 'shared security', and Spain offers its full support to the development of an independent and autonomous European capacity. The Spanish government supports the French proposals to strength the resources and role of the European Security and Defence College and ideas such as the creation of an Erasmus military programme to foster exchanges among European military officers or the reinforcement of common schemes for training European military and civilian personnel. Related to the expected revision of the 2003 European Security Strategy (ESS) by the end of 2008 Spain is open to an update of the text, but in officials circles as well as academics, there are a lack of knowledge regarding the different steps of the process.

According to the latest declaration of the Spanish Prime Minister Rodriguez Zapatero related to his priorities of Spanish foreign policy[617]: "It is essential to go deeper in developing structures and capabilities, both civilian and military, with which the European Union can act. Three goals will guide Spanish policy: to push for the creation of a common security and defence policy with the necessary capabilities; maintaining the transatlantic link that is NATO, of which we are a firm and committed member; and encouraging cooperation between the EU and NATO. To this I will add our commitment to the Spanish Armed Forces in order to guarantee our defence and contribute to the defence of Europe".

In this context, French ideas towards the necessary level of civilian and military capabilities to meet Europe's proclaimed ambitions, the strengthening of the mechanisms of common funding for ESDP operations and progress towards a European defence procurement market are in general, well received in Spain. Apparently, one of the most urgent objectives for the French is to adopt measures that imply a concrete and visible progress in the EU's capability to conduct military operations, including the ability to plan and command such operations. Two instruments are central for this scheme: Permanent Structured Cooperation and a Permanent Operational Headquarters (OHQ). Spain, which is a strong supporter of Permanent Structured Cooperation, has led the discussion over the details of Permanent

* **Elcano Royal Institute.**

[617] Address by the Prime Minister Rodríguez Zapatero "In Spain's interest: A Committed Foreign Policy" on 16 June 2008 organised by the Elcano Royal Institute available in English, French and Spanish at: http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/00027 (last access: September 30, 2008).

Structured Cooperation, but after the Irish 'No', the different initiatives were paralyzed because the mechanism of Permanent Structured Cooperation depends on the entry into force of the Lisbon Treaty. In addition, Spain is open to the idea of a Permanent Operational Headquarters.

Invigorating the EU-Mediterranean relations

Other of the priorities of the France's EU Presidency is to reinvigorate the EU-Mediterranean relations. This geographic area is one of the most important regions of the Spanish foreign policy interest. In this context, the Prime Minister Zapataro has thanked President Sarkozy for encouraging the debate on reforming the Barcelona Process. At the beginning of the conversations the Spanish government received the proposal with a degree of mistrust and caution. Spain's main concern was that the initiative could damage the Barcelona Process. Nevertheless, Spain's perception has changed and the Spanish Prime Minister Rodríguez Zapatero, expressed his commitment towards the project, which he described as a new stage of the Barcelona Process. Spain is highly interested in developing the projects defined in the Paris summit for the Mediterranean that was held on July, 13th, for example, towards a "Mediterranean Solar Plan". The Spanish business sectors are involved in developing alternative energies in the Mediterranean specially focused on the solar energy. However, and despite the positive assessment of the Paris summit outcome that diplomatic circles have made, the scholars and experts of the region are more sceptics towards the constructive impact of the Mediterranean Union project. It is believed that there are nothing really new in the Paris summit declaration. Furthermore, it is not clear, how the Barcelona Process and the Mediterranean Union will function, how the relations with the ENP, the European Commission, etc., will be. According to Spanish diplomats and the summit declaration, the details of the new institutional structure, the functioning of the co-presidency, as well as the composition, seat and funding of the Secretariat will be decided during the next Foreign Affairs Ministers meeting in November 2008.

European Pact on immigration and asylum without integration contract

Migrations issues are one of the top priorities of the Spanish European policy. Spain has welcomed the French idea to put on its Presidency program this issue and has agreed with the proposal of an "European Pact on immigration and asylum" at the next EU summit in October 2008. However, one aspect of the proposal was strongly rejected by the Socialist Spanish Government. Specifically, the paragraph on the "integration contract" in the document initially presented to EU capitals: "The European Council recognizes the interest of the integration contract for third-country nationals admitted for long-term stays and encourages the member states to propose such plans in a national context. This integration contract should be obligatory. It will include the obligation to learn the national language, national identities and European values, such as the respect of the physical integrity of others, the equality of men and women, tolerance, the obligation of school and the obligation to educate children."

Spain led the fight against the clause becoming a European policy; it is believed that it will be more potential for controversy and discrimination than contributing to the better integration of immigrants. But, there is an important domestic reason for which Spain has forced France to abandon its plans for a compulsory "integration contract" for immigrants. It should take into consideration that during the recent presidential campaign, which won the Socialist Party (centre-left) and the Prime Minister Zapatero was reelected, the main opposition party, the Popular Party (centre-right) led by Mariano Rajoy, proposed an "Immigration contract" similar to the Sarkozy's initiative. This project was very criticized by the Socialist Party.

Economic issues (CAP, energy, employment,…)

During the French Presidency, the Common Agriculture Policy will undergo the so-called health check which will be previous to a more ambitious reform. The opposition leader, the conservative Mariano Rajoy offered last June full parliamentary consensus to define the Spanish position in agriculture matters.

With regard to energy policy, and according to Zapatero himself, Spain is going to keep working to develop a European market that is more transparent and efficient, with supply security and sustainability. For Spain it is particularly important to promote

interconnections (with France) and the harmonising of the major economic players so that uniform rules do not benefit or harm different companies. Spain will maintain the phasing-out of nuclear power plants and it is making a big effort in investment in renewables; something quite different from French priorities.[618]

The European External Action Service

After the Irish rejection of the Lisbon Treaty, the initiatives and the studies related to implement the new institutional architecture were paralyzed. However, there is an increasing concern related to these issues because of the next EU Spanish Presidency (first semester in 2010) and it is uncertain under which institutional framework it will be developed.

Sweden*

France and Sweden work closely together, while disagreeing on certain topics

France has presented a number of primary issues for its presidency, in short the following:

- Growth and employment;
- Europe's role in the world;
- The future Europe;
- Protection of citizens and immigration.[619]

The French Presidency is connected to the Swedish one in the three-presidency group consisting of France, the Czech Republic and Sweden, with the Swedish Presidency starting on July 1st 2009. A joint 18-month programme has been drawn up by the three future presidencies and has been accepted by the other member states.[620]

According to Cecilia Malmström, Swedish Minister for EU Affairs, the Swedish overarching themes are all included. These are:

- Climate, energy and environment;
- Jobs, growth and competitiveness;
- A safer and more transparent Europe;
- The Baltic Sea region and relations with neighbouring countries;
- The EU as a global actor and continued enlargement.

Sweden will also draw up a working programme for the six months of its presidency, based on the 18-month programme.[621]

There is, as explained by Cecilia Malmström, agreement among the three countries on the goal of having the treaty and the European External Action Service (EEAS) in place during the 18-month period as well as to start discussions on the budget reform and to finish the last cycle in the Lisbon Strategy (the EU growth strategy) in a positive way during this period. The three furthermore agree on the climate issue as the most important one, to which can be added energy issues, the sustainability strategy and others. Sweden is also content that the Swedish idea of a Baltic Sea strategy has been accepted. Several other issues were also brought up by the Minister for EU Affairs as endorsed by the group of three within the 18-month programme.[622]

The French interest in updating the European Security Strategy is also shared by Sweden. Part of this effort, according to Minister for Foreign Affairs, Carl Bildt, is to look over the various peace instruments available: diplomatic, economic and military. In order to be a real power for peace Europe needs the

[618] See the addresses by the Prime Minister José Luis Rosdríguez Zapatero and the opposition leader Mariano Rajoy in the Parliamentary Journal of Debates (Diario de Sesiones del Congreso de los Diputados, IX Legislatura), 18th Plenary Session, 25 June, 2008, Spanish Congress, available under: www.congreso.es/portal/page/portal/Congreso/PopUpCGI?CMD=VERLST&BASE=puw9&FMT=PUWTXDTS.fmt&DOCS=1-1&QUERY=%28CDP200806250019.CODI.%29#(Página5 (last access: September 30, 2008).

* **Stockholm International Peace Research Institute.**

[619] EurActiv: France outlines EU Presidency priorities, 30 August 2007, available under: http://www.euractiv.com/en/future-eu/france-outlines-eu-presidency-priorities/article-166313.

[620] Council of the European Union: 18 Month Programme of the French, Czech and Swedish Presidencies, 30 June 2008, Council document 11249/08, POLGEN 76.

[621] Government Offices of Sweden: The Swedish Presidency, available under: http://www.sweden.gov.se/sb/10302/a/98858 (last access: 19 August 2008).

[622] Statement by Cecilia Malmström, in: Committee on EU Affairs: EU-nämndens stenografiska uppteckningar (stenographic reports of the Committee on EU Affairs), 13 June 2008, pp. 15-17.

means that are commensurate to its ambitions.[623]

There are, however, a number of important issues on which France and Sweden have different views. One of the points of disagreement concerns the Common Agricultural Policy (CAP) and the connected issues of free trade and the EU budget.[624] Sweden strongly endorses free trade, to give improved access to the European market for the agricultural sector in developing countries and to remove disturbing factors such as tariffs and subventions. The EU bears a responsibility in the present food crisis, according to Cecilia Malmström, due to the effects of the CAP.[625]

Another point of disagreement between Sweden and France concerns enlargement, for which there is Swedish endorsement, even beyond the present candidates and the Balkans, which are the only ones mentioned by the 18-month programme. Furthermore, Sweden argues for a more open immigration policy than France. Part of this is that there should be better possibilities to enter the EU for those who seek work. This is also in Europe's interest, Sweden argues, since there is an increased demand for labour in Europe.[626] Regarding asylum seekers, Sweden has launched a new proposal aiming at giving refugees similar treatment. The goal is to stop 'asylum shopping' but also to improve chances for asylum seekers to enter countries that are now very restrictive. At present the European Asylum Curriculum is an educational project led by Sweden with participation by the Czech Republic, the Netherlands, Spain and the UK, in which those who deal with asylum applications are to receive the same information, use the same type of evidence and in the same way, etc.[627]

A number of institutional issues related to the different clauses of the Lisbon Treaty are now under discussion. One of them concerns the role of the rotating presidency, and another the EEAS, which is now being discussed within the Committee for Foreign Affairs. Little is as yet known however, about the Swedish views taken on this.

[623] Carl Bildt: Nu måste vi göra EU till en militär fredsmakt (It is time to make the EU a military power for peace), Dagens Nyheter, 2 January 2008.
[624] Regeringskansliet (Government Offices): Tal vid SIEPS årskonferens 2007 – The Purse of the European Union: Setting Priorities for the Future, Speech of Cecilia Malmström at the Annual SIEPS Conference, 26 October 2007, available under: http://regeringen.se/sb/d/7415/a/91254 (last access: 19 August 2008); Rikard Bengtsson/Gunilla Herolf: A modern budget reflecting the real need of the EU, in: Institut für Europäische Politik (ed.):EU-27 Watch,No. 6, March 2008, pp. 182-183, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_6.pdf (last access: 19 August 2008).
[625] Statements by Cecilia Malmström, in: Committee on EU Affairs:, EU-nämndens stenografiska uppteckningar (stenographic reports of the Committee on EU Affairs), 13 June 2008, pp. 3-4 and 9-11.
[626] Tobias Billström (Minister for Migration)/Cecilia Malmström (Minister for EU Affairs): Slå hål på fästning Europa (Make a hole in fortress Europe), Dagens Nyheter, 9 May 2008.
[627] Dagens Nyheter: Sverige strider för rättvis asyl inom EU (Sweden fights for fair asylum within the EU), 6 July 2008.

Turkey*

Union for the Mediterranean perceived as an obstacle to accession

Turkey has been reluctant in discussing issues related to the EU since the suspension of accession negotiation on eight chapters and the topics that attract some attention, are the ones related to Turkey's EU membership. In this framework, after the French government announced the priorities for its Council Presidency, such as, energy and climate change, immigration, defence, and the future of the Common Agricultural Policy, economic growth and employment and the Mediterranean Union, the only subject that attracted some attention has been the Mediterranean Union due to its perceived close link with Turkey's membership to the Union.

The Mediterranean Union has been perceived as an alternative of the European Union that is being created, which would hinder Turkey's EU membership. Therefore, foreign affairs ministry, prime ministry, academic circles, journalists as well as the public were sceptical of the whole idea, and Turkey for some time could not decide on how to react to this proposal. On the one hand, Turkey rejected the creation of a Mediterranean Union instead of the European Union, but on the other, she is willing to participate in an initiative concerning the region in order to be an active player rather than an outside observer. From the beginning of Mediterranean policies of the EU, Turkey has been engaged in these policies starting with the Barcelona Process, and naturally

* Center for European Studies / Middle East Technical University.

Turkey desired to be included in the new initiative as well.

After the criticisms, the name of the initiative has been changed to Union for the Mediterranean, which meant loosening the idea of integration and a union in the Mediterranean region as an alternative to the European Union. This new initiative would be only completing and enriching the EU institutions and structures.

At the time this report was written, after long consultations at the higher echelons of the Turkish Foreign Affairs Ministry, the Prime Minister Recep. Tayyip Erdoğan decided to participate in the meeting on the Union for the Mediterranean in Paris on the 13th July, 2008, after France gave assurance to allay Turkey's concerns over EU membership.

Neither the Lisbon Treaty, nor the provisions for the new post of a High Representative of the Union for Foreign Affairs and Security Policy attracted attention in Turkey. The Turkish public, journalists, academics, and bureaucrats have been reluctant towards the debates and discussion on the creation of an European External Action Service. Especially after the suspension of the negotiation talks on eight chapters, the Turkish public lost interest in the issues related to the EU. Moreover domestic politics issues such as the court case against the AKP (Adalet ve Kalkınma Partisi – Justice and Development Party), and the case of "Ergenekon" involving retired generals, journalists, civil society leaders and so on have been on the agenda rather than the international relations or the EU.

In theory however, Turkey would be in favour of the establishment of an European External Action Service in order to increase the capability of the EU in international arena as a global political actor.

United Kingdom*

Policy on climate change favoured, while opposing CAP

British debate about the French Presidency of the European Union is now focused on the fallout from the Irish 'No' to the Lisbon Treaty. For the British government, continued discussions over the future of the Lisbon Treaty, or its implementation by other means, is politically unwelcome. It, like commentators from across the political spectrum, takes the position, at least in public, that the European Union is best served by concentrating on the business of governing. British polls consistently show wide support for concerted action in the field of energy and climate change; an area in which the European Union is uniquely well placed to act effectively and with the support of its citizens. On the Common Agricultural Policy, British attitudes remain almost instinctively hostile, and further substantive reform is hoped for, if not expected, during the French Presidency.

EEAS should be under national control

There is no public debate on this in the United Kingdom. The British government's concern is not so much with the scope of the service's activities, as with the origin of the officials who make it up. The British government is very eager that the service should have a large proportion of national civil servants in its ranks, a feature which will reinforce, in the British government's view, the intergovernmental nature of European foreign policy.

* Federal Trust for Education and Research.

3

Public opinion and European integration

According to current Eurobarometer results, "Support for membership of the European Union is at its highest in over a decade" (Standard Eurobarometer 68 / Autumn 2007 – TNS Opinion & Social, p. 22).

- **Is this trend mirrored by national opinion polls in your country and how can trends be explained?**

- **Please give a more detailed picture of how European integration / the EU is perceived by political elites, media, business community, citizens or pressure groups.**

Austria*

Support for EU reached a new low

According to current Eurobarometer results, "Support for membership of the European Union is at its highest in over a decade".[628] In the case of Austria this trend cannot be confirmed. The contrary is the case, as support for the European Union has reached a new low. The results of the Eurobarometer in spring 2008 have shown a steady decrease in support for the EU in general and for Austrian membership in particular. However, it should be maintained that the polls were conducted in a time dominated by heated discussions on the Reform Treaty.

The results are however alarming: Only 28 percent of Austrians associate a positive picture with the European Union compared to 35 percent in autumn last year. Trust into the institutions of the European Union has also reached the bottom. Only 37 percent of the Austrian population sees the European Commission as trustworthy, this means a loss of 11 percent since autumn. Only 36 percent regard the EU membership as a positive thing. The outcome shows a very deep-rooted scepticism of the Austrian population towards the European Union. Nevertheless, it was also very striking that more than a third of the interviewees had no opinion on the question whether the EU was something positive or rather something negative.

Analysing this result, many different factors should be considered. As mentioned above the opinion poll was conducted during a very intense and polarizing discussion on the ratification of the Lisbon Treaty. Some civil society organisations protested against the government's policy to ratify the treaty in parliament without any involvement of the broader public in form of a referendum. It is a similar position to that of the two right wing parties – BZÖ and FPÖ – which both fiercely demanded a referendum on the issue. Another factor which has negatively affected public opinion was the fast rising prices for energy and food, as well as the growing inflation. In the newspaper "Die Presse" an article written by Doris Kraus and Wolfgang Böhm analysed very profoundly the reasons for Austrians' deep EU scepticism. They stated that the EU has lost its purpose; it is not clear what it stands for. One of the reasons why this is perceived that way is the growing number of issues the EU has to deal with. This has led to the question whether the EU stands for the interests of the common people or for the interests of the business world. As when it comes down to interests the EU – especially the Commission – tends to speak out for the industry and its needs.

Moreover, the Austrian public has held the EU responsible for two particular problems; the question of transit through the Tyrolean Alps and open access for German students to Austrian universities. In conclusion one can say that the EU has a substantial image problem in Austria and political parties and actors as well as the media should be more careful in their presentations and comments.

European integration / the EU perceived by business community, media, and civil society

The Austrian Federal Economic Chamber (Wirtschaftskammer Österreichs, WKÖ) is an important actor in Austria's politics and opinion building. The WKÖ has a great interest in the promotion of the EU, therefore it has dedicated a large part of its webpage to all relevant EU topics for the economic sector. Apart from offering basic information, they have different types of newsletters and information services. This summer the WKÖ started an information tour called "Europaschirm" (Europe-umbrella) to rise the level of information regarding the EU, since a great part of the population does not feel well or properly informed. The EU and European integration, like the enlargement, are widely seen as a chance.

The already mentioned ÖGB has as a kind of counterpart to the WKÖ also a predominantly positive position towards the EU. They also offer on their webpage information on the EU and on specific social and trade union issues. But they are also critical towards the European Union, especially regarding the prevalence of the single European market before social needs and issues. However, they see the Lisbon Treaty as a positive development towards more democracy.

The second important actor in Austria's representation of workers and employees is the Arbeiterkammer (Chamber of Labour, AK). Their tendency is also to be positive towards the EU, as well as the Lisbon Treaty, but under

* Austrian Institute of International Affairs.

[628] Standard Eurobarometer 68, Autumn 2007, p. 22.

the condition that the Austrian government should engage more in social issues at EU level. Unlike the ÖGB, the AK does not offer further information on the EU.

The other big player in Austria's economy and market is the Industriellenvereinigung (Industry's Federation, IV). They are like the other actors EU friendly and support the enlargement of the EU. The IV has also criticised very explicitly the SPÖ for their announcement to set coming EU treaties and similar decisions under a referendum, which meant a total turning back in their EU policy for the last 13 years (this change will be explained more profoundly at a later time). Their level of offered information is not very high, but they are linked properly with the important institutions and information sources of the EU.

The Austrian media has been rather negative in its coverage of EU and the EU integration. The EU is widely seen as a big black hole. No one really understands how it works and how the decisions are taken; even more, it's seen as a kind of ivory tower with a huge administration apparatus that makes decisions far away from the daily concerns of the population. The media in general covers EU topics if it concerns Austrian interests, especially when they are affected negatively, and in connection with party politics or events. Some media actors try to be objective, but also critical, others act in a populist way. In the media real information on the EU institutions, mechanisms, decision taking procedures etc. is rarely offered. Regarding the print media, Austria has one unique newspaper – "Neue Kronenzeitung" – with a coverage of 44 percent, it is qualified as yellow press. It uses its high level of coverage to influence the decision making process and the public opinion. Often the articles carry a message between the lines which can be formulated as 'Austria against the EU' or the other way round.

One positive example of civil society trying to inform and discuss about Europe is the discussion rounds "Reden über Europa" organised by several institutions and the Austrian newspaper "Der Standard". This campaign started in 2006 in Munich and had had four discussion rounds in Vienna in the first half year of 2008. It will move on to London and Venice this autumn and come back to Vienna in 2009. These discussion rounds were held in the "Burgtheater", and several actors from economy, politics, culture etc. were invited to discuss in public on Europe and answer the questions from the public.

Belgium*

Belgians more favourable to EU than EU-average

According to the Eurobarometer 68, 48 percent of the people in Belgium think the EU are headed in the right direction, and there is a clear optimism for the future of the EU (75 percent).[629]

Belgian citizens are indeed generally seen as more Euro-enthusiast than average in Europe. A recent poll showed that Benelux countries and Ireland are the most enthusiast member states about the participation of their country in the EU. Belgium is the fourth most favourable country in the EU, with 66 percent of people supporting the EU.[630]

However, a recent poll of the newspaper Le Soir (to be analyzed with all the necessary reservations on the quantity and representativeness of the respondents) showed that only 49.1 percent (1993 persons) would have voted 'Yes' in a referendum on the Lisbon Treaty while 28.2 percent (1143 persons) would have voted 'No' but above all 20.4 percent (829 persons) did not know what the treaty was about.[631] Generally, Belgians are more favourable to the EU than the EU average, but it is worth noting that a substantial number of people are against the Lisbon Treaty or do not know what it is, contrary to the cliché image of a constant and unconditional Euro-enthusiast population.

European integration / the EU perceived by political elites and citizens

As noted above, Belgium is a country where citizens are generally in favour of Europe, the EU and the idea of federalism at the European

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

[629] Standard Eurobarometer No. 68, October-November 2007.

[630] See Knack, 24/06/08, available under: www.knack.be (last access: 22/07/2008); La Libre Belgique, 24/06/08, available under: www.lalibre.be (last access: 22/07/2008); Le Soir, 24/06/08, available under: www.lesoir.be (last access: 22/07/2008).

[631] See Le Soir, 13/06/08, available under: www.lesoir.be (last access: 22/07/2008).

level. It is one of the founding members of the EEC and some well-known supporters of the European Union were/are Belgian (Paul-Henri Spaak, Guy Verhofstadt, Étienne Davignon, Jean Rey).

The political actors are also enthusiast toward the EU. However, as within the population (see above), some resistance occurred in the political parties in the 1980s and 1990s.

On socio-economic policies, two trends can be observed. On the one hand, centre-right and Christian-democratic parties are rather satisfied with the evolution of the European integration, although lately the Christian-democrats stressed the importance of a more social Europe. On the other hand, the Greens and the Socialists are more and more reticent vis-à-vis the EU and would like to see more developed social (for the latter) and environmental (for the former) policies at the supranational level.[632]

On the institutional evolution of the EU, another division can be seen. The mainstream political parties (i.e. left-wing, right-wing, greens and Christian-democrats) accept and support the EU structures, although they would favour a more federal and democratic Union. Nevertheless, some parties such as the regionalists ("N-VA") and an extreme-right party ("Vlaams Belang") reject some pillars of the current institutional architecture and promote a 'Europe of the regions' (the regionalists) and a 'Europe of the people' (extreme-right).[633]

Bulgaria*

People detect EU's influence on everyday life

Membership in the EU has been a key element in the efforts of Bulgarian society and polity to undergo change in the post 1989 context. The hopes of 'rejoining Europe' and of 'regaining the rightful place of the country' marked political and public thinking not simply about Europe but about international relations more generally. Thinking about Europe was thinking about the EU, and the institutional expression of European integration came to constitute the main lens through which a peripheral and marginalised society imagined its 'return to Europe'. High levels of support for the EU have been the expression of this overall attitude. Yet, once in the organisation, attitudes are beginning to undergo important transformations even if the overall framework of support remains intact.

As mentioned, high levels of support for the EU have been a feature of Bulgarian public opinion for a number of years now. Data for 2008 is within this vein but with some important caveats that need to be explicated. Support remains in the 65-70 percent range with a small minority of about 17-20 percent opposed. Over the years, there has been a fairly clear structure of support and discontent in terms of type of employment, residence and life opportunities. Essentially, support is quite evenly spread across social and age group, but is most pronounced among the young (up to 35 years), the highly educated (tertiary education) and the residents of the capital and big cities where economic activity is most evident. Conversely, displeasure is most often encountered among the elderly (over 60 years of age whose relative social group weight is significant in Bulgaria), the residents of small towns and villages and the less educated (people with only primary education). This is somewhat stereotypical but captures the main trend.

Does the picture start changing?

While this overall picture continues to be accurate, some important changes are starting to occur. One is the increasing trend of EU disapproval among people engaged in small and medium-size enterprises. While it would be premature to state that there has been a reversal of support there, clearly growing reluctance is setting in. The other significant movement is happening in the social group of secondary education/mid-size town individuals, where uncertainty about the EU is on the rise. Again, it will be incorrect to posit the emergence of stable trends but such changes need to be registered if only to provoke some discussion of the context of EU perceptions.

Less than 18 months into Bulgaria's EU membership, the most important change at hand is the disappearance of Europe and the emergence of the EU. For a very long period of

[632] Pilet, J-B./Van Haute, E.: Les réticences à l'Europe dans un pays europhile. Le cas de la Belgique, in: Coman R./Lacroix, J.: Les résistances à l'Europe: cultures nationales, idéologies et stratégies d'acteurs, Bruxelles, 2007, pp. 211-216.
[633] Ibid., pp. 216-218.
* **Bulgarian European Community Studies Association.**

time after 1989, Bulgarian citizens have treated Europe and the EU as largely congruent. Europe meant the EU, returning to or rejoining Europe meant joining the EU. Consequently, the entire approach to EU matters has been one of focusing on the big picture rather than focusing on the detail. People were interested in EU politics but not in EU policies. The overarching importance of accession displaced what little attention was devoted to policy detail and its impact on social and professional groups, economic sectors, etc. The important process at work currently seems to be the growing differentiation between things European and things EU. In other words, two things could be happening. One is that an increasing number of citizens are starting to identify EU policies and their immediate impact on daily work and life. Alternatively, people might simply be attributing various events to EU policy and impact, thereby starting to produce a more nuanced view of Bulgaria's membership. In fact, both events are occurring at the same time. There is sufficient anecdotal evidence that the cost of regulation and compliance is beginning to have an impact on small businesses and not all of that cost is being offset by the opportunity to participate in the single market. Some economic sectors such as textiles for instance, are also not particularly pleased about some of the side effects of accession such as increases in labour costs.

Furthermore, the 18 months of EU membership have coincided with a significant increase in inflation. By expert opinions, various accession-related processes produced some inflation, but there is clearly the non-EU-related process of commodity inflation, which is hitting the Bulgarian economy. Moreover, some of the inflation may also be due to insufficiently developed markets within the country. Whatever the case, this causes a significant number of Bulgarians make a link between EU accession and rising inflation. Such a perception is likely to have the most impact on social groups, which are less likely to benefit from the systemic benefits of membership as free movement of people, opportunities to study in the old member states, etc. Should such a dynamic further structure and progress, we are likely to witness the emergence of two big camps as far as EU attitudes are concerned. One would be clustered around younger, more entrepreneurial people, less reliant on public sector employment, able to benefit from accession and flexible on the labour market, residing in the capital city and the main big cities around the country. The second group would be clustered around older, retired people, reliant on public sector income, less able to participate fully in the open EU market, and residing in smaller towns and cities and villages.

Positing such a trend does not amount to predicting the emergence of a new eurosceptic nation on the EU map. Rather, it should be perceived as a correction to a highly inflated and unrealistic set of expectations from a persistently marginalized culture and polity.

Attitudes of main actor groups

Beyond this macro picture of Bulgarian attitudes towards the EU, some important differences need to be mentioned. Significant sections of the political elites approached the EU as a decisive source of legitimacy for their programmes and policies. In a way, the EU acquis communautaire was a ready-made package, sufficient to transform and do the reform work if only it were implemented effectively. Political discourse has been persistently shaped by the EU project and its consequences for acceding countries. No significant political player until the emergence of the "Ataka" Party questioned the importance of EU accession in the overall transition of the country. The EU had a crucial place in the larger geopolitical task of re-positioning Bulgaria in the post-1989 world order. This was coupled with NATO accession as well as membership in organizations such as the Council of Europe and the World Trade Organization. Importantly and as indicated, accession work was seen as doing reform work. While subject to debate, this linkage may have facilitated the introduction of some otherwise painful measures. At the same time, once discontent with some of the outcomes of the transition surfaced, it was also directed partially at the EU. The internal blame game acquired a EU dimension as politicians blamed the organization for some of the displacements caused by economic restructuring. It is worth noting however, that such critique has never been solely EU-oriented. Rather, a wider conspirational mode of explanation was offered, purporting to aim at the demotion of Bulgaria. The mainstream political elite has so far refrained from using 'Brussels blame games', but as sectoral problems deepen, such tactics might emerge in the not so distant future.

The media have been generally very supportive of the EU and the country's accession to the organisation. This has been true at the level of editorial policy but also at the level of individual journalists. If treated as a sub-group, they would belong to the more mobile, better-educated and flexible group in Bulgarian society, which has been able to benefit either as students or professionals from membership.

The business community has not been actively involved in debates about Bulgaria and the EU. Generally, a positive attitude has prevailed focusing on a number of benefits accrued from membership. These include EU funding, improved rule of law, access to the single market, ability to tap into the company expertise across the market, etc. There has been one consistent complaint on the part of business throughout the 1990s, and then again before the signing of the Accession Treaty in 2005. It centres on the criticism that successive governments have not involved business in the accession negotiation process, thereby depriving it of detailed information about the acquis communautaire and the necessary adjustments and investments that needed to be made. The cost of compliance remains an important issue but access to EU funding will be the decisive points on which future attitudes would hang. Currently, anecdotal evidence suggests that small and medium-size businesses are having a rather difficult time accessing these at the expense of 'big business' that is close to executive and legislative circles.

Citizens and pressure groups are likely to remain strong supporters of the EU, as they view the organisation as an ally in their continued efforts to reform an insufficiently open and transparent Bulgarian state. Yet this belies a misunderstanding of the essential dynamic of the European process, which relies on internally produced change rather than on change of the means of external guidance and intervention. In any case, the persistent self-perception of the frailty of polity and society will keep on producing largely positive attitudes towards the EU. Bulgarians still see themselves as inhabitants of a persistent periphery in need of the 'centre's' attention.

Croatia*

Euroscepticism on rise in Croatia

The level of public support for EU membership in Croatia has stayed rather low in the first half of 2008, according to the recently published Eurobarometer results (June 2008), which shows that only about 30 percent of population speak positively of EU membership, while 39 percent are pretty reserved and consider it neither a good nor a bad thing.[634] The results have followed the trend of rather modest levels of general public support to the European integration process, which started in the spring 2007.[635] Generally, this is quite a disappointing level of support of Croatian citizens to the EU membership and many analysts consider it as a rise of euroscepticism,[636] especially when compared to Turkey (49 percent) or the Former Yugoslav Republic of Macedonia (72 percent), what have much higher levels of citizens' support for the EU accession process. Although such trends of lower levels of public support prior to the accession were also seen before the last wave of enlargement, this situation nevertheless calls for better communication strategy from the government in the future; President Mesić has criticized the government for failing to communicate the benefits of the EU membership more persuasively to Croatian citizens.[637] Media reports attempted to identify the possible reasons for current Croatian euroscepticism and mostly referred to harsh benchmarks Croatia got for some negotiating chapters (judiciary, competition), which has caused general stalemate in the negotiations, especially during the Slovenian Presidency. Also, most citizens consider it unfair to see that the EU is ready to lower standards for Serbia especially with regard to war crimes. And finally, the Irish 'No' has underlined again the

* **Institute for International Relations.**

[634] Standard Eurobarometer 69, First Results, June 2008, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb_69_first_en.pdf (last access: 27 June 2008).

[635] According to the results of Standard Eurobarometer 68, December 2007 the Croatian citizens' support for EU membership was at the level of 35 percent, which was an increase compared to the very low support of 29 percent in spring 2007.

[636] See Veronika Reškovic: "Eurosceptics: only one third of Croats for the EU". Jutarnji list, 27 June 2008, p. 3; "Croats indifferent towards European Union". Business.hr, 24 June 2008, available under: http://business.hr/Default2.aspx?ArticleID=d16f99cf-c397-48b4-8369-d2e3ce9df0f7 (last access: 2 June 2008).

[637] Natasa Bozic: "The Government responsible for Euro-scepticism". Jutarnji list, 28 June 2008, p. 6.

uncertainty of membership, regardless what Croatia does to comply with requirements.[638] It is also interesting that media found it important to stress that the Croatian citizens still show a higher degree of trust in European institutions such as European Commission (36 percent) and European Parliament (40 percent) than the Croatian government (21 percent) and parliament (i.e. Sabor)-21 percent. Similar results could be found in the other European countries.[639]

The recent domestic opinion poll done after the Irish 'No' by daily "Vecernji list" on the sample of 900 citizens, showed that despite the widespread impression of growing scepticism, the majority of Croatian citizens would still vote 'Yes' on referendum for accession if it would have been called now. Namely, according to the results, 58 percent of interviewed citizens would support joining EU, while around 53 percent will also support joining NATO if this question was also asked on referendum.[640]

As opposed to the EU integration, the substantial positive change in the public opinion in Croatia happened with regard to the citizens' support to NATO membership. This was especially noticeable prior to the formal decision on inviting Croatia to join NATO in April 2008, when all the national polls showed a significant rise of public support. The rise of the support could be attributed to an intensive information campaign on the costs and benefits of joining NATO led by the Croatian government, which was at that time very eager to comply with all the remaining conditions of getting formal invitation from NATO at the Bucharest Summit. One of their conditions was also to prove that NATO membership has substantial citizens' support (over 50 percent), which could be seen either from opinion polls or from national referendum on the matter. Most of the domestic polls done at that time demonstrated the level of the public support above 50 percent.[641] Nevertheless, about 126,000 citizens opposed to making a decision on such an important matter based simply on the public opinion polls and signed a petition requesting a referendum. The initiative failed as the number was insufficient i.e. below minimum 5 percent of total electorate required by the Croatian constitution.

[638] Veronika Reškovic: "Eurosceptics: only one third of Croats for the EU". Jutarnji list, 27 June 2008, p. 3.
[639] Irena Frlan: "Croatians trust the EU more then Zagreb". Novi list, 27 June 2008, p. 9.
[640] Anita Malenica: "For the EU accession -58% of Croats". in Vecernji list, 29 June 2008, p. 4.
[641] See for instance results of the opinion poll done by GfK in February 2008, which show that 52 percent of citizens are in favour, while 27 percent against joining NATO, as quoted in "Croatia might join NATO already in 2009". Glas Slavonije, 22 February 2008.

Cyprus*

EU support recovered in early 2008

Europeans' support for membership in the European Union was best depicted in the Standard Eurobarometer 68, according to which 58 percent of all European citizens believe that their country's EU membership is a good thing.[642] In the classification by country, Cyprus ranks low among the EU-27, as just 40 percent of Cypriots consider Cyprus' EU membership as a good thing. Asked whether Cyprus has benefited, or would benefit, from its EU accession, 37 percent answer positively, far below the EU-27 average of 58 percent, whereas in the Spring 2007 Eurobarometer the figure stood at 44 percent.[643]

Presidential elections affected opinion polls in late 2007

This downward trend can be attributed to the particular timing of the survey, which was conducted at a period when the campaign for the Cypriot presidential elections had commenced.[644] At that time, Cypriots also came up against a number of other profound concerns: a relative stalemate in the discussions for the resolution of the Cyprus problem; the massive illegal construction boom over Greek Cypriot properties in the occupied northern part of Cyprus; statements by Turkish President Abdullah Gül on the existence of 'two peoples and two states on the island'; and the initiation of a ferry-boat line between Latakia, Syria and occupied Famagusta, which allowed the influx of hundreds of illegal immigrants in Cyprus. All these developments, along with the preparation period before the accession to the eurozone (something that had caused inevitable concerns) affected public

* **Cyprus Institute for Mediterranean, European and International Studies.**
[642] Standard Eurobarometer 68, National Report Cyprus, Executive Summary, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_cy_exec.pdf (last access: 01/09/2008).
[643] Ibid.
[644] Analysis on the political, social and economic status of the time conducted by Nicoleta Athanasiadou.

opinion in a negative way against decision makers in Cyprus and in Brussels as well.

The Euro and the Cyprus problem reversed the trend

After the smooth transition in the adoption of the Euro by Cyprus since January 2008 and the EU's declared support for the forthcoming negotiations for the resolution of the Cyprus problem, the pessimistic trend towards the EU was reversed.

The results of the Spring 2008 Eurobarometer[645] indicate that Cypriots exhibit the highest level of support for the EU, as 71 percent say that they trust it. Cypriots also exhibit the highest level of support for their newly elected national government amongst the EU-27 with 69 percent. This is an increase of 20 percent compared to the Standard Eurobarometer from autumn 2007. In addition, 52 percent consider Cyprus' membership in the EU as a good thing; a mere 15 percent think it is bad; and 58 percent of Cypriots say that they have a positive image of the EU. A significant increase of 18 percent is also recorded as the percentage of those who believe that Cyprus has overall benefited from its EU membership (55 percent).

Cypriots also appear to be pro-European when it comes to decisions being taken at EU level, with the greatest support recorded for defence, foreign policy and inflation.[646] When asked to prioritise the most important issues faced by their country, Cypriots rank, in order of importance, crime, inflation and the economic situation.[647]

European integration is highly appreciated in Cyprus: this is because it is perceived as a means by which the Island-state's role and power in the international scene is enforced.[648] Belonging to the European family is a serious asset, acknowledged by not just the public opinion, but by Cypriot decision-makers, the business community and organised groups.

Cypriot businesses, NGOs, organised groups, even the Church of Cyprus, are starting to develop closer ties with Brussels, first by establishing offices in the EU capital and second by claiming community assistance in various projects.

During the first half of this year, given a number of setbacks – such as the prolonged drought, the increase in the price of oil and of basic consumer products, the outbreak of Foot and Mouth Disease and the location of Aflatoxins in dairy products - even more affected groups resorted to the EU to ask for assistance. On the other hand, Cyprus' EU membership has been used by authorities to explain certain adopted measures and reformed laws that come up against various public reactions.

It goes without saying that opinion polls in Cyprus are also highly and immediately affected by developments in the island's convoluted political problem and the conflicting perceptions of its resolution prospects. The EU is both perceived by public opinion and promoted by the political leadership and most political analysts as the organisation, that safeguards human rights and international law.[649] Therefore, any developments in the process for the problem's fair resolution which seem to be instigated or cultivated by alien interests and which deviate from the European Union's values are considered as unacceptable.

Czech Republic*

Declining support for the EU

The percent of the Czech population that thinks that the country's EU membership is a good thing is steadily decreasing. In the fall 2005 this figure was 64 percent and in fall 2007 45 percent. From this perspective the Czech Republic is getting closer to the situation in the old member states than that in the other newcomers.[650] Despite this negative trend, a significant higher number (64 percent) think that the country has benefited from EU

[645] Standard Eurobarometer 69, National Report Cyprus, Executive Summary, Spring 2008, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_cy_exe.pdf (last access: 01/09/2008).
[646] Ibid.
[647] Ibid.
[648] Analysis conducted by Nicoleta Athanasiadou.
[649] See Costas Melakopides: The Moral Obligations of the European Union to the Republic of Cyprus, in: Costas Melakopides/Achilles Emilianides/Giorgos Kentas (eds.): The Cyprus Yearbook of International Relations 2007, Nicosia 2008, pp. 199-221.
* **Institute of International Relations.**
[650] Standard Eurobarometer 68, National Report: Czech Republic, December 2007,available at: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_cz_nat.pdf (last access: 14 July 2008).

membership.[651] This figure is rather stable over a longer time period and slightly higher than it was in spring 2007.[652] One explanation to these diverting views on European integration in the public opinion is probably the wide consensus among the political elite on EU membership, where even most EU critics agreed with the necessity of EU membership due to economic reasons. Therefore, EU membership was often conceived as a "marriage of convenience" rather than as a "marriage of love especially" by the Civic Democrats.

From such a perspective the EU is acceptable as long as concrete economic benefits can be obtained but further steps of integration, e.g. the Constitutional Treaty, the Lisbon Treaty etc., are viewed reluctantly while they are not believed to provide any clear cut benefits for the country. As one analyst put it: "When the Union offers something, we take it, but we are not giving anything. Not anything."[653]

There is a paradox in the fact that, among the political elite and in parliament, it is the rightist Civic Democratic Party that expresses eurosceptical opinions, for instance sending the Lisbon Treaty to the constitutional court (see question one), while their voters are the most pro European according to various opinion polls.[654]

Denmark*

Focus on Danish opt-outs

According to the latest Eurobarometer survey the percentage of the Danish population that has a positive image of the EU is in line with the EU average. The perception of the benefits of EU membership is significantly above average in Denmark (77 percent in Denmark vs. 54 percent in the EU).[655] No Danish poll has been carried out in Denmark concerning the general perception of the EU in the spring of 2008.

The Danish EU focus has recently been on the Danish opt-outs from European Security Defence Policy, Justice and Home Affairs, the Euro, and Union citizenship. According to a survey from "Gallup" from January 2008, there was support to abolish all three opt-outs from defence (60 percent), JHA (58 ppercent), and the Euro (50 pecent).[656] The Danes' positive attitude of abolishing the opt-outs seemed, however, to have decreased. According to a poll by "Capacent Epinion", the only opt-out that the Danes are presently in favour of abolishing is the defence opt-out.[657]

Estonia*

At difficult times, growing loyalty towards Europe

According to a survey conducted in March 2008, 81 percent of Estonia's residents supported membership in the EU.[658] This is one of the highest support rates since the start of regular national surveys on popular attitudes towards the EU. Support for the EU was rather low before accession, earning Estonia the title of the most eurosceptic candidate country. It increased substantially after accession and again, after the "Bronze Soldier crisis" of April/May 2007 when the relocation of a Soviet-era monument from downtown Tallinn escalated into a major crisis in Estonian-Russian relations. Thus, between December 2006 and May 2007, support for the EU grew by 11 percentage points, standing at 85 percent in the immediate wake of the crisis. This increase in support can be attributed to growing insecurity in face of the perceived Russian threat. It can also be interpreted as

[651] Standard Eurobarometer 69 First Results, June 2008, available at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb_69_first_en.pdf (last access: 14 July 2008).
[652] Standard Eurobarometer 67, June 2007, available at: http://ec.europa.eu/public_opinion/archives/eb/eb67/eb67_en.htm (last access: 14 July 2008).
[653] Petr Fishcer: Nastřelované centry na Brusel (A centre at Brussels), available at: http://hn.ihned.cz/c1-25625930-nastrelovane-centry-na-brusel (last access: 14.07.2008).
[654] See, e.g. Standard Eurobarometer 68, National Report: Czech Republic, December 2007, available at: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_cz_nat.pdf (last access: 14 July 2008).
* **Danish Institute for International Studies.**

[655] Standard Eurobarometer 69, First results, Spring 2008, p. 21, 28, available at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_en.htm (last access: 27June 2008).
[656] TNS Gallup: survey, available at: http://www.tns-gallup.dk/nyhedscenter/meningsmaalinger.aspx (last access: 27 June 2008).
[657] DR.dk: Danskerne vil kun af med et EU-forbehold, 20 June 2008, available at: http://www.dr.dk/Nyheder/Politik/2008/06/20/044801.htm?rss=true (last access: 27June 2008).
* **University of Tartu.**
[658] The survey, conducted by "TNS Emor", involved 501 residents of Estonia aged 15-74.

endorsement of strong EU solidarity with Estonia during and after the crisis. However, there are virtually no differences in the EU evaluations of ethnic Estonians and the country's Russian-speakers. Those with high incomes are slightly more positive about the EU than others.

Given the favourable public mood, political parties have few incentives to politicise European integration or to question Estonia's membership. Currently, European integration does not occupy a prominent place in patterns of political contestation. Many of the fears that were prominent before accession (such as loss of national identity, rising prices) have abated. Although the Estonian economy has taken a downturn after years of extremely rapid growth, the reasons for the difficulties are associated with the global and national, not the European level. The political elite has become increasingly competent in dealing with and talking about Europe. The government still has a relative monopoly over the EU-related competence, although pockets of competence exist in universities, think tanks, business associations, and civil society organizations with strong international links. The "Open Estonia Foundation" (the local "Soros organisation") has played a key role in facilitating Europe-related debate in the society and promoting NGO involvement in these debates. Another non-governmental actor, the "European Movement", suffered a major setback in credibility following news about misuse of funds by the executive director, leading to a criminal investigation.

Finland*

The amount of EU opponents at its peak

According to "EVA" (Finnish business and policy forum)[659] polls, 36 percent of Finns have a positive attitude towards the EU. 35 percent have a negative view of the EU membership and 27 percent feel neutral about the Finnish EU membership. These polls have been conducted since 1995 when Finland joined the EU, and so it can be stated that the amount of EU opposition has grown three years in a row, and is now at its highest ever. We can say that the polls do not correlate with the Eurobarometer results for all the EU member states: the amount of Finns who want to separate from the EU has also gone up by 10 percent during the last two years, which means that currently 29 percent of the Finns want Finland to leave the EU. At the same time, the number of people opposing leaving the Union has increased to 49 percent. Having said this, we can conclude that there will be some people who oppose the EU but at the same time they do not want Finland to secede from the EU.

The reasons for the negative views can be explained by both short- and long-term changes. In the short-term, the latest challenges in the field of the Finnish EU politics may explain part of the growth in the opponents' camp. These challenges include the article 141 of Finland's accession treaty to the European Union, which concerns agricultural subsidies. Finland recently failed to keep the relevant subsidies and the following media attention was very vocal against the EU. In the long term, there are two major explanatory factors, firstly one reason is the 'minor regulative stuff' that the EU produces, i.e. norms and regulations that 'we do not need but that we have to obey'. A typical example is the famous 'cucumber directive'. Those are the types of directives that also get the most media coverage. 79 percent of the Finns criticise the amount of this kind of regulation. This frustration has been growing every year since 1992 (the question was not asked 1996-2003). The second factor regards the financial issues; how much money Finland gets back in exchange for its membership fees. After the 2004 enlargement, Finland has become permanently a net payer into the EU budget. During the 2000's, the amount of criticism on this issue has increased constantly. Nowadays two thirds of Finns see the membership payments as too high.

It is noteworthy that the statement "If I did not know that our country was a member in the EU, I would not notice it in any way in my everyday life" gets only 29 percent support compared to the end of 1990's, when 60 percent of the Finns agreed so. Thus, we can conclude that the citizens have started to notice the ways the EU is affecting their everyday lives. However, the polls do not tell whether these effects are negative or positive

* **EUR Programme/Finnish Institute of International Affairs.**

[659] Ilkka Haavisto/Pentti Kiljunen: Kenen joukoissa seisot?, EVAn Suomi, EU ja maailma -asennetutkimus 2008, 29th of February 2008, available under: http://www.eva.fi/files/2166_kenen_joukoissa_seisot.pdf (last access: 29th of August 2008).

but one could assume that the biggest explanatory factor behind these figures is the common currency.

Regardless of the fact that only 36 percent of Finns have a positive attitude towards the EU, people are still interested in EU affairs. 65 percent of Finns say that they are interested in the EU affairs that concern Finland and follow them regularly. However, the 'very interested' response receives only 10 percent of the total amount. At the same time, the majority of Finns state that the "EU is too complicate and distant for one to understand it". To conclude, we can say that people are interested to know more about the EU but at the same time they feel incapable of understanding it because it is so complicated.[660]

France*

A balanced support for the EU

General overview of French public opinion. An unclear picture

French media and polling institutes were especially prolific during the month of June, releasing various studies about French opinion on European integration. After the Irish 'No' to the Lisbon Treaty, and a couple of days before France took the EU-presidency, a lot of different questions were asked about French people and Europe, but the answers are not very clear, sometimes even contradictory.

According to the Eurobarometer 68 (Autumn 2007), support for membership of the EU is at its highest level in over a decade. This trend has been confirmed by national opinion polls. According to a poll published in the Newspaper "Liberation" at the end of June, "French people are attached to Europe".[661] The article stresses the fact that, despite the results of the 2005 referendum, French people are still in favour of further European integration, and even of more European intervention in their daily lives: intervention on oil prices, poverty and unemployment, for instance. "As if it were a State", the newspaper concludes. Further integration is seen as crucial for specific policies, especially the environment (93 percent think that more integration is necessary), tax and social policies (72 percent), immigration policy (62 percent) and defence (78 percent).

In the meantime, other newspapers are less optimistic concerning the French and European relationship. "French still doubt about Europe", says the catholic newspaper "La Croix".[662] And according to the right-wing newspaper "Le Figaro", "French people are pessimistic about Europe".[663] "La Croix" bases its analysis on different figures: it underlines the fact that 43 percent of the people think that the country does not take advantage of its membership in the EU, while only 29 percent think the opposite. "Le Figaro" argues that only 48 percent of French people think that being part of the European Union is a good thing for the country. The globalisation process appears as an interesting example to illustrate the relation of French people to the EU. According to the opinion poll commissioned by "Le Figaro" from "OpinionWay", 82 percent of French people think the EU should protect Europeans from globalisation. However there are only 24 percent who think that it actually does this job.[664] Thus, the conclusion for those two newspapers is that the French are still strongly attached to the EU, but they are not confident about the economic benefits that this membership can bring.

Perception of the EU varies from one social group to another

Among political actors, the traditional division between anti- and pro-European attitudes remains relevant. Even within the government, positions are balanced towards European integration. The 'special counsellor' to Nicolas Sarkozy, Henri Guaino, often described as a *souverainist* or a eurosceptic, has a rather critical opinion of EU monetary and competition policy. On the other hand, the State Secretary for European Affairs, Jean-Pierre Jouyet, is known as a Europhile, who reassures European partners. For instance, this was the case with the Mediterranean Union project.[665]

More generally, if the majority of political elites are rather supportive towards the EU, eurosceptic or 'eurocritic' political forces are still vigorous. This includes right-wing politicians like Nicolas Dupont-Aignan or the "Mouvement pour la France" (Philippe De Villiers) who fear a dilution of nation

[660] Ibid.

* Centre européen de Sciences Po.

[661] Libération: Les Français attachés à l'Europe, 25/06/2008.

[662] La Croix: Les Français doutent toujours de l'Europe, 25/06/2008.

[663] Le Figaro: Profond pessimisme des français face à l'Europe, 25/06/2008.

[664] Le Figaro, 05/07/2008.

[665] Challenges, 19/06/2008.

states within the EU. It also includes left-wing political movements ("Fondation Copernic", "Attac", etc.,) and parties (Communist Party LCR[666]), which have been particularly active during the 2005 campaign. They remain sceptical towards European integration mostly because they perceive it to be a Trojan horse for globalisation and liberalisation.

These actors strongly criticise the media's attitude, especially since the campaign of 2005 for the Constitutional Treaty. Their criticisms are based on the analysis of associations or observatories like "Acrimed" or the "Observatoire français des Medias", who accuse French editorial writers and newspapers of covering European issues without objectivity. According to "Acrimed", the media were quasi-unanimous about the Lisbon Treaty. They went on about the crisis caused by the referendum in 2005; they opposed the use of a new referendum in France; they privileged the positive aspects of the new treaty.[667] Thus, media and political elites are often accused of monopolising the debate about European integration, creating frustration among citizens.

Others groups are quite critical of the European Union, but from a professional perspective, because of the way the EU regulates their activity. Recently, fishermen joined other traditional eurosceptic groups like hunters. They reproach the EU for blocking state aid aimed at supporting their activity being hit by higher fuel prices. A few days later, a specific category, bluefin tuna fishermen, severely criticised Brussels' decision to ban bluefin tuna fishing for the rest of the year, arguing the 2008 quota already is exhausted. In such cases, the EU is often accused of being unaware of local realities. The business community is conversely supportive of the EU. According to an opinion poll commissioned by "General Confederation of Small and Medium-Sized Enterprises" (CGPME) from "IPSOS", small and medium sized enterprise directors remain very optimistic about European integration.[668] Even if they consider that they do not have enough information about the European Union's activities, 72 percent of them think that this process is an asset for their company.

[666] Ligue communiste révolutionnaire.
[667] Acrimed: Quand la plupart des éditorialistes adoptent – sans référendum – le nouveau traité européen, 22/10/2007, available under: http://www.acrimed.org/article2739.html (last access: 29/08/2008).
[668] General Confederation of Small and Medium sized Enterprises. See the results of the opinion poll (May 2006) under: http://www.cgpme.fr/documents/rapporteurope.pdf (last access: 29/08/2008).

Germany*

Permissive indifference in Germany

According to the autumn 2007 Eurobarometer results two thirds of Germans regard EU membership positively.[669] Despite a sharp decline of approval in the spring 2008 survey (7 points down to 60 percent) the support for membership remains well above the EU average in Germany.[670] However, European integration is a low priority issue for most Germans. Especially among younger people there is a high degree of indifference: According to a survey by the "Allensbach Institute" from May 2008 75 percent of the 16-29 year old respondents answered that they were not interested in decisions taken in Brussels or by the European Parliament while only 25 percent are interested. Interest is highest in the group of the over 60 year old, but even among them a majority of 59 percent is not interested while 41 percent is.[671] These figures can probably be explained by the fact that more than 50 years after the signing of the Rome Treaties most Germans consider European integration as a matter of course.

As the project of an ever closer union steadily progressed over the last decades, Germans became increasingly cautious on the prospect of further integration. While in the 1980s only a small minority considered the process of European unification as too fast this trend reversed since the 1990s with now 35 per cent thinking that the speed of European unification should slow down while only 12 percent want the pace to be accelerated.[672] The liberal economic policy of the European Commission is partly seen as serving only the interest of business at the expense of ordinary citizens and the national welfare systems.[673] Also, the alleged excessive bureaucracy and the

* **Institute for European Politics.**
[669] Standard Eurobarometer 68, National Report: Germany, December 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_de_nat.pdf (last access: 11 August 2008).
[670] Standard Eurobarometer 69, First Results, June 2008, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb_69_first_en.pdf (last access: 11 August 2008).
[671] Frankfurter Allgemeine Zeitung: Der Kampf Europas mit der Gleichgültigkeit, 21 May 2008, p. 5.
[672] Ibid.
[673] Cf. Institut für Europäische Politik (ed.): EU-25 Watch, No. 3, July 2006, Berlin, pp. 69-72, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-25_Watch-No3.pdf (last access: 11 August 2008).

perceived lack of democracy in the EU is nowadays a reoccurring source of criticism. However, most of the criticism goes against certain aspects of European policies but not against the idea of European integration itself. Even when asked on such sensitive policy areas such as fighting crime, foreign policy, taxation policy, immigration and asylum policy or education policy the majority of respondents favours common rules and joint actions on the European level.[674] Furthermore, according to a poll conducted shortly after the failed Irish referendum on the Lisbon Treaty, 54 percent of Germans would have voted in favour of the treaty.[675] Altogether the attitude of the population in Germany towards European integration may thus be described as 'permissive indifference'.

While there is no significant real anti-European party in the political landscape Germany's second largest opposition party, the newly founded left-wing "Die Linke" is strongly rejecting the current economic model of the EU. Claiming that "the European social states are to be destroyed"[676] and a militarized Europe was to be established[677] it was the only party in the German parliament ("Bundestag") that rejected the Lisbon Treaty. However, even "Die Linke" is not against European integration in principle. With its strong criticism of the current EU "Die Linke" is quite an anomaly in the party system as all the other mainstream parties have a "distinctly pro-European attitude and support the current model of the EU"[678].

As the German industry largely benefits from the European single market[679] German business leaders continue to be fierce supporters of European integration. They are putting their emphasis on the free-market dimension of the EU while at times criticising the European Commission for its exceeding regulation attempts as, for instance, in the case of anti-discrimination rules.[680] The failed Irish referendum on the Lisbon Treaty is considered as a backlash but not as a disaster, since the functioning of the single market is hardly affected by the outcome.[681] However, there is some concern among business leaders that the EU's position in future external trade negotiations might be weakened without the Lisbon Treaty especially in the relations with the US and Asia.[682] Furthermore, a permanent stall of the integration process, the rise of national protectionism within the EU and a re-nationalisation of policies is seen as a potential threat for the German economy.[683] The labour unions also support European integration. They see the EU as a central instrument for shaping globalisation and demand Europe's social dimension to be strengthened. Hence, recent decisions of the European Court of Justice considered to undermine union contracts and employment rights drew strong criticism. Germany's largest labour union, Ver.di, complained that a social and democratic Europe had been a vision, while a Europe of unlimited economic freedoms has become reality.[684]

[674] Frankfurter Allgemeine Zeitung: Der Kampf Europas mit der Gleichgültigkeit, 21 May 2008, p. 5.
[675] Emnid poll for N24 of 17 June 2008, source: http://www.sueddeutsche.de/deutschland/artikel/886/181327/ (last access: 11 August 2008).
[676] "Die Linke" parliamentary leader Gregor Gysi quoted in: Das Parlament, No. 26/2006: Debattendokumentation. Regierungserklärung zum Europäischen Rat in Brüssel / 169. Sitzung des 16. Deutschen Bundestages am 19. Juni 2008, p. 4.
[677] Cf. "Die Linke": Der Lissabonner Vertrag: Rückgrat für die forcierte Militarisierung der Europäischen Union, press release, 24 April 2008, available under: http://www.die-linke.de/index.php?id=251&tx_ttnews[tt_news]=1738&tx_ttnews[backPid]=35&no_cache=1 (last access: 11 August 2008).
[678] Institut für Europäische Politik (ed.): EU-25 Watch, No. 3, July 2006, Berlin, p 70, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-25_Watch-No3.pdf (last access: 11 August 2008).
[679] According to the "Federation of German Industries" (BDI) 60 percent of German trade is conducted with other EU countries. Cf. http://www.bdi-online.de/de/fachabteilungen/7858.htm (last access 11 August 2008).
[680] Cf. Confederation of German Employers' Associations: Arbeitgeberpräsident Dr. Dieter Hundt lehnt neue Regulierungspläne der EU-Kommission ab, press release, 2 July 2008, available under: http://www.bda-online.de/www/bdaonline.nsf/id/64BEA998745A565FC125747A0045D68F?Open&ccm=300160000&L=DE (last access: 11 August 2008).
[681] Deutscher Industrie- und Handelskammertag: Europas Sommer der Entscheidungen, Newsletter 25, 26 June 2008, available under: http://www.dihk.de/download.php?dload=http://www.dihk.de/root/inhalt/informationen/news/wochenthema/26062008.pdf (last access: 11. August 2008).
[682] Süddeutsche Zeitung: Wirtschaft fürchtet um globale Wettbewerbskraft, 20 June 2008, p. 26.
[683] Süddeutsche Zeitung: Lustlos in Europa, 9 July 2008, also available under: http://www.sueddeutsche.de/ausland/artikel/454/184874/ (last access: 11 August 2008).
[684] Cf. Europa ja. Aber nicht so!, in: ver.di publik, 5/2008, available under: http://publik.verdi.de/2008/ausgabe_05/gewerkschaft/.titel/seite_1/A1 (last access: 9 September 2008).

Greece*

Greeks generally support European integration

Greek public opinion remains widely supportive of European integration and both the media and the political system reflect this situation. Still, European topics are not in the forefront of public discourse, unless 'something special happens'. But then, emotions tend to run high. Thus, when the Irish referendum messed up the Reform Treaty ratification process, a major 'center-left' sunday newspaper ("TO VIMA") editorialised, linking the row within the Socialists ("PASOK") as to whether Greek ratification should proceed through the parliament or by referendum with the "impossibility to conceive Greece as non-participating (in the future) in the EU".[685] While another 'center-right' sunday newspaper ("ELEFTHEROS TYPOS") organised a debate with the interesting title: "Why more and more people long for a EU-15".[686]

It is also worthy of note that the Reform Treaty was ratified in parliament by a large majority, since only the Greek Communist Party and the Alliance of Radical Left ("Synaspismos") voted against – the latter demanding that the treaty be brought to a referendum. The Socialists ("PASOK") voted in favour of the treaty, notwithstanding their leadership's squabble over ratification by referendum, epitomised by the rift between the party's president, George A. Papandreou, and his predecessor, the former Prime Minister Costas Simitis. The 'right-wing' government party "Nea Democratia" did so, too. In general though, the parliamentary debate on the Lisbon Treaty only gave rise to party-politics games, exactly the way it did in the parliamentary debate on the Constitutional Treaty.[687]

* **Greek Centre of European Studies and Research.**

[685] See the newspaper TO VIMA, 15 June 2008.

[686] See the newspaper ELEFTHEROS TYPOS, 15 June 2008.

[687] See the speeches of all the party leaders and the debate in Greek Parliament's Minutes of 12 June 2008.

Hungary*

Positive perception of EU membership rather low

Given the fact that the most detailed regular opinion polls on European issues are conducted by Hungarian polling institutes commissioned by Eurobarometer, it is worth citing the results of the Hungarian contribution to Standard Eurobarometer 68 done in autumn 2007 and published at the end of the same year.[688] According to the results, Hungary is unfortunately an exception to the 'rule' mentioned in the question, since here the positive perception of EU membership was one of the lowest among the member states with a rate of 40 percent – which was well bellow the EU average of 58 percent. This indicator has actually never crossed 50 percent – it has been moving between 39 percent and 49 percent since accession. It must also be underlined that practically the same share (lately 41 percent) was rather neutral vis-à-vis membership and only 17 percent gave a negative judgement of it (this rate has been moving between 10 percent and 19 percent since accession).

At the same time, in terms of trust, Hungarians positioned the EU institutions first in the rank of different institutions: 60 percent trust the EU, followed by the army (50 percent), the police, justice and churches (between 49 percent and 43 percent) and finally the trade unions, the government, the parliament and the political parties (going from 23 percent to 8 percent).

If we take a closer look at the supporters of EU membership from the point of view of political affiliation, it seems that the socialist oriented citizens are more supportive than the conservative oriented citizens. Furthermore, a positive assessment of EU membership is mainly typical among the younger generations and among those with higher education (while

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

[688] Standard Eurobarometer 68, Executive Summary National Report Hungary, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_hu_exec.pdf (last access: 28 August 2008); Standard Eurobarometer 69, National Report Hungary, Spring 2008, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_hu_nat.pdf (last access: 28 August 2008). Here the positive assessment of EU membership by Hungarians is the lowest since ever: 32 percent.

only one third of the eldest and the least trained would be supportive).

Regarding knowledge of the EU, only 12 percent of the respondents thought Hungarians have sufficient knowledge about European integration matters (not far from the 18 percent EU average). At the same time around half of the respondents thought the amount of EU related information provided by the press, the radio and TV was satisfactory, while nearly 70 percent of those who had internet-access said EU information was sufficiently present.

In fact, information is of key importance. Last autumn "Szonda Ipsos", a Hungarian polling institute, organised an 'experiment'.[689] They invited 200 people to the parliament for a one-day event. The participants have already been asked about EU membership one month before, but now they could participate in an exchange of views about the EU with experts. After these discussions the positive assessment of EU membership grew from 46 percent to 60 percent, and 80 percent thought Hungary enjoys greater possibilities of representing national interests as a member of the Union – against the earlier 59 percent. Furthermore, 50 percent were of the view that EU membership brought about benefits for them personally as well as for their families – while this rate was only 33 percent before the discussion. The results of this 'pilot project' can actually serve as a good lesson for Hungary, all the other member states and the EU institutions too.

In fact, support for EU membership seems to depend on at least two factors: on the level of knowledge of the citizens and on the actual (political, economic and social) performance of the given country. In Hungary both factors have been problematic ever since accession: information campaigns had been much stronger prior to entry, while in the last four years living standards in Hungary have hardly improved, even though catching up to EU average has of course been one of the main motivations of joining.

[689] FigyelőNet, available under: http://www.fn.hu/kulfold/20071018/jobban_orulunk_eu_tagsagunknak/ (last access: 28 August 2008).

Ireland*

Paradoxical support: pro-Europeans stop the Reform Treaty

Support for EU membership

At one level of analysis, the answer is a somewhat paradoxical 'Yes'; paradoxical in the sense that the recent post-poll data from the Lisbon Treaty referendum showed that 82 percent of voters described themselves as "pro-Europe" (the highest level in the EU), while at the same time 54 percent actually voted against the treaty.[690]

This outcome is currently being analysed in more detail, but there are clear indications that much of the stated pro-European stance is passive at best, and somewhat ambiguous.

For example, a poll 1,000 respondents when asked in 2001, whether Ireland should "do all it can to fully unite with the EU", 46 percent said 'Yes', 41 percent said 'No', with 13 percent having no opinion.[691]

By May 2008, 43 percent said 'Yes', 38 percent said 'No', with 18 percent having no opinion.[692]

Post-Lisbon Treaty referendum, we can safely predict that this 'No' figure has hardened, due to much of the 'no opinion' group moving towards the 'No' side.

Perception of EU by elites, media, business community, citizens or pressure groups

In the recent referendum, 96 percent of Ireland's parliamentary representatives were pro-Lisbon based on those members of the lower and upper parliamentary chambers who called for a 'Yes' vote during the Irish referendum campaign.

Regarding media, however, the landscape has been increasingly colonised by a UK informed euro-scepticism.

While the business community is largely pro-EU, it was striking during the recent referendum how many prominent people in the

* **Institute of International and European Affairs.**

[690] TNS/MRBI opinion poll.

[691] Ibid.

[692] Ibid.

business community supported the euro-sceptic "Libertas"[693] line.

Regarding citizen/pressure groups, there is an array of anti-EU organisations across the 'left-right' spectrum, ranging from radical Socialists to Catholic fundamentalists. Issues range from neutrality/militarism at one extreme to abortion/family values at the other. Common to all are underlying issues about identity and the importance of an independent Irish foreign policy.

Italy*

The EU – a 'team of sick players'

Taking into consideration Italian opinion polls, it is not possible to say that support for membership of the European Union is as high as in other member states. On the contrary, trust and belief in European institutions have decreased slightly. Today, 55 percent of Italians have a positive opinion of the EU, while a few months ago that figure was 58 percent; simultaneously the percentage of Italians that perceive Europe in a negative way has increased from 8 percent to 10 percent.[694]

Italians' mistrust of European institutions is probably the most striking feature of recent surveys. Only 26 percent (compared to a European average of 42 percent) of people in Italy declared that they trust European institutions.[695] There are several explanations for this phenomenon.

First, as far as it can be deduced from the national press, Italians are feeling the pressure and difficulties of economic decline.[696] Nonetheless, surprisingly enough, Europe is perceived in this field as both a cause and a solution to the problem. On the one hand, debates over the European single currency show that membership in the European Union and particularly in the European Economic and Monetary Union is sometimes considered a weakness factor. On the other hand, polls reveal that Europe is seen as an effective 'shield' against globalization, which is considered more of a kind of threat that an opportunity in Italy.[697]

Italians' mistrust of European institutions is mostly due to the widespread confusion regarding the way these institutions work. Apart from the European Parliament and the European Central Bank, knowledge of other institutions is lower than in other member states. Significant percentages of Italians are completely unaware of the existence of some European institutions, such as the European Council (34 percent), the European Court of Justice (ECJ) (46 percent), the European Court of Auditors (48 percent), the Economic and Social Committee (64 percent), the Committee of the Regions (68 percent) and the European Ombudsman (69 percent).[698]

Notwithstanding this, according to a poll conducted by the Department for Communitarian Policies of the Prime Minister Office, 50.7 percent of Italians perceive themselves as well informed on the European Union. Only a few of them (24 percent) have approached the offices in Italy in charge of releasing information on the EU (CIDE – Interdepartmental Centre of European Documentation), while the main source of information on the EU is television and more frequently the press or the internet. However, a considerable part of the Italian population still considers itself not informed enough (38.5 percent) or even not at all (2.2 percent) of the European Union's objectives and activities.[699]

Things change when we look at to what extent Italians are aware of the advantages of being part of the European Union. This was revealed by the data collected by the Department for Communitarian Policies by means of a questionnaire entitled "Are you ready for Europe?". When asked whether they thought that Italy had gained any advantage from its participation in the EU, 73.2 percent of interviewees answered positively. In particular, Italians declared that the advantages they benefited from the most are freedom of

[693] "Libertas" is a campaigning group of the 'No' camp.

[*] **Istituto Affari Internazionali.**

[694] Standard Eurobarometer 68, Executive Summary National Report Italy, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_it_exec.pdf (last access: 28th of August 2008).

[695] Il sole 24 ore, 25th of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IIIA1 (last access: 28th of August 2008).

[696] Ibid.

[697] Ibid.

[698] Standard Eurobarometer 68, National Report Italy, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_it_nat.pdf (last access: 28th of August 2008).

[699] Presidenza del Consiglio dei Ministri, Dipartimento per le Politiche Comunitarie. See: http://www.politichecomunitarie.it/newsletter/15798/sondaggio-sulleuropa-i-risultati (last access: 28th of August 2008).

movement and programmes addressed to young people such as "Erasmus". They also consider peace among member states as a positive result of EU membership.

The conclusion that can be drawn from this data is that people in Italy are still behind other European citizens concerning knowledge of the EU's institutions and activities. It is interesting to note that Italians perceive the advantages that directly affect them deriving from EU membership, while they are confused and misinformed about the European Union's functioning at the institutional level.

From the media point of view, Italian citizens' mistrust of European institutions could be explained by observing it from a wider perspective. Especially after the Irish 'No"' to the Lisbon Treaty, there have been many unfavourable remarks in Italian newspapers on the current situation. European political elites have been accused of having preferred national interests to intra-European links. It has been argued that "if we compare the current situation to that of some decades ago, the progressive slackening of mutual contacts between the European political classes is striking"[700]; and it is even more surprising when considered that in the last years the opportunities for open dialogue have increased.[701] For these reasons, when speaking about European integration in Italian debates, people think of a "far away Europe"[702] and are much more interested in internal and national issues. The EU has even been metaphorically defined as a 'team of sick players', whose performances will not easily be improved by its new 'trainer' Sarkozy.[703]

Notwithstanding these critical opinions, some positive remarks have been made about EU institutions and the possibility of Italy playing an important role in them. In particular, the ECJ is seen as an institution that acts independently from national pressures.[704]

According to part of the Italian business community, the current European crisis can be explained by the insufficient budget at the EU's disposal. It has been argued that there is no correspondence between European Union's economic resources and its political ambitions. However, economist and former European Commissioner Mario Monti has recently asserted that at present a change in the EU's priorities does not seem feasible and for the time being no final solution to the problem can be found.[705]

Today, a large part of the economic debate on European integration concerns the opportunities that the single European market can offer to counterbalance pressures coming from the Chinese and Indian emerging economies. Corrado Passera, managing director of "Banca Intesa Sanpaolo", said that it is necessary to compete more as a united Europe in order to be able to overcome economic crises that may arise.[706]

Notwithstanding the assertion made at the European Council in Brussels in June by Italian Prime Minister Berlusconi on the role of EU commissioners,[707] Italian political elites are undoubtedly in favour of the EU. José Manuel Barroso, who was recently in Italy, has affirmed: "There is great collaboration between the European Commission and Italian authorities"[708]. In this atmosphere of cooperation, the president of the lower house of the Italian parliament ("Camera dei deputati"), Gianfranco Fini, stated that the Italian Parliament would ratify the Lisbon Treaty before the end of the summer, because otherwise the EU - 27 will be 'ungovernable'.[709]

[700] La Stampa: Lontana Europa, 3rd July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=ILA2E (last access: 28th of August 2008).
[701] Ibid.
[702] Ibid.
[703] Il Giornale: L'Europa? Una squadra di giocatori malati che frenerà Sarkozy, 1st of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IKH7U (last access: 28th of August 2008).
[704] Il sole 24 ore: A Lussemburgo c'è un Italia forte, 30th of June 2008, available under: http://www.ilsole24ore.com/ (last access: 28th of August 2008).
[705] Corriere della Sera: Frodi e sprechi: I piani per rifare il bilancio UE, 23rd of June 2008, available under. www.corriere.it (last access: 28th of August 2008).
[706] Il Giornale: Così gli economisti vedono il futuro, 13th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IOPB1 (last access: 28th of August 2008).
[707] La Repubblica: Berlusconi striglia la UE. Serve un 'drizzone' o fallirà, 20th of June 2008, available under: http://ricerca.repubblica.it/repubblica/archivio/repubblica/2008/06/20/berlusconi-striglia-la-ue-serve-un-drizzone.html (last access: 28th of August 2008).
[708] Il Secolo d'Italia, 16th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IPMVG (last access: 28th of August 2008).
[709] Il sole 24 ore: Sì al trattato entro l'estate, 16th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IPRBM (last access: 28th of August 2008).

Latvia*

Public opinion and European integration in Latvia

Although the Eurobarometer 68 concluded that in autumn 2007 support for membership of EU in the member states was at it highest in over a decade, such a broad conclusion is not entirely appropriate for Latvia. The table below summarises public opinion regarding EU in recent months.

Latvia's Residents Respond to the Question: In general, do you think that Latvia's membership of the EU is a …				
Time of poll	*Selected response as percent of total responses of all respondents*			
	Good thing	**Neither good nor bad**	**Bad thing**	**Don't know**
October 2007	26	47	22	5
November 2007	28	43	25	4
December 2007	30	45	22	3
January 2008	31	43	22	4
February 2008	25	45	26	4
March 2008	22	47	28	3
April 2008	33	41	21	5
May 2008	24	40	29	7
June 2008	26	42	26	6
July 2008	22	48	24	6
Source: European Union Information Agency in Latvia, available under: http://www.esia.gov.lv/lat/sdp/ (last access: 10 September 2008).				

Owing to the lack of additional polling and analyses, it is not possible to explain authoritatively the vacillations in public opinion. It does seem, however, that in responding to the principal question about the EU, the people of Latvia tend to reflect their own personal situation and their perception of the current situation in Latvia. There is, however, no research to support or dispute such a correlation. It is, therefore, not possible to provide here a more detailed picture of how the EU and European integration are perceived by political elites, media, business community, citizens or pressure groups in Latvia.

* **Latvian Institute of International Affairs.**

Lithuania*

A big and stable support for the membership in the EU

According to the Standard Eurobarometer No. 68, 81percent of Lithuanians thought that Lithuania's membership in the European Union was useful for the country, while only 10 percent of the inhabitants held the opposite opinion.[710] As the Standard Eurobarometer No. 69 reveals, the Lithuanian support for the membership has fallen by several percentage points – now 75 percent of Lithuanians say that membership in the EU is beneficial for Lithuania.[711] Still, the majority of Lithuanians are convinced that our membership in the EU has a positive impact on all fields of life except for inflation and taxes.

The latest national survey, completed by the opinion poll agency "Vilmorus" in June of 2008 reveals that 72 percent of Lithuania's inhabitants support the membership in the EU and 16 percent are against it. According to this survey, a high level of support is characteristic of all demographic groups. Such a high level of support is stable and is not changing over time.[712]

* **Institute of International Relations and Political Science, Vilnius University.**

[710] Standard Eurobarometer No. 68, National Report Lithuania, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_lt_nat.pdf (last access: August 28th, 2008).

[711] Standard Eurobarometer No. 69, National Report Lithuania, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_lt_nat.pdf (last access: August 28th, 2008).

[712] Visuomenės nuomonės tyrimas: Lietuva Europos Sąjungoje, informacija apie Vyriausybės darbą, Lietuvos įvaizdis (Public opinion poll: Lithuania in the European Union, information about the work of the Government, Lithuanian image), press release of Lithuanian Government, July 4th, 2008, available under. http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/3767/ (last access: August 28th, 2008).

Expectations and results of membership

Before the Lithuanian accession to the European Union, a referendum was held. More than 63 percent of Lithuanian citizens participated in the referendum (this is high attendance compared to national elections) and more than 90 percent of them voted for Lithuania's accession to the European Union. It was said that Lithuanians were so enthusiastic about membership in the EU because they had many hopes and expectations related to the EU. Political scientists report that today the support for the EU remains so high because people already see the results our membership brings to Lithuania. At the time of the Lithuanian accession to the EU farmers and retired people were more sceptical about membership than other groups of society. Nevertheless, today the farmers, having profited from the EU financial support, are one of the biggest supporters of the EU. To sum up, there is a general consensus both among the political elite and the people about the advantages of EU integration and there is no prominent or strong opposition against the EU in Lithuania.

Luxembourg*

Importance of a united Europe in a globalised world

For a long time, Luxembourg's public opinion has strongly supported the country's membership in the European Union. Luxembourg was once the strongest supporter of the integration process.[713]

The editorialist of the only Luxembourg communist newspaper cannot hide his personal rejoicing over the poor showings of EU in last Eurobarometer. In Luxembourg, "one of the most EU-friendliest nations", the editorialist must concede, the level shrank from 82 to 73 percent.[714] The other newspapers and observers sincerely regret the unpopularity of the European integration right now. They try to explain, why European integration has become so unpopular: Laurent Zeimet, a Christian-Democrat commentator, like his liberal and socialist colleagues, blames the inflation and the dwindling confidence in the performance of the national economy.[715] EU-scepticism is also expanding in Luxembourg; the grand duchy just goes along the same path as the other member states.[716] Luxembourg people continue to appreciate the membership of their country in the EU, so it is therefore not astonishing that Luxembourgers' confidence in the EU equals their confidence in their national government.

Like their Prime Minister, Luxembourgers have realised the positive role the EU could play in the global economic competition. The editorialist of the German weekly "Die Zeit", comparing the EU to Luxembourg, and Luxembourgers are more aware than ever that the European project is needed to give European nations a chance in a globalised world. Juncker, whose rhetorical qualities are rarely denied has abandoned his funding myth discourse ("French-German reconciliation on the graves of dead soldiers made European unification possible") and has switched over to the paramount importance of a united Europe in a globalized world, especially when he considers the ever more shrinking part of Europe's share in the world population and economy.[717]

The historian and political analyst Michel Pauly feels that European integration is perceived by more and more Luxembourg citizens as a rush towards a free trade area whereas the European social union is less and less visible.[718] This is not a mere communication problem.[719] The general feeling that the European Union might be a protection filter against the unsocial consequences of globalisation vanishes. Luxembourg's people feel that EU is co-responsible for the globalisation of the markets, poverty, climate change and the loss of social rights.

According to Michel Pauly the political debate on these European policy subjects, as it occurred in the referendum campaign in 2005, has been aborted in Luxembourg because the

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

[713] Journal: Luxemburger gut informiert, 6.3.2008.

[714] Zeitung vum letzebuerger Vollek: EU-Ablehnung wächst, 5.7.2008.

[715] Laurent Zeiment: Sorge um Kaufkraft, Luxemburger Wort, 27.6.2008.

[716] Olivier Wagner: Bréckelnde Mehrheiten, Zeitung vum letzebuerger Vollek, 3.7.2008.

[717] Jan Ross: Wir Luxemburger, Die Zeit, 19.6.2008; RTL Letzebuerg: Interview with Jean-Claude Juncker,12.7.2008.

[718] Forum: Michel Pauly Danke Irland!, Juli 2008.

[719] RTL Letzebuerg online: carte blanche. Jacques Drescher. Europapolitik: D'Leit hu scho laang verstaan, 9.7.2008, available under: www.rtl.lu (last access: 28.8.2008).

CSV[720] leaders refuse to separate national and European election days.[721]

Socialist and Christian-Democrat unions tend to be more and more critical about the way European integration follows. The leader of the largest Luxembourg union the OGB-L[722] (socialist) Jean-Claude Reding expresses his feelings as follows: "I would refuse to sign an appeal to vote 'Yes' if a referendum on the Lisbon Treaty would take place in Luxembourg today"[723].

Malta*

EU membership is regarded as positive

There is a general consensus in Malta that EU integration is a positive development and that membership since 2004 has been a relatively positive one. This is based on the fact that EU integration has provided stability and prosperity to all member states and improved the outlook for member states that have been successful in implementing the acquis communitaire. An example of this is that of adoption of the Euro that has brought further stability to the economic and financial sector of those states that are making use of it.

The majority of sectors highlighted believe that EU membership is facilitating implementation of a more liberal political and economic reform process than otherwise would have been possible. The pro-growth economic strategy of the EU, including that of the Euro's stability plus the open market policy offering more of a selection to consumers at different prices are highly regarded as positive outcomes that have been achieved as a result of EU membership.

Two minor sectors that do not perceive EU membership as positive are those of bird hunters and port workers. The bird hunters are disappointed that the EU decided to enforce the prohibition of bird hunting in spring and the majority of port workers did not welcome the government of Malta's decision to completely privatize the dry docks of Malta by January 2009, in line with the EU's policy of not subsidizing ports from government coffers.

[720] Chrëschtlech Sozial Vollékspartei.
[721] Forum: Michel Pauly Danke Irland!, Juli 2008.
[722] Onofhängige Gewerkschaftsbond Lëtzebuerg.
[723] Woxx: Recherche social désespérément, 27.6.2008.

* **Mediterranean Academy of Diplomatic Studies, University of Malta.**

Netherlands*

EU: Large support, mediocre knowledge

Eurobarometer results have shown that about three-quarters of the Dutch population regards EU membership positively,[724] which is high above the EU average. It should be noted that those 8 percent of the Dutch who are reluctant towards the EU, generally also tend to hold a rather negative stance towards Dutch politics and society.[725] In comparison with other member states, Dutch knowledge of the EU is mediocre, which is interesting as the threatening image of the EU as a complex organisation was one of the explanations of the Dutch 'No' against the Constitutional Treaty in June 2005. The lack of insight into how the EU works could be explained by earlier findings that EU news coverage is relatively light in the Netherlands and is mostly focused on procedures, instead of policy contents.[726]

Education and politicisation to increase EU awareness

Providing more education on the EU is one objective of the government's new EU communication strategy that has seen the light in December 2007. As part of a general EU awareness campaign hosted by the representation of the European Commission in the Netherlands and the Dutch Ministry of Foreign Affairs in April, some 350 Dutch civil servants working for the European institutions and MEPs gave EU lessons at their former secondary schools.

Moreover, the objective to treat EU issues more politically has been taken up by many political parties and experts. This would increase contestation and thereby the legitimacy of EU policies, as has been argued

* **Netherlands Institute of International Relations 'Clingendael'.**
[724] Standard Eurobarometer 68, National Report The Netherlands, Autumn 2007, p. 22, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_nl_nat.pdf (last access: 26 August 2008).
[725] See SCP/CPB Market place Europe, The Hague 2008.
[726] Claes H. de Vreese: 'Europe' in the news, a cross-national comparative study of the news coverage of key EU events, in: European Union Politics, vol. 2 3/2001, p 283-307.

by a number of advisory reports to the government. One key element in this respect that is often highlighted in The Hague is a stronger role for national parliaments. This issue has been elevated by the Dutch government to a make or break issue during last year's negotiations on the Lisbon Treaty. In April, two Dutch MPs used the COSAC[727] meeting to promote the resulting 'orange card mechanism' as a chance for parliamentarians to pro-actively shape upcoming EU legislation.[728] In their proposal, a group of MPs under COSAC should meet every two months to examine legislative proposals to see if they overstepped EU bounds.

Poland*

European benefits assure high levels of EU-support

Compared to 58 percent as the EU-27 average support for membership in the union observed in autumn edition of Standard Eurobarometer,[729] Poland ranks highly among the countries with the largest support rates (71 percent), and among the countries with the highest results regarding the benefits of membership for the respondents' home country (83 percent).

The support rates, despite some fall as reflected in new 69th edition of Eurobarometer (65percent of Poles supporting membership and 77 percent positively assessing benefits of membership), still remain high and find general support in national opinion polls as well as perception of experts, politicians and business communities. Even though the 2008 results are slightly lower than those of the 68th edition, they still remain higher by far than the Union's average.

A good occasion for conducting new opinion polls and comparisons with previous surveys was the fourth anniversary of Poland's accession. The study prepared by the Office of the Committee for European Integration[730] presents the generally growing figure (with certain fluctuations) of support for membership observed between 2005 and 2008, with support figures never falling below 58 percent, what is presented in the graph below.

[727] Conférence des Organes Spécialisés dans les Affaires Communautaires et Européennes des Parlements de l'Union européenne.

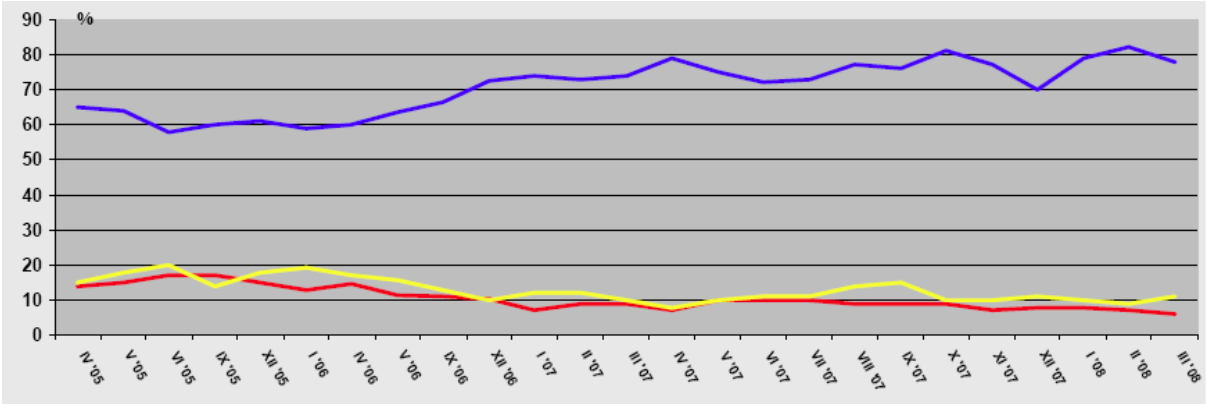
[728] Leigh Phillips: MPs seek to make concerted use of new powers under EU treaty, in EU Observer, 23 April 2008.

* **Foundation for European Studies - European Institute.**

[729] Standard Eurobarometer 68, Executive Summary National Report Poland, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_pl_exec.pdf (last access: 04.09.2008).

[730] Pentor/GfK Polonia/SMG/KRC for DA/UKIE: 4 lata członkostwa Polski w UE. Bilans korzyści i kosztów społeczno-gospodarczych związanych z członkostwem w Unii Europejskiej (1 maja 2004 r. — 1 maja 2008 r.) (4 Years of Poland's membership in the EU. Socio-economic benefits and costs of membership in the EU (1 May 2004-1 May 2008)).

The question to investigate the support for Poland's membership in the EU[731] was: "If on Sunday a new referendum on membership in the EU was to be held would you vote for or against accession to the EU?"

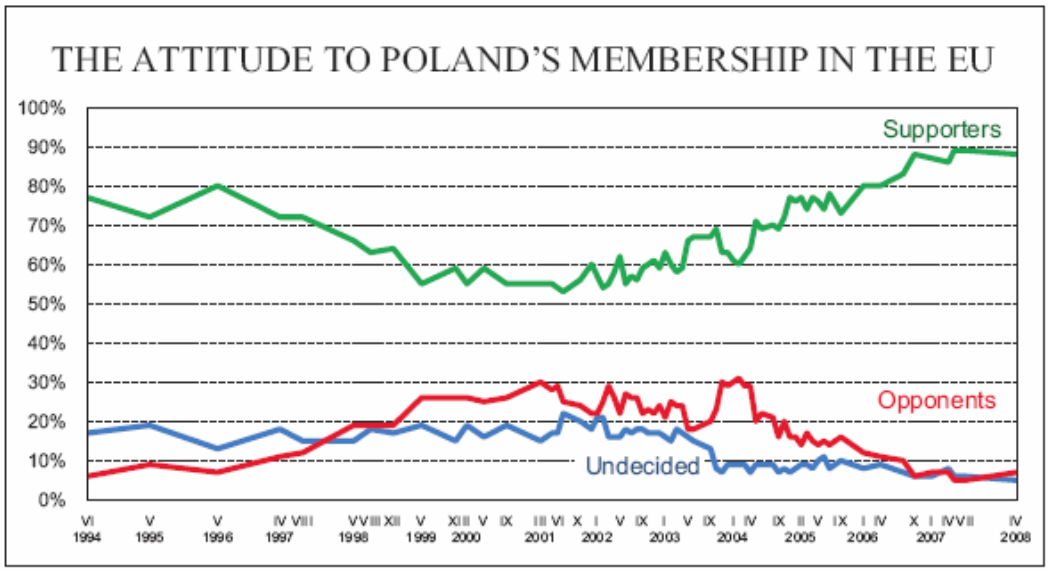


__ for (SMG/KRC – 2004, Pentor – 2005, SMG/KRC-2006, Pentor-2007, GfK-2008)
__ against (SMG/KRC-2004, Pentor –2005,SMG/KRC-2006, Pentor-2007, GfK-2008
__ would not vote (SMG/KRC-2004, Pentor –2005,SMG/KRC-2006, Pentor-2007, GfK-2008)

Source: Pentor/GfK Polonia/SMG/KRC for DA/UKIE.

The report also presents the data for public perceptions of the benefits of membership for the country at a level of 83.6 percent,[732] while regarding support for the Lisbon Treaty, the same study found 36 percent for, 6 percent against with 56 percent of those undecided.[733] The authors of the report stress the economic benefits (accelerated growth, accompanied by significant fall of unemployment from 20 percent in 2003 down to 11 percent, 4 percent in 2007 and restructuring of the agricultural sector) linked with the use of pre-accession and structural funding.

Similarly, the report by Public "Opinion Research Centre" (CBOS) published in relation to the 4th anniversary of membership the steadily growing tendency in support for membership between 2001 and 2008, with the number of opponents falling in the same period (especially staring from the date of entry to the EU):



Source: CBOS ("Public Opinion Research Centre"): Polish Public Opinion, April 2008, available under: www.cbos.pl (last access: 04.09.2008).

[731] Ibid., p. 110.
[732] Ibid, p. 112.
[733] Ibid, p. 114.

According to the same report, the number of those regarding membership as bringing more benefits than costs for the country is at its highest levels ever (in April 2008) and amounts to 64 percent of 'yes' answers, this being four times larger than the percentage of those seeing more costs than benefits of membership (15 percent)[734]. The belief that benefits outweigh the costs is more visible among the respondents with a university degree (79 percent), more prosperous respondents(79 percent) and young people, up to 24 years of age (76 percent). Among the socio-economic groups, the ones most often seeing more benefits than costs the most are: managers, white collar workers (78-79 percent) and among those not yet employed – students in all types of schools – 80 percent.[735] The report observes the correlation between results of integration and the support for integration as such and this means that Poles, while supporting integration, are more apt to link it with benefits for the country rather than the feeling of personal gains. April 2007 was the first year when benefits for Poland were perceived as outweighing the benefits for the old member states of the union (30 percent to 28 percent respectively), with a growing tendency in April 2008 (35 percent and 27 percent respectively). Regarding the positive results of membership on the Polish economy, the report presented the figure of 75 percent of respondents answering 'rather positive' about the impact of accession on the economy (8 percent answered 'rather negative'). The same number of respondents hold the opinion about positive impact of accession on private farms (11 percent answered 'rather negative'), while the opinion about the positive impact on private enterprises amounts to 64 percent.[736] The positive impact on the economy is most visible for university degree holders, white-collar workers, wealthier respondents, big city inhabitants, managers, company owners, skilled workers (all with results above 80 percent) and students and pupils (95 percent).[737] With still high opinions about the positive impact on the private agricultural sector and the economy, this perception differs among some socio-economic groups. For example, only 66 percent of farmers are convinced of the benefits (against 75 percent among the whole population). The positive impact of accession on the unemployment rate is quite high (65 percent of those answering 'a rather positive impact') as compared to 56 percent of 'Yes' answers in April 2007,[738] while 56 percent of respondents are of the opinion that integration with the EU has had positive impact on living conditions. Over 60 percent of respondents in the "CBOS" poll point out the positive results of membership on the environment and 57 percent on infrastructure and state roads. The results of a similar poll conducted by "TNS OBOP"[739] in March 2008 report the number of supporters of Poland's membership at 73 percent and opponents at 5 percent.

Another poll conducted on 16th March 2008 by "PBS DGA"[740] for the daily "Gazeta Wyborcza" reports that over 80 percent are satisfied with Poland's membership (39 percent 'definitely yes' and 46 percent 'rather yes') with only 10 percent of those dissatisfied (7 percent 'rather not' and 3 percent 'definitely not').

Among the representatives of political parties in Poland the support for integration remains the same with the pro-European parties: left parties (including the the "Left Democratic Alliance", the "Social-Democratic Party of Poland" and minor left-wing organisations), and the parties of the governing coalition. In addition, the "Civic Platform" and "Polish Peasants Party" reflected this in their program documents and current statements (including those after the failed Irish referendum). "Law and Justice", the former governing party has a somewhat puzzling stance, taking into account the critical voices against 'making Poland an EU province', conditional of the party's vote in the parliament over ratification of the Lisbon Treaty and the current postponement of the president's countersignature under the parliamentary ratification bill. The situation is reflected also by the support for integration and assessment of membership among the potential electorates of the parties with clearly higher rates of support among pro-European parties voters than those located to the 'right' of the political scene. The attitudes of the media towards integration differ according to

[734] CBOS ("Public Opinion Research Centre"): Polish Public Opinion, Bilans czterech lat integracji z Unią Europejską (A summary of Four Years of Poland's Membership in the EU), Research Communiqué BS/66/2008, April 2008, p. 4, available under: www.cbos.pl (last access: 04.09.2008).
[735] Ibid., p. 3.
[736] Ibid., p. 9.
[737] Ibid., p. 8.
[738] Ibid., p. 10.
[739] TNS OBOP opinion poll of 6-10 March 2008, quoted after Polskie Radio Online, available under: www.polskieradio.pl (last access: 04.09.2008).
[740] PBS DGA poll for Gazeta Wyborcza Daily, available under: http://www.pbsdga.pl (last access: 04.09.2008).

the political bias of individual publications, usually in line with the general 'left-right' divide over integration issues or in the case of the independent media, a largely positive opinion about integration process is similar to the public opinion assessment. The largest Polish dailies seem to present a largely pro-European stance, though they do not avoid discussing sensitive issues and presenting various voices from the political scene.

Portugal*

Traditional political alignments

Public support for the EU has remained high in Portugal, clearly above the EU average, and this despite the continued economic crisis. Polls show that the Portuguese still have a mostly positive view of EU institutions, and would in fact welcome a more active role of Brussels in economic matters. However, our only real source for this are the Eurobarometer surveys, since Portuguese polls continue to mostly ignore EU-related issues.

In terms of the wider debate of European issues, the basic long-term polarisation remains – with the main 'centre left' and 'centre right' parties and those sectors of the elites aligned with them taking a pro-EU position, and the 'far left' Communists and Left Bloc and their 'compagnons de route' as the main critics of European integration as capitalistic and elite-driven.

The issue that generated most discussion of European issues as such has been the Irish referendum, to which we have already made reference, and it did not fundamentally change traditional alignments, at least not so far. One interesting question is if this third 'No' in a referendum on EU-related matters, and its eventual wider implications, will indeed change things in the longer term. This seems very unlikely among the 'left', where parties and personalities have been strongly polarised regarding the EU for decades, between a staunchly pro-EU Socialist Party, now in government, and a strongly anti-EU Communist Party and 'far left'. Things are perhaps less clear-cut on the 'right', however. It is not inconceivable that if as a result of this crisis there is a prolonged impasse at the European level, and greater weight is given to national interests, this would reinforce those, so far few but prestigious figures, who have carried the torch of relative scepticism towards the EU in the name of the national interest, to the point of shifting the more right-wing CSD-PP and the more 'centre right' PSD towards a more eurosceptic position. Yet, at this point in time, this would be a bold prediction to make.

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

Romania*

Still very enthusiastic about EU membership

One year after Romania's accession to the EU, the public perception concerning confidence in the European Union and in the benefits of membership continues to display a high level of enthusiasm, according to the results of the latest Eurobarometers,[741] namely those released in the autumn of 2007 and spring 2008, which are actually the only ones elaborated on the basis of opinion polls devoted to the way Romanians relate to the new phenomenon of Romania belonging to the EU. If, however, between the spring and autumn of 2007 the Romanians' confidence in the EU has shown a slight increase (from 65 percent to 68 percent), in the first part of 2008 the percentage of those expressing confidence in the EU dropped to 66 percent, while remaining still significantly above the average percentage recorded in the new member states (59 percent), and even more so above the average for the whole EU (50 percent). According to a sociological interpretation of these figures, the main reason for Romanian citizens to show confidence in the EU is related to the perception of the advantages deriving from the country's member status, hence the fluctuations of the percentage of those expressing confidence stem from variations of the intensity with which the benefits of membership are being perceived. It is worth mentioning that, in Romania's case, these perceptions are mostly based on prospective elements, consisting of hopes and expectations, while in the 'older' member

* **European Institute of Romania.**

[741] See Standard Eurobarometer 68, National Report Romania, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_ro_nat.pdf (last access: 22 August 2008); Social and Standard Eurobarometer 69, National Report Romania, Spring 2008, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_ro_nat.pdf (last access: 22 August 2008).

states these perceptions rest on the awareness of the existence of projects completed and benefits already felt. This is why the general attitude of Romanians towards the benefits of integration is less dependent on the identification of specific advantages, these being less visible and more difficult to point out than in the case of other countries.

It is also notable that, despite the stability of the 'euro-optimism' displayed by the Romanians, the first signs of a more critical approach towards the EU have started to emerge, while they used to be far less visible before and immediately after accession, when the paramount goal set by the political decision-makers and mimetically assumed by public opinion was that of obtaining the member state status as of the target date foreseen by the timetable of the accession negotiations. Once this important chapter on Romania's European agenda was concluded, several events unfolding over the course of 2007 and the beginning of 2008 (in particular, the developments linked to the intensely media-covered situation generated by the treatment of the Romanian citizens of Roma origin living in Italy, as well as of other Romanian citizens resident in Italy, who are the 'collateral damage' of waves of discriminatory reactions) tended to reinforce the perception of a 'second-class citizenship', felt by the Romanians immediately after accession.

The seriousness of the diagnosis of belonging to the periphery of the 'European family' has been intensified by the wide publicity given both at national as well as at European level to the development of the circumstances of this crisis, with a clear tendency to present the debatable decisions of the Italian authorities and the reaction of their Romanian counterparts in a logic of confrontation, the latter being commented at some length and even criticized by part of the local media for not being sufficiently firm. Moving the analysis to a more general level, compatible with a testing grid capable of assessing the European public opinion in its entirety, the perception of the marginal status internalized by the Romanians has fuelled frustrations deriving from the fact that "Romania's voice does not matter"[742] at the European level. This, as a consequence, has informed the emergence of a predominantly negative opinion about the country's role in the EU. The temptation to discount "the national voice" as deprived of resonance at the European level is, nevertheless, a feature common to other EU member states as well. The citizens of theses member states, like those in Romania, tend to think that "larger countries hold the biggest power in the EU'. However, the opinion polls on which the recent Standard Eurobarometers were based are signalling an optimistic attitude by Romanians concerning the future influence of their country in Brussels.

Concerning the public agenda and the hierarchy of the main preoccupations of the Romanian citizens following the moment of accession, the results of more detailed opinion polls which were made public show a change in the order of the most important fears expressed by the Romanians. Diffuse concerns linked to "Romania's economic situation in general", which used to top the fears of the Romanians until recently, are now being dwarfed by preoccupations stemming from the rises of prices relative to wages. These are followed by generic economic concerns and by preoccupations associated to pensions, health and criminality.[743]

Several studies on the evolution of disseminating and interpreting, for general audiences, the information on topics linked to Romania's EU accession are attempting to discern and explain whether and in what way the reconfigured political environment after 1st of January 2007, has contributed to the transformation of the public discourse from the point of view of its strategies and of the way of "stating the issues".[744] Thus, as long as the European issues (focused on accession to the EU) used to be regarded as a *consensual matter*, the media favoured a normative, expert-type discourse. In Romania, the emergence of a European topic – in the sense of the built-up of a deliberative agenda – occurred against the background of a lack of dynamism at the level of the identification of issues ("poser les problèmes"), which is typical of reflection by the media in consensual situations. Public debates regarding the EU were thus affected by a deficit of the theoretical identification of issues. Experts in media

[742] Standard Eurobarometer 68, National Report Bulgaria, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_bg_nat.pdf (last access: 22 August 2008).

[743] Ibid., p. 6.

[744] See Camelia Beciu: «Europe» as a media format. Strategies for constructing public problems in the Romanian press, in: Europe and the public space. Discourse, representations, emotional climate, Academiei Romane (ed.), 2007.

communication consider that this deficit can only be bridged once the European issues come to be internalised at the collective level as 'national themes', reflecting the concerns of ordinary people, and not as 'international themes', suitable for technical, exclusively political and diplomatic approaches.

Going from the theoretical level of the construction of media messages to their content and form, the predilect subjects of the analysts who are promoting a europessimist discourse concerning the level of engagement of Romania's political elites in defending Romania's interests in Brussels are converging towards the same vision of a country situated at the periphery of the European Union. For instance, Sever Voinescu (columnist and former General Secretary of the Ministry of Foreign Affairs) considers that Romania's European profile is almost invisible and that "our stalemate attitude on the European arena is dangerous" precisely because, "due to local stridencies, it cannot be noticed from home". "On the one hand, from the inside, Romania looks like a hysterical country, full of noises and colours, with mindless people and uncensored temperaments. From a political standpoint, Romania is a lively country, full of energy. From outside, however, Romania looks grey, quiet, lacking salience and importance."[745]

The critical and pessimistic attitude of editorialists like Sever Voinescu is also reflected in the way of explaining the special interest shown by the public opinion (and the political elites as well) in respect to the financial benefits of accession (the structural funds). Something which is not necessarily a fundamentally flawed way of regarding the absorption of community funds (at least, insofar as practically all member states pay a special attention to the 'net balance' of their interactions with the EU budget), is seen by the analysts as evidence of the perpetuation of a mentality of an 'assisted person', indicative, in his view, of the vitiated way Romania assumes its EU member status, as well as for the lack of interest shown by its citizens and political decision makers relative to the most prominent European issues.

[745] Sever Voinescu: Why we are not important?, in: Dilema Veche, 29 March 2008; Sever Voinescu: Far away from Europe, in: Cotidianul, 18 June 2007.

Slovakia*

Positive view of EU-membership

Slovak citizens regularly score high support for the European Union and tend to have more positive view on the European affairs. Last Eurobarometer results show that "49% of Slovak citizens think that the things in the European Union are going in the right direction while in the EU27 only 40% of citizens share this view."[746] According to a national opinion poll by FOCUS from April 2008 "two out of three Slovaks said the country's entry into the European Union four years ago was the right move"[747]. 16.8 percent of people see EU membership as disadvantage. But the growing group is people who believe that EU membership brings Slovakia more advantages than disadvantages. Since 2005 it has grown from 25 percent to nowadays 35 percent according to a national poll.

This support is still accompanied by the lower level of knowledge about the functioning of the EU. 76 percent of Slovak citizens think that people are not well informed or are not informed at all about EU. Only 20 percent of people consider Slovaks to be well informed.[748] Slovak citizens gain most of the information from media but surprisingly 63 percent of them think that television offer sufficient information. The EU-27 average in this question is 39 percent. Only 29 percent of Slovaks regard presented information as too little and that is again below EU-27 average (48 percent). So Slovaks are the most satisfied EU nation in regards of satisfaction with information on EU presented in television and as well as in radio. Latest national opinion polls focus on the support for and citizens concerns from joining the eurozone but these show that citizens who are in favour of Euro at the same time claim to be well informed (75 percent).[749]

Government attitude towards European integration is officially supportive but in reality

* **Slovak Foreign Policy Association.**

[746] Standard Eurobarometer 68 / Autumn 2007.

[747] Two out of three Slovaks think it was right to enter EU, Slovak Spectator, 12.5.2008, available under: http://www.spectator.sk/articles/view/31685/2/two_out_of_three_slovaks_think_it_was_right_to_enter_eu.html (last access: September 30, 2008).

[748] Standard Eurobarometer 68 / Autumn 2007.

[749] Názory na zavedenie meny EURO na Slovensku, FOCUS, May 2008, available under: http://www.focus-research.sk/files/87_Nazory%20na%20zavedenie%20EURO%20na%20Slovensku%2005-2008.pdf (last access: September 30, 2008).

are Prime Minister's statements ambiguous. For example, at the beginning of summer, the Prime Minister declared that the Lisbon Treaty ratification process can be only retrieved when EU highest representatives start to focus on more important and realistic issues as rising food and fuel prices and stop to discuss the treaty.[750] The euro-sceptical parties are very small and except one – Christian Democratic Movement – all of them are outside the parliament and they get hardly any attention in media.

Among pressure groups medical unions have tried to bring their agenda to the EU level when they organized a strike in Brussels in May 2008. Medical unions request to increase salaries in health care system. Especially unions tried to focus the attention on the wage differentials. Personnel in smaller regional or local hospitals earn less than those working in big or university hospitals. After failure to raise this issue at home, unions presented their requests at the Economic and Social Committee (ECOSOC) plenary session in Brussels. Their attempt was rather unsuccessful for different reasons. Activities in Slovakia like doctors' strikes threats and closed policlinics are not coordinated and frequent so only small attention is devoted. Slovak member of the ECOSOC Martin Chren considered their presentation as constrained and member of the European Parliament Irena Belohorská criticized unions that they did not bring this issue to the parliamentary discussion.[751] Unions attempt illustrates lurking outlasting perspective of EU as judging political authority as it acted during accession process.

Slovenia*

Stable support – apathy dominates over genuine interest

The first results of the Standard Eurobarometer 69 (June 2008) showed that 52 percent of the respondents believed that membership in the EU was a good thing for Slovenia.[752] Despite a relative decline in support for the membership since the last Eurobarometer (56 percent in autumn 2007), Slovenian results once again remained levelled among average in the EU. It needs to be emphasized that Standard Eurobarometer polls represent the most comprehensive public opinion analysis in Slovenia since national opinion polls on European issues are almost completely absent. Despite the incoming and later ongoing Slovenian EU-Presidency in the first half of 2008, no official polls published by the government communication office in the last year included questions related to general or specific EU matters.

However answers to the standard question of the "Politbarometer" polls[753] on trust in public institutions among those also the EU, somehow reflect the results of the Eurobarometer. Poll results from December 2007[754] and June 2008[755] indicate that 38 percent of respondents place trust in the EU, putting the latter firmly in the upper half of the most trusted public institutions. Such results can be attributed to the fact that there is a trend of a high level of trust in international institutions, and a considerably lower level of trust in national institutions respectively, in post-socialist countries. In Slovenia, this is confirmed by the low level of trust enjoyed by the government (21 percent in December 2007, 18 percent in June 2008) and the national assembly (20 percent in January 2007, 17 percent in June 2008).[756] Though hardly representative, various small-scale opinion polls conducted by printed and electronic media additionally show a generally

[750] Fico vie, ako zachrániť Lisabonskú zmluvu, Pravda, 3.7.2008, available under: http://spravy.pravda.sk/fico-vie-ako-zachranit-lisabonsku-zmluvu-fp/sk_domace.asp?c=A080703_154310_sk_domace_p23 (last access: September 30, 2008).

[751] Zdravotnícki odborári vraj boli v Bruseli prijatí rozpačito, SITA, 29.5.2008.

* Centre of International Relations.

[752] Standard Eurobarometer 69, First Results, Spring 2008, p. 24, available at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb_69_first_en.pdf (last access: 9 July 2008).

[753] "Politbarometer" is a comprehensive poll, conducted by the "Center za raziskovanje javnega mnenja" (Centre for public opinion research), commissioned by the Government's information office between 1995 and 2005 and independent ever since.

[754] The number of respondents was 833.

[755] The number of respondents was 804.

[756] 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), Politbarometer 3/2007. p. 20, available at: http://www.cjm.si/sites/cjm.si/files/File/raziskava_pb/pb3_07.pdf (last access: 5 July 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), Politbarometer 6/2008, p. 4, available at: http://www.cjm.si/sites/cjm.si/files/File/raziskava_pb/pb06_08.pdf (last access: 5 July 2008).

positive image of the EU in the eyes of the public. On-line surveys made on the internet portal of the national television station ("RTV Slovenija") show that 43 percent of the respondents believe that membership in the EU contributed to the rise in the standard of living in Slovenia and for 53 percent of the respondents the EU fulfilled their expectations.[757]

Eurobarometer and national public opinion polls show no clearly identifiable long-term trend in the support for the membership in the EU. Moreover, the support for membership has been constantly shown levels common to the average throughout Europe. Such results could be explained by the fact that entering the EU did not change the lives of citizens significantly; the only major novelty was the subsequent adoption of the Euro.

Down-to-earth issues, no vision

European integration in general is more often than not absent from public discourse and only rarely appears as the focal point of public debate. The reasons for this can be found in the lack of public interest in European issues and in the disinclination of the national political issues to coincide with their wider European political framework. However, since Slovenia entered the EU in May 2004, traces of specific topics related to the functioning of the EU could be found, which appeared to have penetrated into the public sphere on several occasions. The most visible among these topics have been: the opening of new markets; the effects the membership in the EU has on consumers; the effects of the EU on the farming community; the monetary policy of the European Central Bank (ECB) and the citizens' attitude towards the Euro.[758] In the first half of 2008 the most salient topic related to the EU was the Slovenian EU-Presidency, which is analysed in Chapter 7 of this issue of EU-27 Watch. The following paragraphs represent a more detailed actor-specific analysis of the perception of European integration in close connection to the above-mentioned topics of public discourse.

Business community

The Slovenian business community has had a very positive perception of the EU due to the number of new opportunities brought by the European integration process. In January 2005 the president of the Chamber of Commerce and Industry, Jožko Čuk, stated that the favourable macroeconomic situation that developed after Slovenia entered the EU proved to be a big incentive for Slovenian companies. Opening of markets, the development of a wider financial market and easier access to capital not only stimulated the import-export activities of larger companies, but also had a very favourable effect on the international operation of small and medium enterprises.[759]

Current topics of debate within the business community related to the EU are mainly focused upon the alarming rates of inflation that could eventually endanger the competitiveness of European companies in general. Despite the ECB's decision taken in the beginning of July 2008 to raise the interest rate to 4.25 percent, Slovenian companies remained seriously worried about the growing prices of raw materials and the consequent rise of costs of production.[760]

Pressure groups

The influence of European integration processes on the activities of pressure groups in Slovenia mostly remains an unstudied area. Available information leads to the conclusion that pressure groups, in the circumstances of the full membership of Slovenia in the EU, enjoy various systemic opportunities, enabling them to enter the policy-making processes not only on local and national levels, but supranational levels as well. On the other hand, their influence is restricted exactly due to different structural opportunities that make it difficult for the pressure groups to choose the

[757] RTV Slovenija: Vprašanje: Ali menite, da je vstop v EU prispeval k dvigu življenjske ravni? (Question: Do you believe that membership in the EU contributed to the rise in the standard of living?), 5 September 2005, available at: http://www.rtvslo.si/modload.php?&c_mod=poll&op=polls&func=listmain&page=23 (last access: 9 July 2008); RTV Slovenija: Vprašanje: So se po dveh letih članstva v EU izpolnila vaša pričakovanja? (Question: Were your expectations fulfilled after two years of membership in the EU?), 1 May 2006, available at: http://www.rtvslo.si/modload.php?&c_mod=poll&op=polls&func=listmain&page=85 (last access: 9 July 2008).

[758] Perception of the autonomy of the European Central Bank and the citizens' perception of the single European currency is dealt with in Chapter 5 this issue of EU-27 Watch.

[759] Barbara Štrukelj: Predsednik GZS Čuk: Za podjetništvo trenutno najbolj stimulativne makroekonomske razmere (President of the Chamber of Commerce and Industry Čuk: Entrepreneurship currently faces a most favourable macroeconomic situation, STA, 30 January 2005.

[760] STA: Slovenska podjetja kljub potezi ECB skrbi inflacija (Slovenian companies remain worried about the inflation despite the move of the ECB), 3 July 2008.

most efficient channel of influence.[761] The biggest and most active pressure groups in the country operate in the domains of the labour market and consumer protection.

Generally, the EU enjoys passive support among employers or their associations and also among trade unions. The Association of Employers of Slovenia ("Združenje delodajalcev Slovenije") asserted that the realization of the Lisbon Strategy and especially the implementation of the concept of 'flexicurity' currently represent the biggest challenges of the EU and should therefore be placed high on the agenda. Moreover, the Association of Employers is also worried about the ambitious goal of the EU related to the reduction in greenhouse gas emissions, which might, in their opinion, hamper economic growth in energy-intensive sectors of industry.[762] On the other hand, trade unions perceive the EU especially as an important ideological stimulus in their struggle for workers' welfare. Social partnership and social dialogue are the values of the EU that are most commonly expressed by representatives of trade unions. The latter believe that social responsibility of capital in industrial relations, which the EU stands for, ought to be reflected in the results of national collective bargaining.[763]

Entering into the EU in May 2004 did not bring significant changes to consumers, since products from Western European markets had already been available to Slovenian consumers for a while. However, effects that the European integration process had on consumers were visible in the context of the introduction of the Euro. In this period the Consumers Association of Slovenia ("Zveza potrošnikov Slovenije") was an active pressure group warning consumers about the unjustified increase in prices of products and services.[764] Bogomir Kovač, a renowned economist and a supporter of the consumers association, stated that consumer protection was a relative novelty in the EU because preference had been given to other instruments of economic integration. The consequence of this is a highly differentiated consumer market where comparable products and services have very different prices. In his opinion this is reducing the benefits and the efficiency of the single market.[765]

Farming Community

Membership in the EU and the consequent opening of agricultural markets represented a great challenge for the Slovenian farming community. Farmers believe that the membership in the EU furthermore intensified the effects of globalization on agricultural trade, bringing more competition and new problems with the buying-in of Slovenian products. In order to ensure the success on the single market, producers needed to establish a unified approach towards trade in agricultural products, which demanded further linking of regional producers' organizations.[766]

The farming community believes that any radical reform of the Common Agricultural Policy (CAP) in terms of a retrenchment of financial expenditure would be detrimental to agriculture not only in Slovenia, but also all over Europe. Moreover, the Agriculture and Forestry Chamber of Slovenia ("Kmetijska in gozdarska zbornica Slovenije") stated that the Government should not advocate such a reform of the CAP, since agriculture is the key sector providing Slovenia with the position of a net-beneficiary of EU funds. This is supported by the fact that in 2007 the Government was truly successful only in the field of CAP, where it managed to acquire 150.5 million Euros in EU funds out of the 160.9 million planned.[767]

[761] Danica Fink Hafner, Lobiranje in njegova regulacija (Lobbying and its regulation), Ljubljana 2007 pp. 42-3.
[762] Aljoša Rehar: EU/2008: Gospodarstvo za uvedbo bolj ambicioznih reform (EU/2008: The economy favours more ambitious reforms), STA, 3 December 2007.
[763] STA: Na ZSSS ob dnevu človekovih pravic opozorili na pomen sindikatov (Slovenian Association of Free Trade Unions emphasizes the significance of trade unions on Human Rights Day), 9 December 2005.
[764] The activity of the Consumers Association is more thoroughly dealt with in Chapter 5 of this issue of EU-27 Watch.
[765] Bogomir Kovač: V imenu potrošnika (In the name of the consumer), Mladina, 28 March 2008, available at: http://www.mladina.si/tednik/200812/clanek/slo-ekonomija--bogomir_kovac/ (last access: 10 July 2008).
[766] STA: Slovenski kmetijstvo mora za preživetje v EU uspešno povezati tržne tokove (Slovenian agriculture needs to succesfully link market flows in order to survive in the EU), 10 August 2004.
[767] Urša Marn. Slab izkupiček Slovenije (A bad take for Slovenia), Mladina, 13 April 2008, available at: http://www.mladina.si/tednik/200814/clanek/slo--crpanje_evropskih_sredstev-ursa_marn/ (last access: 10 July 2008).

Spain*

Public opinion in Spain

While Eurobarometer survey 68 / Autumn 2007 results show an increase in support for membership of the EU among the member states, the case of Spain goes in the opposite direction. Although Spanish opinion towards the decision making in the EU is still positive and there is an optimist attitude about the future of the European integration process, the truth is that results have worsened in comparison with those of the Eurobarometer 67.

Thus, those thinking that Spain's membership of the EU is a good thing (68 percent of the public vis-à-vis 58 percent as an average in the EU-27) are 5 percent less than in 2007; those saying that Spain had on balance benefited from being a member of the Union (64 percent vis-à-vis 58 percent in the average EU-27) have fallen 11 percent since 2007 which is the largest fall recorded in the Union; and the number of Spaniards who tend to agree that Spain will become more influential to the EU in the future (58 percent vis-à-vis the 43 percent of EU-27) has reduced 17 percent in only one year.[768] Additionally, according to the Eurobarometer itself, both the Spanish parliament and government have enjoyed very high levels of trust in this latest edition of the survey, in contrast to the majority of other EU member states where citizens tend not to trust their national polities.

Anyhow, and considering the traditional Europeanism of Spanish public, figures are high as it is demonstrated above (in brackets) when data are compared with the EU average. The majority of Spanish interviewees (47 percent) agree that the interests of Spain are taken into consideration in the Union and 44 percent thinks that things are going in the right direction. When evaluating the future of the EU, 59 percent of the Spanish public feel fairly optimistic while another 10 percent is very optimistic.

Regarding the decisions that should be taken in each level of government, 64 percent of Spaniards prefer that issues like terrorism or immigration be Europeanised. In contrast, decisions on social issues should only be taken by the states. 47 percent of the Spanish public think that the EU should prioritise the fight against illegal immigration. With data of a national opinion poll[769], Spaniards are divided regarding EU defence policy, with 40 percent in favour and 40 percent against increasing military spending in order for Europe to stop depending on the United States. Moving on to a recent issue of the EU, an overwhelming 80 percent are against extending the work day more than 40 hours weekly.

It is also interesting to note that the majority (52 percent) of the Spaniards feel not very well informed and only 3 percent very well informed on EU affairs, even though they trust the majority of the national media.

Regarding how European integration is perceived by political, business or social elites, the fact is that Europeanism remains very high and there is a general consensus about the need of a stronger Europe; "which is capable of making decisions efficiently and making a difference in the world, an integrated Europe, one that renounces the right to veto and admits that some institutions, which will not work on the basis of national representation, will be able to make important decisions"[770]. For both the government and the opposition energy policy (and climate change), immigration and fighting terrorism are the three areas in which the EU should concentrate in the near future. Spain is, roughly speaking, a country which believes in Europe and wants to advance the project for political union. At the same time, Spanish politicians are worried by the idea that the EU has become something distant and sometimes unintelligible. However, it is not clear if they are really supporting a change of approach in the relations EU institutions-citizens.

* **Elcano Royal Institute.**

[768] See Eurobarometer 68 / Autumn 2007. Nacional Report, Spain.

[769] 18th wave of the Barometer of the Elcano Royal Institute (June 2008), available under: www.realinstitutoelcano.org/wps/portal/rielcano_eng/BarometeroftheRIElcano (last access: September 30, 2008).

[770] Address by the Prime Minister Rodríguez Zapatero "In Spain's interest: A Committed Foreign Policy" on 16 June 2008 organised by the Elcano Royal Institute available in English, French and Spanish at: http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/Elcano_in/Zonas_in/Europe/00027 (last access: September 30, 2008).

Sweden*

Increased support for the EU in Sweden

The European trend of increasing endorsement of the EU is mirrored in Sweden as well. The Eurobarometer figures for Sweden took a sharp upward trend in the spring of 2006 when support increased from 39 to 49 percent. This trend is continued in the Eurobarometer 69 of spring 2008, according to which 54 percent of Swedes see membership of the EU as positive (as compared to the EU-27 average of 52). The view is most positive among the youngest respondents (15-24: 59 percent) and decreases with each age category (55+: 46 percent). Furthermore, there is a strong relationship between academic education and a positive view on the EU. Other differences relate to professional fields. Persons with executive positions support the EU by 66 percent, whereas for office employees the figure is 56 percent, for manual workers 49, for unemployed 46 and for housewives 42 percent. There is also a noticeable difference between male (57 percent) and female (47 percent) endorsement.[771]

Other well-known differences among groups in society can be seen in the SOM survey (March 2008) of Gothenburg University. The endorsement of EU membership in this survey is 46 percent, with 29 percent against and 25 percent having no definite opinion.[772] The distribution among sympathizers of the different political parties is as follows: The Moderate Party 69 percent, The Liberal Party 64 percent, the Centre Party 52 percent, the Christian Democratic Party 45 percent, the Social Democratic Party 36 percent, the Green Party 39 percent and the Left Party 27 percent.[773] Another strong divisive factor is urban versus rural areas: among those who live in the cities, 60 percent are positive towards the EU, whereas this figure is only 37 percent in rural areas.[774]

Generally, the business community is strongly for the EU, whereas the media is divided and pressure groups of a variety of types are seeking to influence politicians and the general public on EU matters.

Turkey*

EU: a successful economic structure threatens national sovereignty

Turkish public opinion in the recent months has been mainly preoccupied with the ongoing political tension in domestic politics. Two major issues dominate the political agenda, the closure case against the governing AKP (Adalet ve Kalkınma Partisi – Justice and Development Party) in the constitutional court, and the ongoing "Ergenekon" investigation of the plots of a neo-nationalist uprising against the government.[775]

Both issues have dominated the political debate in Turkey since January 2008, not leaving much space for foreign policy in general, and the European Union in particular.

The most recent example of the domination of domestic politics over foreign policy was the opening of two new chapters (company law (chapter 6) and intellectual property law (chapter 7)) in Turkey's negotiation process. This important event went almost unnoticed in the general press and media, headlines being reserved for the successes of the Turkish national football team in the EURO 2008 championship, followed by the arrests of certain individuals as part of the "Ergenokon" investigation[776].

In the first half of 2008, Turkish public opinion on Turkey's membership in the European Union did not change much from the last six months of 2007. Without a major development

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* **Stockholm International Peace Research Institute.**

[771] Standard Eurobarometer 69, National Report Sweden, Spring 2008, question QA7, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_se_nat.pdf (last access: 19 August 2008).

[772] Sören Holmberg: Swedish Opinion on the Swedish Membership in the European Union 1994-2007, SOM report 5/2008, , March 2008, p. 3, available under: http://www.som.gu.se/rapporter/nya_rapporter_2008/european_union.pdf (last access: 19 August 2008).

[773] Ibid., p. 11.

[774] Ibid., p. 9.

* **Center for European Studies / Middle East Technical University.**

[775] For a detailed analysis on both issues see Senem Aydin Düzgit: What is happening in Turkey? Party Closure and Beyond, CEPS Commentary, available at: http://shop.ceps.be/downfree.php?item_id=1520 (last access: 30 July 2008).

[776] Three major daily newspapers have been analyzed on 17, 18 and 19 June 2008. See the websites Aksam, available at: www.aksam.com.tr(last access: 30 July 2008); Sabah, available at: www.sabah.com.tr (last access: 30 July 2008); Zaman, available at: www.zaman.com.tr (last access: 30 July 2008).

in Turkey-EU relations and with the focus of the public opinion on domestic politics, the results of the last two Eurobarometer polls for Turkey confirm that the steady decline of positive evaluations of membership in Turkey has stopped.[777]

When asked if they consider Turkey's membership 'a good thing' or 'a bad thing', 49 percent of Turkish respondents have answered it is a 'good thing'. The opinion appears to be stabilized around this figure since spring 2007, when the rate of the respondents who indicated that "membership would be a good thing" was at 52 percent.

However, when the evaluation of membership as "a good thing" is taken as the major indicator for support, Turkish public opinion differs from the high level of support observed in EU member states.

If the analysis is extended beyond the evaluation of membership as 'a good thing' or 'a bad thing', certain characteristics of Turkish public opinion regarding the EU becomes apparent. First of all, the Turkish public has a major trust issue regarding the EU and its institutions. As indicated in the last number of EU-27 Watch778, the actions and declarations of the European politicians such as the French President Nicolas Sarkozy, who questions Turkey's EU membership and Turkey's European ness, has a significant impact on Turkish attitudes. In the recent Standard Eurobarometer 69[779], the rate of Turkish citizens who have indicated that they "tend to trust" the European Union is 31 percent, significantly lower than the EU average of 50 percent. What is even more striking is the fact that slightly more than half of the interviewees indicated that they "tend not to trust" the EU. When the European institutions are questioned, the European Commission suffers from the lowest level of trust from Turkish public opinion, as only 23 percent of the respondents declared they "tend to trust" the European Commission, in contrast to the EU average of 47 percent. As the Standard Eurobarometer 69 summarizes, "Low levels of subjective as well as objective knowledge and a low level of importance attributed to EU institutions are also coupled with low levels of trust in EU institutions. For all EU institutions, Turkey's trust levels are about half of the EU member states".[780]

When other reasons of euroscepticism beyond lack of trust to European institutions are investigated, two possible explanations stand out. The first is the feeling of being treated unfairly by the European Union in the quest for membership; the second is the fear of loosing national sovereignty and identity.

On the first issue, Turkish public, political and academic circles agree that the European Union should "rethink its faltering degree of engagement with Turkey. If its members had united to offer Turkey a firm and optimistic timetable for accession, instead of constantly raising the bar to entry […]."[781]

The strong national identity of Turkish citizens and their scepticism towards European integration fits in with what Catharina Sørensen calls, "sovereignty based euroscepticism"[782]. In this way of thinking, the citizens perceive the European Union as a successful economic structure, but remain sceptical of any undertaking that could challenge national sovereignty.

When the respondents were asked why they consider EU membership would be a bad thing in the Standard Eurobarmeter 69, one third of them indicated that they are against the European Union in general, while 17 percent believe that EU membership would make the country more vulnerable and 16 percent indicated that best way to solve problems is at the national level. All these responses go along with the definition of sovereignty based euroscepticism.

[777] Standard Eurobarometer 68, Full Report, May 2008, avalaible at: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb_68_en.pdf (last access: 30 July 2008); Standard Eurobarometer 69, First Results June 2008, avalaible at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb_69_first_en.pdf (last access: 30 July 2008).

[778] See Sait Aksit/Tolga Bolukbasi/Ebru Ertugal/Burcu Gultekin/Ayse Idil Aybars/Kıvan/Ulusoy/Cigdem Ustun/O.Gokhan Yandas: Report on Turkey, in: Institut für Europäische Politik (ed:): EU-27 Watch No. 6, March 2008, p. 62, available at: http://www.eu-consent.net/content.asp?contentid=522 (last access: 30 July 2008).

[779] Standard Eurobarometer 68, First Results, June 2008, valaible at: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb_68_en.pdf (last access: 30 July 2008).

[780] Standard Eurobarometer 69, National Report Executive Summary, p. 3, available at: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_tr_exe.pdf (last access: 30 July 2008).

[781] Financial Times: Turkey's secularist coup must crumble, editorial commentary , 2 July 2008.

[782] Catharina Sørensen: Love me, love me not... A typology of public euroscepticism, SEI working paper No. 101/EPERN working paper No. 19.

The government continues to advocate the European accession process, or at least tries to appear so. The main attention and energy of the press, politicians and business circles is concentrated on the dire straits Turkey is going through in it domestic politics. The European accession process in general is considered as a secondary issue. The potential repercussions of the decision of the constitutional court on the closing down of the AKP are the major preoccupation of the citizens, business circles and political elites alike. Thus, the European integration in the coming months does not seem likely to go higher on the Turkish political agenda, especially with the French Presidency, during which not much progress is expected. That is of course, in the absence of a major development in the EU-Turkey relations, either negative or positive.

United Kingdom*

British EU-enthusiasm on its lowest level since 1983

Most British commentators would receive with surprise the news that support for EU membership is at a decade-high level. They would certainly not recognise such an analysis as being reflected in United Kingdom attitudes. A recent opinion poll showed British enthusiasm for the EU as being at its lowest level since 1983. Indeed, those holding the perception of Britain as being somehow different to 'mainland Europe' would only have their views confirmed by polls suggesting such different perceptions of the Union in other countries.

The vocal campaign for a referendum on the Lisbon Treaty fought by the Conservative Party and the eurosceptic British media have certainly impacted negatively on British attitudes towards the EU. However, a characteristic of British attitudes towards Europe is that, while there may be a 'hard core' of fervently anti-European politicians and media outlets, much of the broader suspicion about the 'European project' is relatively shallow. The malleability of this broad middle section of the public is in part a result of European politics figuring so little in day-to-day public debate. Debates such as those over the ratification of the Constitutional and Lisbon Treaties represent opportunities for polemic to fill the usual news vacuum on European questions and to influence substantially this middle ground.

A 17 June poll commissioned by the eurosceptic organisation "Open Europe"[783] found that while 29 percent favoured continued membership of the European Union, 24 percent favoured leaving it altogether. The largest proportion (38 percent) favoured a "Single Market without the political elements", responding to the narrative – cultivated by organisations such as "Open Europe" – that this was the arrangement agreed to in the 1975 British referendum on continued membership of the then-EC, and indeed that such an arrangement would be objectively possible. The unpopularity of the Brown government, combined with a feeling that the promise for a referendum had been somehow withdrawn after the Constitutional Treaty's failure has allowed resentment against an 'untrustworthy ruling elite' – in Westminster as well as Brussels – to build. That those in favour of the Lisbon Treaty's ratification almost exclusively opposed a referendum while those against the treaty were united in their call for a referendum helped support this feeling; it was also indicative of a general acceptance that the 'No camp' was very likely to be successful had any vote on the Lisbon Treaty taken place.

Government tries to please eurosceptics

Much weight is rightly attributed in the United Kingdom to the role of the media in sustaining a broad but uninformed euroscepticism in public debate. Widely circulated and stridently anti-European newspapers such as "The Sun" and "Daily Mail" often succeed in dictating the terms of political debate. The Blair and Brown governments, though by their actions apparently accepting of the need for some degree of increased political integration at the European level, have nonetheless had the terms of their arguments dictated by these and other eurosceptic outlets such as the "Daily Telegraph", which ran a national petition in favour of a referendum on the Lisbon Treaty. The government's defensive approach was typified by its presentation of negotiations over the Constitutional and Lisbon Treaties, in which it stressed what was *not* in the treaties and what 'red lines' had *not* been crossed. The image of the European Union as an inherently

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

[783] See: http://www.openeurope.org.uk/media%2Dcentre/pressrelease.aspx?pressreleaseid=79 (last access: 22 September 2008).

foreign body was reinforced as a result. Only the liberal The “Independent” newspaper, which has the smallest circulation of the daily national broadsheets, is explicitly pro-European.

The business community’s attitude towards the European Union is at any time founded upon its perceptions of a varied set of considerations. For example, a sample of business leaders might well assert that, on the one hand, excessive regulatory burdens (‘red tape’) are imposed on businesses by Brussels, but on the other that the internal market has brought great economic benefits to British business. The interplay over time of such arguments is central to the business community’s perception of the European Union. There is however, in the current climate, seldom evidence of overt support for or opposition to the EU from the business community. Were British membership of the Euro to become a ‘live issue’ at some point in the future, different sectors of the business community would no doubt be more minded to lend their weighty support – political and financial – to both sides of the debate, and to sharpen the community’s attitudes towards the Union in more clearly discernible directions.

4

Political leadership in the EU

The Lisbon Treaty includes some provisions (e.g. introducing the position of an elected President of the European Council) that might well change the nature of political leadership in the EU in the future.

- **Taking this into consideration, which personalities, institutions, or countries might be capable of playing a leading role in the future and why?**

- **Are such issues of high salience in your country? What are the main concerns and expectations in this context?**

Austria*

Schüssel President of the European Council?

There has been not much discussion on this question. The only expectations Austria carries towards the EU is – as already mentioned above– whether former Austrian chancellor Wolfgang Schüssel can get enough support at the European level to be elected as President of the European Council.

In general the Lisbon Treaty has been discussed as a whole. Certain aspects where not taken out and looked at in an extraordinary way. One topic that became a highly discussed issue was the possible effects of the Lisbon Treaty towards Austria's neutrality.

Belgium*

Defining profiles before discussing personalities

The issue was not of high salience in Belgium during this term. The most important elements were first, that a profile is defined before considering specific persons for a position and second, that positions are given to a person originating from a full EU member (member state without opt-out or derogation).[784]

The position of President of the European Council did not create a real enthusiasm although it was seen as relevant.[785] Belgium is not in favour of a presidential leader but would rather see a chairperson, who does not take the lead but encourages and handles the debates. Moreover, the Prime Minister and the Minister for Foreign Affairs stressed the importance for Belgium that the future president comes from a country that is a full member of the European Union, in other words not from the United Kingdom. The selected person should be a good negotiator, able to propose compromises and reach a consensus. He should also have good leadership, social and language skills.[786] Thus, the President will be important, but for Belgian political actors it was important to determine the profile for that position first before starting the discussions on the personalities likely to fulfil the post.[787]

Another position considered important in Belgium is the High Representative of the Union for Common Foreign Affairs and Security Policy, as he is the link between the Commission and the Council, the supranational and the intergovernmental aspects of the European Union.[788]

Finally, Belgium is in favour of a strong General Affairs Council. It should maintain its position of coordination and continue to prepare the European Council's meetings.[789]

Bulgaria*

Simeon Saxe-Coburg-Gotha not nominated as 'President'

Bulgaria closely followed the debate on the nominations of a future President of the European Council, which unfolded prior to the Irish referendum and froze soon afterwards. The Bulgarian Minister of European Affairs, Gergana Grancharova, expressed the hope that the Bulgarian side would participate effectively in the forthcoming debate on identifying the persons who would hold the new European posts, the President of the European Council as well as a High Representative of the Union for Foreign Affairs and Security Policy, and in the decision-making on the status of the national diplomats who would work in the future European External Action Service. These claims have materialized by the official announcements of several representatives of the party NDSV[790] – including Grancharova – about the possibility for nominating Bulgaria's former king (1943-

* **Austrian Institute of International Affairs.**
* **Centre d'étude de la vie politique, Université libre de Bruxelles.**

[784] See Knack, 06/04/08, 28/05/08, available under: www.knack.be (last access: 22/07/2008); Le Soir, 07/05/08, available under: www.lesoir.be (last access: 22/07/2008).
[785] See Knack, 28/05/08, available under: www.knack.be (last access: 22/07/2008).
[786] See Knack, 06/04/08, available under: www.knack.be (last access: 22/07/2008).
[787] See Le Soir, 07/05/08, available under: www.lesoir.be (last access: 22/07/2008).
[788] Interview with a civil servant from the Belgian Federal Public Service of Foreign Affairs, Foreign Trade and Development cooperation.
[789] Ibid.

* **Bulgarian European Community Studies Association.**

[790] Since the 2005 elections, the party "NDSV" takes part in the current governing coalition together with the socialist "BSP" and the Turkish party "DPS".

1946) and Prime Minister (2001-2005) Simeon Saxe-Coburg-Gotha for the post of President of the European Council. However, these suggestions have not been sustained by other members of the governing coalition and have failed to become an official nomination of the Bulgarian government. They should, therefore, be regarded not even as a bargaining chip of Bulgaria for demanding concessions on other issues of policy making, but rather as accompanying intra-party reshuffling. As a smaller and newer EU member state, Bulgaria could/should put higher stakes on the question of the formation of a EU diplomatic service, which is another institutional issue of the highest priority.

Croatia*

EU political leadership crucial

In Croatia, the problem of political leadership in EU is mostly tackled in the context of the current crisis around Lisbon Treaty, after the negative outcome of the Irish referendum. Some media analysts[791] stressed that the Irish referendum has also provoked the negative attitude and feelings towards the treaty in the Czech Republic and Poland. The question is who will have the motivation, political will and enough determination to stop that negative trajectory and to turn back the development of the EU on the whole in the right track. Political weekly "Globus" quoted the statement of the Czech Prime Minister Mirek Topolánek, who said that he is uncertain if the Lisbon Treaty is in consent with the Czech constitution and was unable to forecast what would actually happen with ratification in the Czech Republic.[792] The same article also brought an interview with Declan Ganley, the leader of Irish organization "Libertas", who articulated the key flaws of the Lisbon Treaty among which the important one is that the President of the European Council will not be selected through a democratic vote of the people but though a bureaucratic mechanism in Brussels.

Pro-government daily "Vjesnik" wrote: "The problem is neither in a Lisbon Treaty, nor in the Irish referendum. At the scene are not only an economic crisis on a global scale or enlargement fatigue, which threatens a strong vision of European integration and its extension. The main problem lies in the leadership crisis. There is no political leader in Europe, except maybe the German Chancellor Angela Merkel, who has the potential to turn back that negative trend which has lasted for too long."[793]

Interestingly, before the Irish referendum political analyst Jurica Korbler wrote for the same daily: "Angela Merkel and Nicolas Sarkozy, German-French duo, as the time goes by, are becoming more and more the real driving engine of European integration"[794], while after the Irish referendum. Anđelko Milardović in his column at the same paper warned: "It is one more evidence of the main weakness of the EU project, the lack of the discussion on concept of the development of the Union. Most European leaders believe that the discussion of conceptualization of the structure of EU is over, which is completely wrong."[795]

Most of the comments and reactions of the Croatian media and political leadership are focused on the question what would be the impact of the recent crisis on political leadership in EU, that is to say, how the lack of political leadership will affect the enlargement process, particularly the chances of Croatia to become a 28th full-fledged member. Prime Minister Ivo Sanader is persistently stating that the Irish 'No' will not harm Croatia's efforts to become full-fledged member in due time, providing Croatia will meet all European standards and benchmarks in that period.[796] All the prime ministers of Southern-European countries agreed with him at the conference "Croatian Summit" in Dubrovnik.[797] However who will be the one to decide on the legal niche, so that Croatia could possibly go through evading the constitutional agenda, nobody dares to mention. It will be the European Commissioner for enlargement Oli Rehn who keeps stating that he believes that accession negotiations will be completed by the end of 2009, providing Croatia will progress in reforms, especially in the fight against corruption, the reform of judiciary, restructuring

* **Institute for International Relations.**

[791] Bisera Fabrio: "The man who stopped Croatia". Globus, 27 June 2008, pp. 144-145.

[792] Ibid., p. 145.

[793] Bruno Lopandic. "EU is waiting the outcome of election in the USA". Vjesnik, 14 and 15 June 2008.

[794] Jurica Korbler: "The leaders of vision are today leading the united Europe". Vjesnik, 3 nd 4 May 2008.

[795] Anđelko Milardović: "The question of conceptualization of the EU and possible scenarios"., Vjesnik, 4 July 2008.

[796] Prime Minister Sanader statement quoted in Jutarnji list, 20 June 2008, p. 10.

[797] The conference was on 4th and 5th of July 2008.

of industry (particularly in shipbuilding), respect of minority rights and all another very well-known criteria.[798] However the question remains – if Croatia would be successful meeting all those benchmarks, what will be pushing the safeguarding of further enlargement track if the legal framework, in terms of Lisbon Treaty or some other in EU recognized document, will not be set at this time.

By repeatedly citing the newest statements of Angela Merkel and Nicolas Sarkozy on the need to have some legal treaty document before acceding new members including Croatia, the Croatian media is suggesting that this duo have the most important relevance in directing the enlargement trajectory and towards paving ways towards overcoming the current crisis. There are particular hopes and deep persuasions that the French Presidency will find the way. Nevertheless, in this context the problem of disagreement on the possible creation of a union of Mediterranean states between Merkel and Sarkozy has been commented.[799] There was yet another piece of evidence that in the EU real, not formal, leadership is shared by both political leaders, when Angela Merkel has also a very large share of relevance.[800]

In the period before the Irish referendum crisis there were some comments on the political leadership in EU, based on the Lisbon Treaty. Journalist Željko Trkanjec reported: "The contest for the president of Europe already started on a more fierce and open way, than expected. A big fight is ongoing; the whole of Europe is already witnessing a lot of lobbying efforts in order to find out who would be the optimal person for this position. All this is naturally occurring off the record, far from eyes of the public, very discreetly. During these discrete talks, some information is leaked, such as in one instance that Nicolas Sarkozy does not want to have former British Prime Minister Tony Blair as the possible president, due to his support of Georg Bush's policy in Iraq. This rumour has a special relevance because Sarkozy came out with this statement after the meeting with Angela Merkel previously this month".[801]

[798] Lada Stipic-Nisiteo: "The Finish skipper for EU candidates". Privredni vjesnik, 5 May 2008.
[799] Stojan de Prato: "EU has watered down the Union of the Mediterranean States". Večernji list, 25 May 2008.
[800] Jurica Korbler: "The lady diplomat with complete proficiency and vision". Vjesnik, 26 and 27 April 2008.
[801] Zeljko Trkanjac: "Sarkozy does not want to have Tony Blair as the president of Europe"., Jutarnji list, 8 May 2008

The academic discussions on the future EU political leadership are in Croatia sometimes associated with the discussion of so called 'democratic deficit' in EU. "After the victory of neo-liberal concept in 1989 which has been associated with the American type of market fundamentalism, the EU identity and the tradition of social state, can be saved or preserved only by some new political strong leader or father figure, as was for instance Bismarck at one time. Such a person would be the most reliable guardian against the rise of populist movements or any development of this kind". And it has been also said that: "The bureaucratization of EU is the main manifestation of democratic deficit, which is very damaging for the development of global democracy."[802]

Cyprus*

Balancing between small and large members

The EU's political leadership was not an issue discussed in depth within the circles of the Cypriot political elite. Nevertheless, some politicians, on several occasions, expressed their concerns regarding the space granted by the European structures to personalities from small member states to claim the Union's leadership. Moreover, they commented that the current balance between the small and the large member states would be perhaps affected if the Lisbon Treaty is implemented.[803]

In addition, diplomats of the Cypriot Ministry of Foreign Affairs conveyed to us that small member states like Cyprus fear that larger states will try to impose some sort of directorate, which will allow the passing of many EU policies without their involvement.[804] On the other hand, they pointed out that the EU needs accountable and effective political leadership more than ever, because the advanced economic integration within Europe

[802] Zoltán Balász, Institute of Sociology at Pazmany Peter Catholic University, Budapest, at the international conference "EU and global democracy", organized by Centre for Political Research, Zagreb, on 28th and 29th of May, 2008.

* **Cyprus Institute for Mediterranean, European and International Studies.**

[803] Interviews conducted by Christos Xenophontos with sources from Cypriot political parties, May-June 2008.
[804] Interviews conducted by Christos Xenophontos, Ministry of Foreign Affairs, June 2008.

and the global economic and security challenges do require effective common policy responses.[805]

Small members are capable of playing a leading role

They also added that some of the most successful EU-presidencies until now were chaired by middle and small member states. In response to our question who or which group of states could be more capable of playing a leading role, they stated that because the EU political leadership would be also engaging in issues like advanced economic integration within Europe, the countries which use the Euro and have a clear European orientation towards the European Union's overall policies should have a priority.[806]

High ranking diplomats also pointed out that all member states have personalities that are capable of playing a leading role in the EU, indicating that such personalities as German Chancellor Angela Merkel, French President Nicolas Sarkozy, President of the European Commission José Manuel Barroso, and Luxembourg's Prime Minister Jean-Claude Juncker, have all played, from different positions, significant roles in Europe and they are all capable of playing a leading role in a future, and more integrated, European Union.[807]

Cypriot political analysts reported during a televised debate at the "Cyprus Broadcasting Corporation" in May 2008, that a vast majority of European citizens consider the EU as a bureaucratic machine, incapable of solving urgent European problems, and as unaccountable to the public.[808]

During the discussion, the analysts advocated that reinforcing political leadership calls for a holistic reform reflecting the complexity of the institutional setting – including the Council, the European Commission and the European Parliament.[809] They added that the European Council might be capable of playing a leading role in the future, admitting at the same time that the European Council failed to provide the EU with strong leadership (i.e. set the agenda of European politics and promote plans for the future) as it was indicated in the Maastricht Treaty. The current rotation system for the EU's presidency created a lack of continuity in the agenda-setting process. Moreover, the summit agendas are burdened with many details and each country that has the EU-presidency uses selective means to address particular topics. This made the Council insufficient to its overall task and to the current European demands. Consequently, the EU undoubtedly needs to reform its institutions, especially the Council and its working mechanisms, in order to restore political leadership, speeding up at the same time its decision-making procedures and gaining more legitimacy in the eyes of its citizens.[810]

In view of the fact that the Lisbon Treaty has been put into question, and given the still limited comprehension of this treaty by the Cypriot people, the "Cyprus Institute of Mediterranean, European and International Studies" has embarked on a series of contacts with opinion-makers and members of the Cypriot political elite, in order to review the current state of affairs, analyse possible implications, and formulate relevant recommendations.

Czech Republic[•]

The President of the European Council as a moderator

The view of the government is that the President of the European Council should serve rather as a moderator than as political leader. Therefore this new office should not change the balance of power between European institutions and the member states.[811] This is reflecting the view of the biggest party in the coalition, the Civic Democrats (ODS), who prefer to view the EU in terms of intergovernmental cooperation. The Czech government also emphasises the principle of equality of EU member states, which therefore suggests a leading role of the

[805] Ibid.
[806] Ibid.
[807] Ibid.
[808] Televised debate at the Cyprus Broadcasting Corporation "CyBC" on the occasion of Europe Day, 08/05/2008.
[809] Ibid.
[810] Ibid.
[•] **Institute of International Relations.**
[811] Alexandr Vonda: Speech at the Conference "Visegrad Group and the Czech EU-Presidency", Prague 5 June 2008, available at: http://www.alexandrvondra.cz/?item=visegrad-group-and-the-czech-eu-presidency&category=projevy (last access: 14 July 2008).

rotating presidency in the future as well.[812] Given the differences in the general view of European integration between the biggest parties in the governing coalition, the Civic Democratic Party (reluctant), and the two smaller parties, the Christian Democrats (KDU-ČSL) and the Greens (both pro European), the government's line tends to favour stability and not reform. Therefore, from this perspective the question is whether or not the EU needs strong leadership at all. Furthermore, more debate in the public on the question of future leadership of Europe as well as the question of the deeper implications of the Lisbon Treaty, have both been overshadowed by concerns regarding what the new treaty will mean for the Czech Council Presidency during the first half of 2009.

The smaller parties in the governing coalition, the Greens and the Christian Democrats, as well as the Social Democrats and Communists in opposition all would prefer the European Parliament to play an increased role in general. According to them, this would be one way to solve the EU's democratic deficit. In the Czech Republic there is a consensus on the point that the national parliaments should be more institutionally anchored into the EU decision-making process, and that the Lisbon Treaty provides a step in the right direction, even if some would have preferred to go further.[813] The Czech political elite are split on almost all issues relating to European integration, with one exception being the call for equal treatment of new EU members. Therefore, there might be a consensus regarding the desirability of the new member states being represented at any of the new positions: the President of the European Council, the High Representative of the Union for Foreign Affairs and Security Policy, or as the President of the European Commission.[814]

Denmark*

Rasmussen for President?

The new institutional framework in the Lisbon Treaty has been both heralded for its supposed efficiency and criticised for its supposed lack of democratic influence.[815] In general the treaty is seen as a necessary compromise. In relation to political leadership in the EU, it is widely thought in Denmark that Prime Minister Anders Fogh Rasmussen would like the position as President of the European Council if he can gain the necessary support. Alongside Rasmussen, Britain's Tony Blair and Jean-Claude Juncker of Luxembourg are thought to be favourites for the job. Yet many, including the "BBC", estimate Rasmussen to be a favourite for the job.[816]

The Prime Minister himself, however, has not formally announced his candidature.[817] Rasmussen's chances of beating his competitors are related to his ability to remove the Danish opt-outs. The Euro opt-out is of special concern in this regard as the French Secretary of State for Europe, Jean-Pierre Jouyet, has declared that the President of the European Council should be from a country that participates fully in EU's economic co-operation.[818] The speculations about Rasmussen have received much attention in Denmark. But this is more due to domestic speculations about the implications for Danish domestic politics 'after Prime Minister Rasmussen' than to the concerns and expectations about what is going to happen at the European level after the possible introduction of a new political leadership structure in the EU.

[812] Pozice vlády České republiky v rámci jednání o institucionální reformě Evropské unie (Position of the government of the Czech Republic regarding the negotiations on the institutional reforms of the EU), available at: http://www.vlada.cz/assets/cs/eu/dokumenty/Pozice_vlady_CR-_final_25.4.pdf (last access: 14 July 2008).

[813] Interview at the government's office, 17 October 2007; see also Mats Braun: Institucionální otázky (Institutional Questions), in: Jan Karlas et. al.: 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), Prague 2008, pp. 33-48.

[814] Alexandr Vonda: Speech at the Conference "Visegrad Group and the Czech EU-Presidency", Prague 5 June 2008, available at: http://www.alexandrvondra.cz/?item=visegrad-group-and-the-czech-eu-presidency&category=projevy (last access: 14 July 2008).

* **Danish Institute for International Studies.**

[815] Information: Lissabon-traktaten er skadelig for Europa, 18 January 2008, available at: http://www.information.dk/153350 (last access: 30 June 2008).

[816] BBC: A 'George Washington' for Europe, 1 May 2008, available at: http://news.bbc.co.uk/2/hi/europe/7371840.stm (last access: 27 June 2008).

[817] Politiken: Fogh: Jeg er ikke ‚kandidat' til toppost, 7 May 2008, available at.: http://politiken.dk/politik/article505104.ece (last access: 27 June 2008).

[818] Information: EU-afstemning afgør Foghs chance for EU-post, 6 March 2008, available under: http://www.information.dk/155983 (last access: 27 June 2008).

Estonia*

Too early to talk about names

According to the government's position paper for the European Council meeting of June 19th and 20th 2008, the most important consideration regarding the new institutional setup is to ensure political, geographic and demographic balance between the member states. Taking into account that the first nominations to the high posts such as President of the European Council will create a precedent for the future, the discussion about the high posts should begin with clarifying the profiles of these posts, not with the names of the candidates.[819] With the creation of new institutions, the role of the country presiding over the Council should not be diminished. The head of government of the presiding member states should continue to have significant responsibilities.[820]

In the media, there has been little 'indigenous' discussion about the merits of the potential candidates for the high posts. Media coverage of the topic has been largely informative, briefing the Estonian public about debates going on elsewhere. This relative lack of engagement may reflect the view that such discussion is premature (the Lisbon Treaty has not taken effect) as well as the realization that Estonian opinions will not matter that much. However, it can be anticipated that once elections to these posts gets underway, the Estonian media will evaluate prospective candidates according to three main criteria, including demonstrated understanding of the Baltic states, clarity regarding the 'true nature' of Russia, and possibly, the quality of the candidates' transatlantic relationships. On this scale, Anders Fogh Rasmussen, Tony Blair or Carl Bildt would all score quite high.

* **University of Tartu.**

[819] State Chancellery of Estonia: Informatsioon ja Eesti seisukohad Euroopa Ülemkogu kohtumiseks 19.-20. juunil 2008, available under: http://www.riigikantselei.ee (last access: 1st of September 2008).

[820] Ibid.

Finland*

Key roles of the institutions to be specified before the treaty comes into force

The events around the ratification and the possible implementation of the Lisbon Treaty have proceeded in two different forums simultaneously. On the one hand, the content of the treaty has been discussed and ratified in the Finnish parliament, the "Eduskunta". On the other hand, the Finnish government has already started to take steps to prepare for the eventual implementation of the treaty.

The Lisbon Treaty was ratified by the "Eduskunta" on June 11th 2008 with 157 votes for and 27 against. By comparison one may note that when Finland ratified the Constitutional Treaty in December 2006 the votes were then 125 – to 39. Despite the fairly speedy progress of ratification on this occasion, the process was contested. The Left Alliance, True Finns and the Christian Democrats accused the Finnish government of trying to pass the new treaty with a minimum of public debate, even accusing the state-owned public broadcasting company "YLE" of neglecting its duties in not arranging a single public debate about the issue in the run up to the parliamentary vote.[821]

Regardless of the possible problems in ratifying the Lisbon Treaty, the Finnish government has already started to take steps with a view to the eventual implementation of the treaty. On Friday, 9th of May, the Cabinet Committee on EU Affairs discussed Finland's position on the implementation of the Lisbon Treaty.[822] Discussion focused on key questions relating to EU institutions. Finland's opinion is that the key roles of the institutions and division of duties between them must be specified before the entry into force of the treaty.

In regards to the document, Finland is of the opinion that the permanent President of the European Council must act as a consensus-

* **EUR Programme/Finnish Institute of International Affairs.**

[821] Arto Astikainen: Oppositio syytti hallitusta Lissabonin sopimuksen pimittämisestä, Helsingin Sanomat, 11th of June 2008, p. A6.

[822] See Finland's position on the institutional questions of the new EU treaty, available under: http://www.vnk.fi/ajankohtaista/tiedotteet/tiedote/en.jsp?oid=228629 (last access: 16th of June 2008).

seeking chairman instead of a president pursuing a separate policy. The permanent president must work in close cooperation with the rotating presidency and the European Commission. Finland considers it important that the High Representative of the Union for Foreign Affairs and Security Policy be given a strong role. In implementing the Common Foreign and Security Policy, he or she is to act under the mandate of the Council. At the level of the heads of state or government, the President of the European Commission must, also in the future, have a significant role in representing the European Union in external relations.

Also, Finland considers that the rotating presidency must continue to have a role at all EU levels, including at the level of the heads of state or government. Finland supports the idea that, at European Council meetings, the heads of state or government would present the matters that have been prepared in the Council under chairmanship of his/her government. The role of the rotating presidency has significance to the member states, their citizens' sense of commitment and ownership, as well as to the Union's legitimacy. Finland considers it important that consistency in the Council's work is ensured and openness promoted in the activities of all EU institutions. Finland also considers that the matters to be discussed by the European Council must be duly prepared by the General Affairs Council. The rotation of commissioners must be based on equal turns between the member states even in the case of a reduction of the number of commissioners. Finland honours the principle of absolute equality of member states. Finally, Finland will increase contacts with the European Parliament, as it will gain more influence with the new treaty.

France*

Choice of political figures dominates the debate on institutional reforms

Debate on political leadership – raising the issue of legitimacy

Following the signing of the Lisbon Treaty, some provisions expected to shape political leadership in the EU have been highly debated in France, especially the ones relating to the election, by the European Council, of its president for a term of two and a half years. This perspective is generally well accepted in France as a good way of improving political integration. However, some French experts and (former) political actors at the EU level raise issues related to the selection process of the people to fill these roles.

Alain Lamassoure, a French MEP, supports this provision, but insists on the question of legitimacy.[823] According to him, if we want the new President of the European Council to be legitimate and respected, his designation should be a transparent, open and formal process. Since we cannot imagine a direct election, Alain Lamassoure proposed a kind of campaign that would require the candidate to make his/her project clear. Former French President Valéry Giscard d'Estaing adopts a similar point of view. He considers that this designation should be given democratic features in order to take public opinion expectations into account. According to him, we have to keep in mind the example of the first U.S. President, George Washington.[824]

The economic newspaper "Les Echos" recently tackled this debate, posing the question of what is lacking in the EU to make it work efficiently.[825] Analysing the reforms proposed in the 'simplified treaty', the author states with irony that it could make governance even more complicated. A permanent elected President of the European Council could provide continuity and representation but will enjoy less democratic legitimacy than the President of the European Commission, if the latter gets the approval of the European Parliament. Highlighting the role of other important institutions or figures (the High Representative of the Union for Foreign Affairs and Security Policy, the president of the European Central Bank, the president of Eurogroup, and the head of state or government occupying the still remaining post of rotating president who organises the Council of Ministers) the article concludes that this odd power structure illustrates the tensions and bargaining between EU institutions and member states. Consequently, the success of this institutional reform relies, according to the newspaper, on the ability and charisma of the people who take up the posts.

* Centre européen de Sciences Po.

[823] Interview of Alain Lamassoure for Cercle des Européens, 06/06/08, available under: http://ceuropeens.org/Alain-Lamassoure.html (last access: 29/08/2008).
[824] Valéry Giscard d'Estaing: Election du Président du Conseil européen: quelle procédure préalable?, 07/02/08, available under: http://vge-europe.eu (last access: 29/08/2008).
[825] Les Echos: Une Europe à six têtes, 14/05/2008.

Choosing the people – Changing preferences

The French media focused on the debate about the choice of people who could hold these functions. President Nicolas Sarkozy, and his political majority, first made it clear they would support Tony Blair as President of the European Council. Considering him as 'the most European Englishman'[826], Blair was invited to a meeting of the conservative party (UMP[827]) during the campaign for the municipal elections in March 2008.

Various political figures were critical of this approach. Former Prime Minister Édouard Balladur published an opinion column in "Le Monde" entitled "Tony Blair cannot be European President". Because his country does not participate in all European cooperation processes (especially the Euro), and because he seems too close to the United States, Tony Blair "cannot be", according to Édouard Balladur, "the symbol of an EU that wants to come into existence".[828] Former French President Valéry Giscard d'Estaing assumed the same position. If he saw in this reform the "encouraging sign of an awareness of historical and political importance of choosing a president",[829] he joined Édouard Balladur in rejecting the candidature of Tony Blair.[830] French Socialists also criticised Blair's relations with the United States, and consider as not acceptable that the first President of the European Council should be a man who supported war in Iraq and participated in it.[831]

Reacting to these criticisms, the government and the French President seem to have changed their mind. The Secretary of State for European Affairs, Jean-Pierre Jouyet, assumed that the President of the European Council should come from a country within the eurozone.[832] As a consequence, Jean-Claude Juncker was more recently presented as the preferred candidate from the French perspective. According to an article published in "Le Figaro", the French Presidency would also support José Manuel Barroso for a second mandate at the European Commission, whereas the function of High Representative of the Union for Foreign Affairs and Security Policy could be allocated to a socialist, but not to Javier Solana.[833] With regard to all these nominations, Jean-Pierre Jouyet underlines the need for renewal and calls for new personalities in these top positions.[834]

[826] Le Monde, 25/01/08.
[827] Union pour un mouvement populaire.
[828] Édouard Balladur: Tony Blair ne peut être le président de l'Europe, Le Monde, 17/01/2008.
[829] Impressions de Bruxelles, 20/05/2008, available udner: http://vge-europe.eu (last access: 29/08/2008).
[830] Le Figaro: Giscard ne veut pas de Blair comme président de l'UE,16/01/2008.
[831] Assemblée nationale: Compte-rendu des débats, séance du 06/02/2008, available under: http://www.assemblee-nationale.fr/13/cra/2007-2008/118.asp (last access: 29/08/2008).
[832] Reuters, 12/02/2008.
[833] Le Figaro, 05/05/2008.
[834] Le Monde, 31/02/2008.

Germany*

Political leadership not widely discussed in Germany

The Lisbon Treaty in general enjoyed wide support in Germany.[835] Specific provisions, like the new institutional provisions for a permanent President of the European Council or the High Representative of the Union for Foreign Affairs and Security Policy, were mentioned as examples of the EU's improved efficiency, coherence and capacity to act.[836]

While German Chancellor Angela Merkel stated that those new posts, like the one of the President of the European Council and its

* **Institute for European Politics.**
[835] For further details see Max Bornefeld-Ettmann/Gesa-Stefanie Brincker/Daniel Göler/Marcus Delacor/Peter Kuffel/Tanja Leppik/Barbara Lippert/Sammi Sandawi: Report on Germany, in: Institut für Europäische Politik (Ed.): EU-25/27 Watch, No. 5, September 2007, Berlin, pp-37-41, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-25_27_Watch_No_5.pdf (last access: 8 August 2008); Marcus Delacor/Tanja Leppik/Barbara Lippert/Matti Roscher/Anne Schmidt/Barbara Schumacher: Report on Germany, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 6, March 2008, Berlin, pp. 36-39, available at: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_6.pdf (last access: 8 August 2008).
[836] Cf., for instance, speech by Frank-Walter Steinmeier in the German Parliament ("Deutscher Bundestag") on 11 October 2007 about the „Regierungskonferenz zur Änderung der vertraglichen Grundlagen der Europäischen Union", in: Bulletin der Bundesregierung, Nr. 105-2, 11 October 2007, p. 3, available at: http://www.bundesregierung.de/Content/DE/Bulletin/2007/10/Anlagen/105-2-bmaa,property=publicationFile.pdf (last access: 8 August 2008); German Foreign Ministry ("Auswärtiges Amt"): Denkschrift zum Vertrag von Lissabon vom 13. Dezember 2007, AS-RK 2007, 11 December 2007, p. 4, available at: http://www.auswaertiges-amt.de/diplo/de/Europa/Downloads/Denkschrift-lissabon.pdf (last access: 8 August 2008); or Bundestagsfraktion Bündnis 90/Die Grünen: Der Vertrag von Lissabon. Für eine transparentere, demokratischere und handlungsfähigere EU, 24 April 2008, available at: http://www.gruene-bundestag.de/cms/archiv/dok/209/209547.der_vertrag_von_lissabon.pdf (last access: 8 August 2008).

relations with the EU-presidency, raise new and interesting questions that have yet to be solved,[837] and several scholars discussed potential implications of the new permanent President of the European Council and the question of political leadership in the EU in general,[838] there has not been much public discussion about those topics in Germany so far. Especially after the Irish rejection of the Lisbon Treaty, the debate has been dominated by the future of the Lisbon Treaty itself, rather than by some of its specific provisions.[839]

It can be assumed though, that the discussion about the new EU top positions, the conceptualisation of the specific responsibilities and tasks of these posts, and potential candidates continues within government circles. For example, as pointed out in chapter 2, the German Foreign Ministry ("Auswärtiges Amt") is currently involved in the planning of the European External Action Service (EEAS).[840]

[837] Speech by German Chancellor Angela Merkel in the German parliament ("Deutscher Bundestag") on 24 April 2008 about the Lisbon Treaty, in: Bulletin der Bundesregierung, Nr. 37-1, 24 April 2008, p. 5, available at: http://www.bundesregierung.de/Content/DE/Bulletin/2008/04/Anlagen/37-1-bkin,property=publicationFile.pdf (last access: 8 August 2008); see also: Bundestagsplenarprotokoll 16/157, available at: http://dip21.bundestag.de/dip21/btp/16/16157.pdf (last access: 8 August 2008).

[838] Cf., for example, Andreas Maurer: Der Vertrag von Lissabon: Anreize für eine demokratischere und handlungsfähigere Europäische Union. Gutachterliche Stellungnahme für die Anhörung des Ausschusses für die Angelegenheiten der Europäischen Union, Berlin, 10. März 2008, Diskussionspapier der FG 1 2008/08, Stiftung Wissenschaft und Politik, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=4872 (last access: 8 August 2008). Dominik Hierlemann: Presidential Poker, spotlight Europe 2008/03, March 2008, Bertelsmann Stiftung, available at: http://www.bertelsmann-stiftung.de/cps/rde/xbcr/SID-0A000F0A-DC2E6D28/bst/Spotlight_eng_03_2008_PresidentialPoker.pdf (last access: 8 August 2008). Bertelsmann Stiftung: Political Leadership in the European Union. Results of a representative survey in EU member states. Survey period: May/June 2007 collected by TNS Emnid. Number of respondents: 13.840. Contact persons: Armando Garcia Schmidt/Dr. Dominik Hierlemann, available at: http://www.bertelsmann-stiftung.de/bst/en/media/xcms_bst_dms_21702_21703_2.pdf (last access: 8 August 2008). Dominik Hierlemann/Armando García Schmidt: Mehr politische Führung wagen, spotlight europe 2007/04, July 2007, Bertelsmann Stiftung/Centrum für angewandte Politikforschung, available at: http://www.cap.lmu.de/download/spotlight/Spotlight_2007_04_de.pdf (last access: 8 August 2008). Eckhard Lübkemeier: Führung ist wie Liebe. Warum Mit-Führung in Europa notwendig ist und wer sie leisten kann, SWP-Studie 2007/S 30, available at: http://www.swp-berlin.org/common/get_document.php?asset_id=4452 (last access: 8 August 2008).

[839] See "Pressing on with ratification: The German reaction to the Irish 'No'", pp. 36ff. in this issue of EU-27 Watch.

Greece*

Greeks deplore lack of 'European leadership'

In a background of overall low interest of public opinion over institutional issues, the issue of leadership still raises some emotion, in Greece the media often deplore the lack of 'European leadership,' comparing the present to the Delors/Mitterrand/Kohl era, or even to the Chirac/Schroeder/Blair years. Much interest has been shown to the French President's positioning, while also Angela Merkel received quite a lot of attention.

'European'/'Brussels' potentates, such a José Manuel Barroso and Javier Solana are viewed with reticence, if not kept in outright low esteem: in fact, they are almost seen as the opposite to leadership. E.g. Jean-Claude Juncker as a potential President of the European Council (although a close friend of Greece) is considered as too shallow. The 'Tony Blair solution' was viewed more positively, but then lost its appeal quite some time ago. Although seen with doubts by many – and, even, the object of derision by some – the candidacy of the former Greek Prime Minister Costas Simitis keeps creeping up. His recent high-intensity fight with current leader of "PASOK" George A. Papandreou over Europe was widely (although rather unjustly) interpreted as Simitis' effort to show his high credentials of 'European-ness'.

Most recently, the new institutional crisis generated by the Irish 'No' is considered by some as putting the European political leadership before critical dilemmas. Its capacity to answer them in a visionary political manner (not a self-evident capacity nowadays) could characterise the future of the whole integration process.[841]

[840] "The German debate about the French EU-Presidency priorities", p. 93 in this issue of EU-27 Watch.

* Greek Centre of European Studies and Research.

[841] P.C.Ioakimidis, in the pro-"PASOK" magazine METARRYTHMISI, June-July 2008.

Hungary*

Core groups shall improve efficiency

If, in the 21st century the EU wants to become a leading power in the world (with a weight corresponding to its economic performance) the further political deepening and a clear political leadership are indispensable.[842] In the new century the speed of decision-making became a factor of global competitiveness and the importance of time is growing. Thus a European Union of 27+ may lose competitiveness without a clear political leadership ensuring fast decision-making. In this respect the novelties of the Lisbon Treaty are highly valuable, nevertheless, they might also spark competence conflicts. Such conflicts would significantly hamper the European Union's capacities for quick and effective action. The key to the future is not a new constitutional/institutional reform – the pledge of future success lies with the member states and their actual willingness to act together in a concerted way, with one voice and with integrated capacities in the world.

If this approach is not fully shared by all member states, core groups might be formed by those willing to really pool sovereignty in the fields where the global processes 'force' us to do so. Such fields are for example migration, Common Foreign and Security Policy, as well as defence policy, energy, climate and environment. Since efficient decision-making cannot happen in the old intergovernmental way, the 'voluntary' core groups should be able to take the lead and pursue deepening and joint actions in these fields. Such a core group (or several core groups) would mean a qualitatively new structure of European integration, different from the concept of a "Europe of multiple speeds". The core group could mean a new forum, whereby member states would not only represent their national interests but would primarily work for the European Union's interests in the global arena (according to their 'enlightened self-interest'). The core group(s) should be formed in a bottom-up way, should be open to all other member states, and would not allow the dominance of any member states in it. Such a development of the EU would primarily concentrate on deepening, but would not exclude the widening aspect. The core group-type development however should not lead to the fragmentation of the EU, on the contrary, this could even lead to the model proposed by Joschka Fischer in 2000 (namely the 're-foundation' of Europe by the pioneer states, in a federal style). All in all, the realisation of such a development is more probable if the Lisbon Treaty does not enter into force (in this case it might even become a 'must').

In Hungary these issues are not the subject of day-to-day public debate, but might become more salient during the election of the European Parliament next year, or in connection with the 2010-2011 presidency activities.

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

[842] The answer given here is based on an interview with Prof. András Inotai, director of the Institute for World Economics.

Ireland*

Leadership debate is victim of the referendum campaign

The debate in Ireland on the Treaty of Lisbon resulted in a campaign-oriented appreciation of the European Union's proposed new institutional structure, rather than a policy-based analysis. For example, campaign group "Libertas" stated during the campaign that the Lisbon Treaty would create an "unelected and unaccountable" President of the European Council, whereas Minister of State for European Affairs, Dick Roche, countered that the office would be comparable to the role of the "Cathaoirleach" (Irish for 'chairperson') in the Irish political system, and would not be a 'president' in the same sense as, for instance, the US President.

The 'No' side of the debate in Ireland frequently referred to perceived weakening of Ireland's role within the European Union. Sinn Féin highlighted a statistical weakening of voting weights in the Council and stated that Ireland would "loose its veto" in more than 100 policy areas. The proposal to reduce the size of the European Commission was received in Ireland in a similar negative vein by the 'No' camp, with "Libertas" stating that Ireland would "loose its voice at the most important table in the EU" for five years out of every fifteen.[843]

* Institute of International and European Affairs.

[843] See: http://www.libertas.org/content/view/196/116/ (last access: 22 September 2008).

The overall perception of such institutional reforms was a weakening of Ireland's place within the European Union. This fear, coupled with remarks from various political leaders in other member states as to Ireland's relative size in the European Union, proved to be a strong message in the referendum campaign.

Italy*

"Leadership has become a scarce resource in Europe"

After the Irish 'No' to the Lisbon Treaty, there has been a heated debate in Italy on the future of the EU and on the solution to the current stalemate. Many proposals have been made on how to change the current leadership in order to develop greater support among the people for European institutions.

According to Norbert Walter, director of the "Deutsche Bank Research", recently stated in an article published in the Italian newspaper "Il sole 24 ore", that European integration has been left as an "orphan"[844]. Publishing such an article in one of the most widely read Italian newspapers attests to the importance that the debate on the future of European leadership has in our country. Walter affirms that the new generation of politicians, businessmen and intellectuals does not feel any tie to the European Union and its values and that this is why Europe is not able to have an impact on its citizens and in its external geostrategic relations.[845]

Part of the Italian business community also shares this view. In an interview recently published in "Corriere della sera", Alessandro Profumo, head of "Unicredit Bank", stated that in Europe "strong personalities capable of drawing consent are lacking" and that we do not have "leaders that are willing to commit themselves to the European project".[846] Former Italian Prime Minister Giuliano Amato shares this view. In his opinion, "leadership has become a scarce resource in Europe where national governments prefer to confer European posts on minor national representatives and do not take the risk of eroding their domestic consensus for the European cause"[847].

In order to find a solution to this 'leadership deficit', Mario Mauro, Vice-President of the European Parliament, stated that the Sarkozy-Merkel duo, especially after the Irish 'No' to the Lisbon Treaty, cannot be considered an appropriate answer, as was suggested earlier. In his opinion, Italy could play a leading role in Europe, since it has proved itself to be 'the most Europeanist' of all. Moreover, the highest offices of state, President Napolitano and Prime Minister Berlusconi, have converging ideas on Europe.[848] In Mario Mauro's view, following a suggestion made some time ago by Tony Blair, the only way to build new leadership for the EU is to invest more in human capital, that means improving the programs addressing young people in order to find strong ideas and people that really believe in the European project.[849]

The newspaper "Corriere della Sera" recently reprinted an article published in "Libération", which listed the 36 personalities that represent the future of the EU. Among the names mentioned were those of John Elkann, vice-president of FIAT, and Enrico Letta, Assistant Minister of Welfare, who has been defined an "iron Europeanist".[850]

Some hypotheses on possible future candidates for the highest European offices have recently been reported by the Italian press. For the President of the European Council, some expect a race between the Danish and the Luxemburgese Prime Ministers, Anders Fogh Rasmussen and Jean-Claude Juncker, while most think that Javier Solana will be reappointed to the role of High

* **Istituto Affari Internazionali.**

[844] Il sole 24 ore: Un modello svizzera per l'UE, 29th of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IJYZJ (last access: 28th of August 2008).

[845] Ibid.

[846] Corriere della Sera: Servono nuovi leader per rilanciare l'Unione, 20th of June 2008, available under: http://85.116.228.24/Stampa/Rassegna/rassegna.asp (last access: 28th of August 2008).

[847] Il Sole 24 ore: Il problema non è l'Europa ma l'assenza di leader europei, 27th of July 2008, available under: http://85.116.228.24/Stampa/utility/imgrs.asp?numart=ITEZC&numpag=1&tipcod=0&tipimm=0&defimm=1&tipnav=1&isjpg=S (last access: 28th of August 2008).

[848] Corriere della Sera: Avanti tutti insieme o non ce la faremo a competere domani, 22nd of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IHKSJ (last access: 28th of August 2008).

[849] Ibid.

[850] Corriere della Sera: Le 36 personalità che faranno l'Unione di domani, 1st of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IKHO2 (last access: 28th of August 2008).

Representative.[851] With respect to the President of the European Commission, the Italian Prime Minister Silvio Berlusconi has recently declared that he will support José Manuel Barroso for a second mandate in office, affirming that "it would be absurd to throw away his intelligence and experience"[852].

In general terms, European leadership itself is both the cause and the solution to the stalemate resulting from the Irish referendum. In an interview given to an Italian newspaper, Hans Eichel, former German Finance Minister, suggested that direct election of the President of the European Commission could be the best way to make the European project more attractive to citizens. By introducing this change, he believes that the position would be given a very strong symbolic significance and that, at the same time, the entire EU would gain greater consent from the people. In his opinion, there are many potential candidates who would be suitable for this appointment, including our former President, Carlo Azeglio Ciampi, and our current President, Giorgio Napolitano.[853] This view is shared by the Italian Minister for Communitarian Policies, Andrea Ronchi, who has spoken out in favour of a democratic relaunch of European integration also through direct election of the President of the European Commission.[854]

The debate on the future leadership of the EU is very relevant in Italy, not only among politicians, but also in the business community and the media. The fact that Italian journalists have interviews with many national and international personalities on this topic and that foreign articles have been reported on in the national press shows that we pay great attention to this matter.

From this overview, it may be noted that the main concern today is that leadership is lacking at a critical time for international relations. Everyone, from the business to the political world, feels that the EU's role in the world has to be reshaped by renewing its leadership in order to be able to compete, and sometimes survive in the new international equilibriums. Expectations in this sense are diverse and mostly concern the desire for a fresh new leading class, in which Italian personalities are expected to play an important role.

[851] Panorama: Unione Europea: il valzer di poltrone scatena le diplomazie europee, 8th of May 2008, available under: http://blog.panorama.it/mondo/2008/05/08/ue-chi-dopo-barroso-il-valzer-di-poltrone-scatena-le-diplomazie-europee/ (last access: 28th of August 2008).
[852] Corriere della Sera: Il Cavaliere "ricandida" il Portoghese, 16th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IPMPB (last access: 28th of August.)
[853] Il Messaggero: Eichel: elezione diretta per la Commissione europea con Ciampi presidente, 21st of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IHADK (last access: 28th of August 2008).
[854] Corriere della Sera: Elezione diretta di Presidente e Commissione UE, 18th of June 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IG1PB (last access: 28th of August 2008).

Latvia*

Political leadership – issue of low salience

There has been no public discussion in Latvia on the political leadership in the European Union in the context of the changes stipulated in the Lisbon Treaty, either before or after the Latvian parliament ("Saeima") endorsed the document. This has been a clearly low-salience topic both among politicians, government officials, and political scientists. Given the importance of other issues that preoccupy the Latvians, it seems unlikely that they will devote any serious attention to these issues until the treaty ratification process is completed in all the member states and the results have been analysed.

Lithuania*

Germany and France take the lead

Political leadership in the EU is not a very high salience issue in Lithuania; therefore there are only a few remarks in the media on this subject. For example, as a Vilnius University professor, Jonas Čičinskas claims, the spring European Council confirmed that the course of economical and political EU integration is actually not difficult to foresee, as it will continue to be determined by bilateral agreements by Germany and France, with little modification caused by the interference of the United Kingdom. And no matter how the Chancellors and Presidents of Germany and

* Latvian Institute of International Affairs.
* Institute of International Relations and Political Science, Vilnius University.

France would change, there are no alternatives for the strategic EU partnership.[855] Another political scientist, Arūnas Molis also writes that formally all the EU member states are equal and all have a right to the EU presidency. Nevertheless, the small EU member states apparently lack the capacity to implement these duties. It is France and Germany which, taking into consideration the interests of Great Britain, set the EU agenda and implement the external EU policy. This is nor surprising nor frightening – the two biggest EU member states have most instruments to formulate and implement 'common' European interests.[856]

Is there a leadership problem?

There are remarks in the Lithuanian media that currently the EU is facing a serious leadership problem. As a well-known journalist Audrius Bačiulis writes "Europe has been coming across this problem already for some time when such powerful politicians as Margaret Thatcher, Helmut Kohl or François Mitterrand have left politics. The political leaders of the biggest European states during the last decade were much weaker and solved much smaller problems than the essential economic reform or building a united Europe compared to their forerunners.[857]

Luxembourg*

Speculations about Juncker's future plans

A year before national and European elections, recent opinion polls sponsored by the socialist newspaper "Tageblatt" confirm that Prime Minister Juncker's party, the Christian-Democrat CSV[858], remains the most popular party in Luxembourg (34 percent of the voters' sympathies).[859] The CSV remains the party most likely to lead the next government. The Socialist Party (LSAP[860]), the CSV junior partner in the government, drifts well behind, remaining the second largest, gaining around 15 percent.

More good news for the CSV was received in another "Tageblatt" interview in which the Prime Minister ruled out that he was going to be a candidate for a top European job in the near future. "I'm not interested in either the post of president of the European Commission or of the Central Bank"[861]. He said he had been offered the job of President of the European Commission six years ago, and he had not wanted to break an election promise to the Luxembourg electorate. There had been speculation in the past that the Prime Minister would be an ideal candidate for the post of the president of the European Central Bank (ECB) – especially when the President elect Jean-Claude Trichet was linked to the Crédit Lyonnais banking scandal in France, while he waited for the ECB's first president Wim Duisenberg to stand down as agreed when the bank was first established.[862]

The only job Juncker may have been interested in taking up was that of the first permanent President of the European Council.[863] It has been put on hold following the Irish voters' rejection of the Treaty of Lisbon in June. At the most recent congress of his party, Juncker confirmed his intention to be a candidate for his own succession.[864]

At this moment it seems clear that Juncker is not going to leave the national political arena to become President of the European Council. Up until the Irish referendum, the electoral strategies of the Luxembourg political parties were focused on the results of Juncker's decision. When asked by journalists if he would be leading the CSV at the 2009 election, Juncker was able to answer with his usual dry humour. "That is the most likely possibility".[865]

[855] Jonas Čičinskas: Ar mokate prognozuoti Europos Sąjungos raidą? (Do you know how to forecast the development of the European Union?), Internet news portal Balsas, March 20th, 2008, available under: http://www.balsas.lt/naujiena/188014 (last access: August 28th, 2008).
[856] Arūnas Molis: Kurios šalys turi didžiausią įtaką Europos Sąjungoje (Which countries have the biggest influence in the European Union), Weekly Veidas, March 3rd, 2008.
[857] Audrius Bačiulis: Europa – lyderystės krizė ir energetinis spaudimas (Europe – a crisis of leadership and energetic pressure), Weekly Veidas, January 4th, 2008, available under: http://www.veidas.lt/lt/leidinys.nrfull/459cc30544f7e (last access: August 28th, 2008).
* **Centre d'Etudes et de Recherches Européennes Robert Schuman.**
[858] Chrëschtlech Sozial Vollékspartei.
[859] Revue: Mein Rückblick auf die Woche, 20.6.2008.
[860] Lëtzebuerger Sozialistesch Arbechterpartei.
[861] Tageblatt: entretien exclusif avec le premier ministre sur l'avenir de l'UE et du Luxembourg, 27.6.2008.
[862] Luxemburger News 252: Juncker set to stay, 3.7.2008.
[863] Uli Botzler: Die Sorgen der anderen, Telecran 18.6.2008.
[864] Luxemburger Wort: Partei der kleinen Leute, 17.7.2008.
[865] Tageblatt: Entretien exclusif avec le premier ministre sur l'avenir de l'UE et du Luxembourg, 27.6.2008.

Malta*

EU lacks leadership, but no easy solutions to this

There is only a very limited debate about this. While there is a general consensus that Europe lacks leadership and requires a more robust decision-making process, there is no debate about who could assume such a responsibility. A few years into membership, Malta primarily focuses on the decisions taken by the European Commission and the European Parliament, of course focusing on the role that the Maltese representatives play in both of these institutions.

Netherlands*

The Hague fears an empowered European Council

The Irish 'No' vote of June 12th, 2008 has also put the EU-leadership question on the backburner. As long as the Lisbon Treaty cannot be implemented, the EU-27 have to resort to the relevant provisions of the Nice Treaty, which means, among other things, that both the rotating presidency of the (European) Council, as well as the size and composition of the European Commission remain a point of concern. The election of a President of the European Council is in any case not an issue for the time being. According to the Nice Treaty the size of the European Commission should be reduced in November 2009 to less than 27 members. The exact number to be determined through (unanimous) decisions by the Council. Thus, in case one could not find an early solution to the Irish question", the Commission will be curtailed sooner than required under the Lisbon Treaty, where such a reduction is only called for in 2014.[866]

But if we assume that the Treaty of Lisbon will be ratified by all member states in due time, the leadership question will undoubtedly return to the European agenda. There is certainly not a great debate in the Netherlands on this matter, but the government has already aired some preferences about the future President of the European Council, while in the media some possible candidates have been mentioned.

The Hague is well aware that the proliferation of high-ranking offices in the EU may easily lead to overlap and persistent turf disputes between the incumbents. Particularly the President of the European Council and the High Representative for Foreign Affairs and Security Policy, and the President of the European Commission have overlapping responsibilities, which may impede the conduct of the EU's external relations. Moreover, the double task of both chairing the Foreign Affairs Council, and at the same time being a Vice-President of the European Commission, makes the function of the High Representative extremely tough.[867]

The Dutch government wants to preserve, in any case, the right balance between the institutions, and assumes that the candidates for the various positions will reflect, in a fair way, the different interests (small-large, North-South) of the member states. It is also aware of the fact that the Dutch already have a high-ranking official in Brussels, in the person of the Secretary General of NATO, Jaap de Hoop Scheffer.

European Council: Technical chair instead of president

The Hague has never been a strong supporter of the idea of creating a permanent Presidency of the European Council.[868] The European Council itself has always been considered as the playing ground for the big member states, and during the European Convention the Dutch representatives feared that a permanent president would upgrade the position of the European Council at the expense of the European Commission. Today, the Dutch government, supported by a majority in the parliament, holds the view that the permanent President of the European Council should primarily be a "technical chairman", and not an outspoken political leader, in order not to upset the present institutional balance.[869]

* Mediterranean Academy of Diplomatic Studies, University of Malta.
* Netherlands Institute of International Relations 'Clingendael'.

[866] See: www.euractiv.com, 19 June 2008 (last access: 26 August 2008).

[867] S. Luitwieler: De ChristenUnie en het Verdrag van Lissabon, Amersfoort (Wetenschappelijk Instituut van de ChristenUnie), Kort Commentaar 14, 2008, pp. 42-3.

[868] Jan Rood: Tony for European President?, Internationale Spectator, April 2008, p. 189.

[869] Staat van de Europese Unie 2007-2008, Tweede Kamer, vergaderjaar 2007-2008, 31 202, No.1-2, p. 8.

Poland*

Polish government wants to play a leading role

The issue of political leadership is clearly of high salience in Poland. The new government has ambitions of playing an important (and sometimes even leading) role in the enlarged EU, commensurate with its size and growing potential. The treaty poses certain questions concerning the future of the institutional triangle that no one is ready to respond to at this very moment. Does the Lisbon Treaty really strengthen the community method? How would the relations between the President of the European Commission and the President of the European Council look like? What would be the character of the new European External Action Service? Most experts agree that a lot will depend on implementation, therefore the Polish government is currently considering all of the options and no official position has yet been published.

According to informal interviews the new member states, Poland included, are worried that the new Presidency format will deprive them of a chance to influence the EU agenda. The newcomers, as demonstrated recently by the Czech Republic, would be very keen on exercising a full presidency, which, in their understanding, would allow them to promote their interests more effectively. This attitude towards political leadership is dependent on the attitude towards integrations as such. Whereas "Law and Justice" generally would like for the EU to be as intergovernmental as possible, and is simultaneously afraid that enlarged EU would be dominated by the Germans and the French, the governing "Civic Platform" is much keener on strengthening the supranational institutions and much less concerned with the claim that the new treaty would strengthen the biggest member states.

The current government informally holds the opinion that possible Polish candidates should be taken into account when the most important posts (President of the European Commission, President of the European Council, High Representative of the Union for Foreign Affairs and Security Policy and President of the European Parliament), are being distributed, should the new treaty enter into force. There is however no clear strategy on the issue. The government realises that while the first three posts are key when it comes to decision-making, the post of President of the European Parliament (which could probably go to the EPP group only for two and a half years) is mostly about prestige and not about real impact. The government is also aware that if the current trends are upheld (along with its coalition partner "Polish People's Party" the "Civic Platform" will have a chance to win as much as 30 seats in the European Parliament's elections, which could mean that the Polish delegation would be the second or third strongest within the EPP group.

* **Foundation for European Studies - European Institute.**

Portugal*

Leadership in the EU must be consensus building

This theme was explicitly addressed by the Secretary of State of Foreign and European Affairs, who advocated a consensus building leadership in terms of the new President of the European Council should the Lisbon Treaty come into force. The need for a permanent presidency was accepted by Portugal on practical grounds of providing some continuity, but it was made clear that this is not seen as an executive position. One key concern was with preserving the role of national presidencies, and this will require some degree of joint leadership between any new President of the European Council and the Prime Ministers of existing states.[870]

There is, therefore, in Portugal some ambiguity regarding these changes in EU institutions, even at the level of official discourse by those responsible for them as negotiators of the Lisbon Treaty. These changes are seen as necessary for practical reasons, in order to give more international leverage to the EU that will be much needed to deal with complex global problems. At the same time there are also some underlying concerns. Overall the official tone is positive, but it is significantly coupled with an insistence that while the EU needs more majority voting, the existing practice of rarely asking for a vote and working for consensus decisions should continue, and

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

[870] Manuel L. Antunes: Europa: E Agora? (Official Speech by the Secretary of State of European Affairs on Europe's Day), 09.05.2008.

structured cooperation would be a last resort to avoid an impasse. There is, in other words, on the one hand the acceptance by the Portuguese government of the need for some more structured leadership coupled with the concern that there might be, in fact, a slide towards too much leadership, namely by the bigger countries within the EU and some of the new institutional actors being created by the Lisbon Treaty.

In terms of broader public debate, this is also concern regarding the relative role of different countries. But these questions have perhaps been most openly discussed at the level of personalities. The existence of a Portuguese President of the European Commission has done much for the argument that the Portuguese can really have an impact in the EU, namely because they make an effort to build bridges and do not define their national interest too narrowly. Therefore the question of the continuation of José Manuel Barroso as President of the European Commission, and, also of his possible transferral to the new Presidency of the European Council, has been discussed. The President of the Portuguese Republic, Aníbal Cavaco Silva, felt it wise to make clear that he did believe Barroso should be reappointed as Commission President, and should not accept a possible offer of the new position, to be created by the Lisbon Treaty, of President of the European Council.[871] The Portuguese Government has also announced its support for the continuation of Barroso, as have in fact the Italian and French government. The European Commission, has, moreover, traditionally been seen in Portugal as an important ally of smaller and poorer member states. Therefore it is clear that there is a Portuguese hope that one of the European leaders in the future will be José Manuel Barroso as President of the European Commission and that the Commission will continue to play a major role in the EU.

In terms of the role of different countries in the EU, this is a discussion that is only alluded to in official sources if at all, and is more clearly addressed by analysts and commentators. In a way, Portugal likes to think of itself as one of the big EU member states except for the small detail of its actual current size. There is an official policy of relative optimism, arguing that Portugal can make a positive contribution to EU policies. The relevance of the Lisbon Agenda or the high international profile of Africa in recent years is seen as a confirmation of this. Still there is an awareness of actual size. Invariably, therefore, Portugal, while sounding positive and wanting to make a contribution for the EU to move forward, does not want to do so at the cost of a more or less permanent leadership of bigger countries. Leadership in the EU must be consensus building, it must be able to consult and aggregate countries.

This makes Lisbon wary of pressing too much when spoilers emerge, like Poland or Ireland. At the same time it wants a functional EU and to play a constructive consensus building role in it. In sum Portugal hopes, that the big member states will always need at least the medium size member states to mediate between them and provide legitimacy to any decisions. In that sense Germany is often cited by political, diplomatic elites as a good example of consensus building leadership. Great-Britain, especially with Gordon Brown politically weakened internally and with no clear vision on Europe that addresses existing challenges, does not seem likely to be as much of a major player as it could be. France is seen as having lost some influence to a more consistent and economically more powerful Germany, but is now making every effort to recover, namely through the current presidency. Still, certainly at the level of analysts, there is actually the recognition that nothing will work in the EU without Germany and France working together – the axis Bonn/Paris is still essential. Britain is less and less seen as able to effectively block or influence things alone, but could potentially join the others in an informal 'Big Three' leadership or could act to empower other big potential spoilers like Poland.[872] Spain more and more tends to be seen as a natural ally in most EU issues and its weight in the EU is therefore seen as positive for Portugal, in spite of some remnants of the historical rivalry.

[871] Lusa News Release: Cavaco Silva apoia continuação de Durão Barroso à frente da Comissão Europeia, 29.04.2008.

[872] For an analysis of this see Teresa de Sousa: Os 'três grandes' e a História, Público, 09.04.2008.

Romania*

Romania does not staff many leading positions in the EU

Debates about the political leadership of the European Union tend to be more frequent and substantial in those member states harbouring aspirations of themselves playing such a role and/or having among their own nationals personalities those who might be called on to assume positions in the EU institutional structures, giving them the possibility of directly contributing to this leadership. Being one of the two most recently admitted countries in the EU and having representatives in the EU institutions (such as the European Commission and the European Parliament, in particular) who are currently not even able to serve full mandates, let alone their impossibility to have been considered for leading positions within the said institutions, Romania does not display any of the features that would render a serious debate of this topic opportune and relevant at this point in time.

The range of speculations regarding the most powerful actors in a future competition for the new EU presidential position have also widely been covered by the national media interested in bringing different names into discussion (i.e. Tony Blair, Jean-Claude Juncker, Joschka Fischer, but also José Manuel Barroso, Anders Fogh Rasmussen, Angela Merkel or Guy Verhofstadt). Their profiles, sometimes even biographies, their most influential and visible supporters, possible 'pre-campaign' details, and not extremely compatible estimations of chances of election, mostly inspired by various EU-wide publications[873].

Consequently, these innovations and drawn speculations have only been registered in a generic manner, without expressed preferences for any sort of alternative institutional arrangement and without any attempt at suggesting preferences concerning the personalities who would be best suited to assume the new or enhanced positions foreseen by the treaty.

* **European Institute of Romania.**

[873] See: http://www.euractiv.ro/uniunea-europeana/articles%7CdisplayArticle/articleID_12504/Cine-ar-trebui-sa-fie-presedintele-Uniunii-Europene-Lupta-intre-Blair-Juncker-si-Fischer.html (last access: 11 February 2008); see: http://www.gandul.info/europa/presedintele-uniunii-europene-post-foarte-ravnit.html?3930;965107 (last access: 16 September 2008).

Slovakia*

Domestic challenges of leadership in EU affairs

Politicians in Slovakia are not interested in the EU beyond the nature of existing integration or the drawing of EU structural funds in Slovakia. Prime Minister Fico's interest in the EU is arbitrary and indicates his low level of understanding of European integration when he at times blames the EU for not addressing tasks that it cannot resolve (such as the high prices of oil and foodstuffs). There was not much of discussion on leadership in the EU at the time of the adoption of the Treaty of Lisbon and since the failed Irish referendum politicians have not really bothered to raise ideas about the structures or persons at the helm of the European Union.

In fact, Slovakia faces its domestic challenge of leadership in EU affairs when the Office of the Government (Prime Minister's Office) does not represent a natural leader for the formulation and coordination of Slovakia's policy strategies in the EU. Nor is a Slovakia's Ministerial Council for EU affairs founded on December 14, 2005[874] an example of an institution that makes policy. Headed by the Deputy Prime Minister for European Affairs this Ministerial Council should provide coordination, consultation and expertise for Slovakia's role in the EU. It should mainly help resolve conceptual issues and inter-ministerial squabbles. In practice, however, this institution has never really functioned. Internal governmental problems (such as Slovakia's priorities for the 2003 IGC or position on the opening of EU accession talks with Turkey) were subject to last minute discussions at coalition councils behind closed doors. Ministry of Foreign Affairs was an institution that drove and coordinated Slovakia's accession process to the European Union. Today's ability of the Foreign Ministry to lead Slovakia's role inside the EU is constrained through the makeup of the current coalition government. The Foreign Ministry is busy explaining abusive statements directed at foreign politicians by Jan Slota, Chairman of the Slovak National Party, rather than free to work conceptually on Slovakia's priorities in the EU.[875] When we add to this picture the role of political parties of which only

* **Slovak Foreign Policy Association.**

[874] Uznesenie vlady no. 981, December 14, 2005.

[875] Interview with the Director General of the EU Division at Slovakia's Foreign Ministry, November 6, 2007.

the Christian Democratic Movement seems to have a clear idea of what it wants in the EU, Slovakia's relatively successful position of a pupil of integration may transform into a position of a spectator rather than a player of EU affairs.

Indeed, when by the end of its presidency in the EU in June 2007 Germany announced the death of the EU Constitution and member states adopted the mandate for a new IGC launched during the Portuguese Presidency of the EU in the latter half of 2007, the majority of Slovakia's politicians welcomed the process and were ready to sign the Lisbon Treaty in December 2007. In fact, there was only one parliamentary party – the opposition Christian Democratic Movement (KDH) – that that did not support the adoption of the Lisbon Treaty. The members of parliament representing the KDH used the same arguments against the Lisbon Treaty that they used in opposing the EU Constitution. They objected the legally binding nature of the Charter of Fundamental Rights and criticized further transfer of competencies to the level of the EU. However, all other parliamentary parties have consistently favoured the adoption of the Lisbon Treaty that was – despite domestic problems[876] – approved by Slovakia's parliament in the spring 2008. The grand bargains on EU primary law thus gradually changed from an initial opportunity to debate the nature of the EU to documents that merely required Slovakia's stamp of approval.

[876] While there is a broad political consensus in favour of ratifying the Lisbon Treaty through Slovakia's parliament and no major political force has seriously argued in favour of a referendum, the members of the political parties in opposition (the Slovak Christian and Democratic Union-Democratic Party – SDKÚ-DS, the Christian Democratic Movement – KDH and the Party of Hungarian Coalition – SMK) refused to vote in favour of the Lisbon Treaty unless the government changed the contents of the proposed media law that according to the opposition could restrict the freedom of speech in Slovakia. Since the governing coalition composed of three parties (SMER-Social Democracy – SMER-SD, the Slovak National Party – SNS and the Movement for Democratic Slovakia – HZDS-ĽS) controls 85 seats in Slovakia's parliament, it needed the support of the opposition MPs in order to secure the three fifths majority (90 out of the total of 150 MPs) necessary for successful ratification of the Lisbon Treaty. Hence, the Lisbon Treaty became a victim to a political dispute over another piece of legislation. See for more details: http://centreforeuropeanreform.blogspot.com/2008/02/slovak-roadblock-for-lisbon-treaty.html (last access: September 30, 2008).

Slovenia*

Honest broker and defender of equality

For the same reasons, being an honest-broker during its own term in office, but also because the issue was sensible in light of the approaching Irish referendum on the Lisbon Treaty, no attitudes towards the External Action Service and new post denominations were expressed in the last months, though negotiations, at least concerning the External Action Service, have been well under way. During the term of Slovenian Presidency, negotiations were restrained to budget and personnel questions and have not yet turned to issues of competence division.

Though a step-by-step approach to formation of the External Action Service, which first encompasses common foreign and security policy and gradually includes development co-operation, humanitarian assistance, consular relations and maybe also trade by the time of the next financial perspective (year 2014 on) is viewed as most viable and preferred. The External Action Service is viewed as in the service of the High Representative and the President of the European Council. The most vital principle to be observed however, seems not to be related to division of competences between the EU-level posts, but to equal representation of all member states, with a goal of equality, but acknowledging special expertise vested in some countries, and geographic representation among the EU member states. Further, the observation of the principle of equal treatment (rights of personnel, including promotion) for all diplomats, those previously in service of the European Commission and the General Secretariat of the Council and those coming from member states is viewed as absolutely necessary.[877]

Small state club

The presidency experience has not only offered the Slovenian political elite, but also its entire public administration with the chance to become familiar with power structures and procedural rules and loopholes in the EU. The trio presidency experience with Germany as the old, big and the first to preside partner, also left no illusions about leadership in Europe.

* **Centre of International Relations.**

[877] Interview at the Minsitry of Foreign Affairs in Ljubljana, 14 July 2008.

Slovenia joins the club of the smaller states that is seen as necessary to counter balance the influence of the big member states, especially on issues of solidarity, equality and protection of vital interests.

Again, not much discussion has taken place on the issues of leadership and the media's saturation with the presidency did not allow room for bigger discussions on the nature of the EU. Name-dropping did not appear in Slovenian media. Also the political elites speak in terms of principles, rather than being interested in specific names. The definition of responsibilities of the post of the President of the European Council precedes any specific support for certain personalities. One tendency, though, can be traced concerning the post of the Presidents of the European Council: Slovenia would rather see a president coming from a smaller member state.[878]

Political leadership in the EU

Spain*

Three main concerns in Spain about future of political leadership

The main concerns in Spain on the future political leadership in the EU are three:

First, the difficult compatibility among four political figures: the President of the European Council, the President of the Commission, the High Representative for External Action and the head of government of the country which assumes the rotating presidency of the Council of Ministers. Particularly, considering that Spain will assume the rotating presidency in 2010. This means, on the one hand, some uncertainty since it is not sure that the treaty will be ratified by January 2010. On the other hand, in case that the new provisions of the Lisbon Treaty will have entered into force by January 2010, then the position of the Prime Minister of the country in the rotating presidency of the Council must be clarified; particularly in international summits. Considering the calendar and feasibility of a solution for Ireland, Spain may have to deal with the proposals of arrangements of cohabitation among the four figures during its semester.

Second, the discussion about having a President of the European Council acting as a mere chairman or as a real leader. When Spaniards are interviewed about the possible candidates to preside the European Council and they are explicitly asked about Tony Blair, they reject his possible appointment (which would appear to be a punishment for the Iraq war). The left-wing voters react most negatively, with 62 percent considering it a bad or very bad choice, whereas 51 percent of voters from the centre and 43 percent of right-wing voters would welcome it.[879] Among elites, the figure of Jean Claude Juncker for being a president chairman is normally praised.

Third, the fact that, once appointed a new High Representative under the provisions of the Lisbon Treaty, Spain would lose either a Commissioner (now Joaquín Almunia), or the High Representative himself (Javier Solana) since the later would be a member of the Commission as well and no country has the right to appoint two Commissioners.

Political leadership in the EU

Sweden*

EU needs no directorate but cohesion

The interest for EU leadership issues is fairly low in Sweden, where discussions to a much higher degree centre on the policies and activities of the EU.

Generally, Sweden like other small member states is against all forms of directorates of the major states of the EU, preferring to see an efficiently working EU in which issues are dealt with on the basis of discussions within the different fora. In this type of co-operation, different countries may assume a leadership role depending on the issue at hand. One example of this is when Prime Minister Fredrik Reinfeldt, in a discussion in the Committee on EU Affairs, declares that it is important for the European Commission and for the countries that have advanced the furthest to demonstrate leadership on the climate issue.[880]

[878] Interview at the Ministry of Foreign Affairs in Ljubljana, 14 July 2008.
* **Elcano Royal Institute.**

[879] 18th wave of the Barometer of the Elcano Royal Institute (June 2008), available under: www.realinstitutoelcano.org/wps/portal/rielcano_eng/BarometeroftheRIElcano (last access: September 30, 2008).
* **Stockholm International Peace Research Institute.**

[880] Statement by Fredrik Reinfeldt, in: Committee on EU Affairs, EU-nämndens stenografiska uppteckningar

Apparently Swedes in general are also content with the way in which the EU works in this respect. The Swedish population, to a higher degree than those of other EU member states, feels confident about the Swedish position in the EU. 86 percent believe that the voice of Sweden matters (EU27: 61 percent) and 68 percent believe that Swedish interests are considered (EU27: 46 percent). Both figures have increased during the last year.[881]

Turkey*

Accession process might benefit from strong leadership

As indicated in the previous issues, the public debate on the EU in Turkey is heavily concentrated on the Turkish membership process and EU-Turkey relations. In this respect, issues that are considered to be not relevant to this process are mainly sidelined in the public debate. The political leadership in the EU after the Lisbon Treaty is one such issue and, particularly after the Irish rejection of the treaty, there is no salient discussion on the changing political leadership structures in the EU and its implications for the future of Europe as the reform process at the EU level is in a deadlock at the moment.

In general, Turkey feels more preferential towards a looser EU, and the Turkish public does not see a tightly integrated European Union very positively. It seems that the EU is increasingly losing its power in Turkey, particularly in the light of the salience of domestic political agenda. However, a stronger political leadership established at the EU level, with higher capabilities to act on enlargement, would make a more positive outlook possible, as more informed and educated sections of the society generally tend to think that a stronger EU could be more beneficial for Turkey's accession process.

(stenographic reports of the Committee on EU Affairs), 18 June, p. 12.

[881] Standard Eurobarometer 69, National Report Sweden, Spring 2008, Question IIIb, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_se_nat.pdf (last access: 19 August 2008).

* **Center for European Studies / Middle East Technical University.**

United Kingdom*

Tony Blair as a European leader?

In late 2007 and early 2008, Tony Blair was widely reported as being a possible first holder of the post of President of the European Council. Though he never explicitly confirmed his interest in the role, he "emerged" as a candidate (according to "The Independent" newspaper[882]), and, according to "The Times", launched a "charm offensive"[883] in France to further his claim for the job. Whether or not Tony Blair would have had support from his own country's government was a matter of some speculation for British observers, given his famously acrimonious relationship with Gordon Brown. It is by no means certain either that his presidency would have been popular with the British electorate, thanks to continued unpopularity in Britain over his role in the Iraq war, and indeed his divisive record on the European stage, which led British pro-Europeans to launch a "Stop Blair" website[884]. They might well have agreed with "sources close to Angela Merkel" who began the counter-campaign to stall his implicit candidacy: "He made a lot of fine speeches about Europe but, essentially, stood on the sidelines when it came to concrete steps forward".[885]

Since the demise of Tony Blair's 'candidacy', British interest in the potential holder of the post of Council President has markedly declined, though the nature of the post itself continues to be a feature of public debate about the reforms contained in the Lisbon Treaty. In particular, the tendency for the Presidency of the European Council to be equated with a Presidency of the European Union has caused discomfort to those wary of any 'trappings of statehood' that the Lisbon Treaty might confer upon the Union.

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

[882] See: http://www.independent.co.uk/news/world/europe/blair-emerges-as-candidate-for-president-of-europe-395057.html (last access: 22 September 2008).

[883] See: http://www.timesonline.co.uk/tol/news/world/middle_east/article3292136.ece (last access: 22 September 2008).

[884] See: http://www.stopblair.eu (last access: 22 September 2008).

[885] See: http://www.guardian.co.uk/world/2008/feb/20/eu.spain (last access: 22 September 2008).

5

Concentric circles around the EU?

In April 2008, Elmar Brok, rapporteur of the Committee on Foreign Affairs of the European Parliament, proposed a Motion for a European Parliament Resolution on the Commission's 2007 enlargement strategy paper (2007/2271(INI)). According to this Draft Report (No. PE404.495v02-00), there is a gap between the EU's Enlargement strategy and its Neighbourhood Policy. To fill this gap, a greater variety of contractual relations with Eastern neighbours is proposed. Envisaged are "mutually permeable concentric circles", e.g. in the form of a Free Trade Area, a "European Economic Area Plus (EEA +)", a "European Commonwealth", or regional cooperation forms, similar to the Union for the Mediterranean.

- **What were the reactions to this draft report?**

- **Are alternative forms to membership and neighbourhood discussed in your country (Southern and Eastern neighbours) as well? Which proposals are made?**

Austria*

'Privileged Partnership' for Turkey

Austrian foreign policy prioritizes the integration of the Balkan countries and aims to hold up a full membership perspective even for countries such as Serbia and Bosnia-Herzegovina. Regarding a possible EU membership of Turkey the Austrian foreign policy emphasises the so-called 'Privileged Partnership' instead of a full membership.

Belgium*

No real debate

Elmar Brok's draft report and the concept of 'concentric circles' did not lead to many comments and reactions in Belgium. One must nonetheless mention the positions of some political parties regarding the European Neighbourhood Policy. The French-speaking liberal party ("Mouvement Réformateur") thinks it is an "absolute necessity" to equip this European Neighbourhood Policy with all necessary means, especially via the financing of projects by the European Investment Bank in the partner countries or via increased development aid.[886] On the other hand, the Flemish Christian-democrat party thinks that economy should not be the only important aspect of the European Neighbourhood Policy but also that political items should be put on the agenda as, for example, human rights and good governance.[887] They also stress the fact that other actors, as NGO's, representatives of ethnic minorities and labour unions should be involved in the negotiations. Finally, a sanction procedure should be developed if human rights are not respected or if a partner country does not provide enough political efforts towards a substantive and participative democracy.

Bulgaria*

Debating flexible cooperation 'outside' instead of 'inside' the EU

Bulgaria's attitude to the growing debate on concentric circles integration in Europe comes from two shifts – a shift of reality, in terms of status, which has led to a shift in discourse.

The shift of reality is related to EU enlargement 2004-2007, and Bulgaria's accession to the European Union. Back in 2000, from the perspective of a (then) candidate country, Bulgaria expressed support for the reform of the 'enhanced cooperation' clauses in the Nice Treaty with the argument that making these provisions more operational will step-up enlargement. At that point in time, Bulgaria was the only candidate country that adopted a positive attitude on this issue – understandably as the last boat in the regatta approaching EU membership.

Today's debate on flexible integration in Europe is at the same time post-enlargement and pre-enlargement (from the perspective of the Brok report). It reflects both the Eastern enlargement, which has already happened, and the (possible) future enlargement(s) of the EU towards the Western Balkans, Turkey, and probably to countries in Eastern Europe. With these realities in the background, the shift in terms of discourse represents one from debating flexibility *within* the EU ("closer cooperation"), as was the case before, towards debating forms and arrangements for flexibility *outside* the EU ("wider-closer cooperation").[888] Another nuance in this shift is related to the general assessment of the phenomenon of flexible integration (and its legal and institutional forms). While it has traditionally been regarded as negative (as a 'curse word'), today it is viewed more as a necessity and the inevitable 'lesser evil'.

From such a broad perspective, Bulgaria's position to flexible integration has also shifted from positive to negative. The explicit argument justifying this attitude is that debates on a variety of forms of differentiated integration will jeopardise the EU enlargement

* Austrian Institute of International Affairs.
* Centre d'étude de la vie politique, Université libre de Bruxelles.
[886] Mouvement Réformateur: Electoral Manifesto, 2007 Federal Elections, p. 331.
[887] Jong Christen-Democratisch & Vlaams: National Congress, 18/01/08.

* Bulgarian European Community Studies Association.
[888] Krassimir Y. Nikolov : The Nice Treaty Provisions on Closer Cooperation and the Candidate Countries, in: Martin Brusis/Janis Emmanouilidis (eds.): Thinking Enlarged: The Accession Countries and the Future of the European Union, Bonn 2002 pp. 103-117.

perspectives of the Western Balkan countries. Implicitly, however, the more important argument is the concern of a possible 'back-fire'": debating forms of flexibility *outside* the EU, and practicing it at a later stage, might lead to debating flexibility *within* the EU. In the medium term, this trend could lead to the universalisation of flexible integration in Europe in a variety of concentric circles, which could leave Bulgaria in the periphery of decision-making.

A practical example of this Bulgarian position was given on the occasion of a public discussion organised by the "Bulgarian European Community Studies Association" on May 16th 2008 in Sofia on the prospects for differentiated integration in the Eastern EU neighbourhood. While the guest speaker of the event was Geoffrey Edwards from Cambridge University, the organisers addressed an invitation to a Deputy Foreign Minister to join the debate as co-speaker. He declined the invitation with the argument that his presence could be interpreted as the country's acceptance to enter into such a debate.

Croatia*

Inner circle matters, outer matters less

Elmar Brok's draft report received limited attention in Croatia. The presentation in the media was reduced to an article in regional newspaper,[889] coverage of Jan Marinus Wiersma's and Hannes Swoboda's proposal to provide for specific regional cooperation framework with Black Sea Region.[890] The results of the final vote in the Committee of Foreign Affairs (24 June 2008) have not been reported at all while the results of the final vote in the European Parliament (9 July 2008) were presented by Croatian News Agency (HINA) and reported at specialised portals, but there was no official reaction from the government, opposition and NGOs.[891]

Despite the fact that reactions to the report have been very limited, some of its elements, primarily the concept of integration capacity[892] and concrete proposals dealing with alternative forms to membership and neighbourhood (Union for the Mediterranean, Eastern Partnership and Union for the Black Sea) received significant attention. The main parts from Brok's report have been discussed from the perspective of reducing/increasing Croatia's distance from the core of the EU, and generally without reference to the report.

One of a very few media reports dealing with the report underlined the warning that "further enlargement without adequate consolidation could lead to a Union of multiple configurations, with core countries moving toward closer integration and others staying at its margins." This was presented as an attempt of the European Parliament to slow down integration process.[893]

Discussion on the mutually permeable concentric circles in Croatia has been reduced to the process of integration of Croatia into the EU, i.e. from a free trade area into the European Economic and Monetary Union (EMU), without intermediate steps. In this context, mutually permeable concentric circles are discussed as part of multi-speed Europe, and the potential to develop more concentric circles within the EU, in addition to existing ones (such as EMU and Schengen).[894]

As regards the concept of integration capacity, discussion in Croatia is focused on two out of four elements mentioned in the report: the continuation of negotiations and development of institutional framework. These two are regarded as parallel processes. The negotiations should ensure that Croatia contributes to and not impairs the ability of the

* **Institute for International Relations.**

[889] Only one regional newspaper, Glas Istre, on 14th April 2008, provided direct reference to the draft report.

[890] Croatian News Agency HINA reported on amendments on 3rd June 2008, and the information has been available at several news portals (e.g. http://www.totalportal.hr/article.php?article_id=202654, (last access: 4 July 2007)), and also at the Ministry of Foreign Affairs web, available under: http://www.mvpei.hr/ei/default.asp?ru=1&gl=200806040000001&sid=&jezik=1 (last access: 4 July 2008).

[891] Croatian News Agency HINA, 10 July 2008; entereurope web portal, available under: www.entereurope.hr (last access: 10 July 2008).

[892] C.f. Committee of Foreign Affairs: Report on the Commission's 2007 enlargement strategy paper, rapporteur: Elmar Brok, 26 June 2008, 2007/2272(INI), pp. 5-6, point 7.

[893] Glas Istre presented the draft report on 14th of April 2008, available under: http://www.glasistre.hr/?f062a75da5d7571a208e2ba1378177d9,TS,3504,,17835,23520,222768 (last access: 4 July 2008).

[894] Inoslav Bešker: comment. Jutarnji list. 1 July 2008, available under: http://www.jutarnji.hr/vijesti/clanak/art-2008,7,1,,125120.jl (last access:15 September 2008).

Union to maintain momentum towards the fulfilment of its political objectives, while the institutional framework of the Union should deliver efficient and effective government.[895] Discussion of the institutional framework deals with the gap between the Nice Treaty and institutional solutions that could enable Croatia to enter the EU without Lisbon Treaty and intermediate steps.[896] The impetus for the discussion has been failure of the Irish referendum, not Brok's report. The spectrum of views presented range from those considering that no further enlargement would be possible without comprehensive solution to institutional problems in the EU to those that the EU will find solution to integrate Croatia.[897] Analyses of the credibility and the effectiveness of the enlargement strategy[898] indicate that the EU enlargement policy is not developing according to the pre-defined criteria, thus giving the enlargement process difficulties and crisis whose outcome is hard to estimate,[899] especially having in mind increasing differentiation within the EU member states, particularly Poland and Lithuania.[900]

Mediterranean between EU and neighbourhood?

The proposal for a Mediterranean Union received significant public attention during 2008, as opposed to the time when the proposal was originally launched. Initially, the proposal was regarded as further regionalisation and an alternative to the membership, and as such a threat for candidate countries including Croatia. This view was presented in the media as government's position and also had support from academic circles.[901] Linking the Union for the Mediterranean with the Barcelona Process and inclusion of all EU member states in the process has been presented as watered down version of Sarkozy's original proposal,[902] but more acceptable form of regional cooperation for Croatia. While the proposal for a Mediterranean Union was not considered compatible with the EU accession process, Prime Minister Sanader announced that Croatia was willing to participate in the Union for the Mediterranean.[903] President Mesić and Minister of Foreign Affairs and European Integration Jandroković participated in the official launch of the Mediterranean Union in Paris on July 13th 2008, which received significant attention from printed and electronic media.[904]

Representatives of the government, opposition and NGOs identified a development of a comprehensive approach on protection of the Adriatic as potential benefit of the Union for the Mediterranean.[905]

The discussion on re-designed forms of regional cooperation that goes beyond Croatia's integration towards the EU has been very limited. Issues that have been tackled in this context relate to integration of the Barcelona Process, European policy towards Africa and European Neighbourhood Policy into a single European policy, which might improve European external policy and increase cooperation between the EU and its partners.[906] Also, there was some discussion whether the Union for the Mediterranean might be used to block Turkish membership. Opposing views have been presented on this issue.[907] Concerns that the Union for the Mediterranean might be used to break up African Union and Arab League and to

[895] C.f. Committee of Foreign Affairs: Report on the Commission's 2007 enlargement strategy paper, rapporteur: Elmar Brok, 26 June 2008, 2007/2272(INI), pp. 5-6, point 7 (i) and (ii).
[896] Vjesnik, 23 June 2008; Jutarnji list, 21 and 22 June 2008; Novi list 21 June 2008.
[897] Opposing views on the issue were presented by Vjesnik, 27 June 2008.
[898] C.f. Committee of Foreign Affairs: Report on the Commission's 2007 enlargement strategy paper, rapporteur: Elmar Brok, 26 June 2008, 2007/2272(INI), pp. 5-6, point 8.
[899] Damir Grubiša: column. Novi list, weekly supplement Europe, 13 May 2008, p. 2.
[900] Bruno Lopandić: "Siberian agreement for warming-up of the relationship". Vjesnik, 24 and 25 May 2008.
[901] Positions of the Government and Ivo Šimunović, professor at the Faculty of Economics, University of Split, as presented in Poslovni dnevnik, 14 March 2008.
[902] Bruno Lopandić: "Mediteraneaan Union – Nice Dream". Vjesnik, 26 and 27 April, p. 24.
[903] E.g. Prime Minister Sanader's view as presented in Poslovni dnevnik, 14 March 2008; Vjesnik, 6 May 2008.
[904] E.g. Croatian Television News, 13 July 2008; Croatian Radio, 13 July 2008; Croatian News Agency HINA, 13 July 2008; Vjesnik, 14 July 2008.
[905] Nives Malenica as representative of the Ministry of Foreign Affairs and European Integration, Tonči Tadić, former member of Croatian parliament, at the roundtable "New challenges in front of the EU and France: energy policy, climate change and Union for the Mediterranean" as presented in Novi list, 15 June 2008.
[906] Michael Emerson at the round table "New challenges in front of the EU and France: energy policy, climate change and Union for the Mediterranean" as presented in Novi list, 15 June 2008.
[907] The view that the Union for the Mediterranean might block Turkey is presented by Bruno Lopandić: "Mediterranean Union – Nice Dream". Vjesnik, 26 and 27 April, p. 24, while the opposing view was presented in the same newspaper in May by Jurica Koerbler: "Sarkozy's come back to Northern Africa". Vjesnik, 6 May 2008.

increase dominance of the EU have been also presented.[908]

Other initiatives, primarily the Eastern Partnership and the Union for the Black Sea initiatives have been briefly presented in the media, but have not been discussed or analysed.

The Polish-Swedish proposal for an Eastern Partnership was presented as a multi-national forum for cooperation.[909] Media forwarded statements of the Polish Minister of Foreign Affairs, Radosław Sikorski, who had said that the long-term vision of the Eastern Partnership might be integration into the EU of the Eastern neighbours, once the enlargement fatigue is over. Additionally statements from Dimitrij Rupel suggest that the Union for the Mediterranean and the Eastern Partnership are both good ideas, but these statements have not been commented on.[910]

Media reports linked the Initiative for establishment of a Union for the Black Sea with ideas for new forms of cooperation with Russia and its involvement in Black Sea region.[911] The EU-Russia Summit on strategic partnership was also presented from the perspective of development of the neighbouring policy, strengthening cooperation in a variety of policy fields including energy, trade and visa-regime.[912]

[908] Web portal Javno, 10 June 2008, available under: http://www.javno.com/hr/svijet/clanak.php?id=155222 (last access: 3 July 2008).
[909] E.g. Novi list, weekly supplement Europe, 5 June 2008 ; Glas Istre: Glas Slavonije i Zadarski list, 5 June 2008, p. 2; Vjesnik, 29 May 2008.
[910] Vjesnik, 27 May 2008, available under: http://www.vjesnik.hr/pdf/2008%5C05%5C27%5C12A12.PDF (last access: 29 July 2008).
[911] E.g. Novi list, weekly supplement Europe, 5 June 2008; Glas Istre: Glas Slavonije i Zadarski List, 5 June 2008, p. 2.
[912] Vjesnik, 27 June 2008; Deutsche Welle, 26 June 2008, available under: http://deutsche-welle.com/dw/article/0,2144,3360437,00.html (last access: 7 July 2008).

Cyprus*

Alternatives to membership not widely discussed

With regard to the future of the enlargement process, Cypriot officials stated that they agree with Elmar Brok's opinion that "the success of the enlargement process (and thus the success of the EU political integration process) can only be ensured if there is clear and long-lasting support for the EU membership of each candidate country". At the same time, however, they highlighted the need that all candidate countries should fully adopt the fundamental values and norms of the EU and also fulfil their overall obligations towards the EU, adding that the EU ought to be stricter towards the countries that fail to meet their obligations. They also noted that, in case of a new enlargement, the EU-27 should take into account the EU's ability to absorb new member states without jeopardising its normal functioning.[913]

Moreover, they also expressed support towards Elmar Brok's position that the EU's enlargement strategy should "strike a balance between the Union's geo-strategic interests, the impact of political developments outside its borders, and the union's integration capacity, including its ability to cope with future internal and external challenges and to realise its political integration project".[914] In conclusion, they stated that, with the current Treaty of Nice, the EU expansion would have to be halted until a new document enters into force.

At the same time, it should be noted that proposed alternatives to EU enlargement and neighbourhood policy for EU's Eastern neighbours have not yet received any serious attention in Cyprus, since these proposals are considered very vague and premature and have not progressed at the centre of EU's policy-making process. On the other hand, Cyprus has been following with great interest the newly launched Union for the Mediterranean and, due to its geographic status within this region, will be directly engaged in the process.

* **Cyprus Institute for Mediterranean, European and International Studies.**
[913] Interviews conducted by Christos Xenphontos, Ministry of Foreign Affairs, May-June 2008.
[914] Ibid.

Czech Republic*

Proposal not clear enough – it will be judged according to impact on EU enlargement

Generally speaking, the Czech position towards proposals for alternative forms to membership and neighbourhood is affected by our own experience as a candidate country. During accession negotiations, Czech representatives always stressed that 'second-class' membership in any form is not acceptable. Even though these feelings may slowly fade away, the Czech Republic still empathizes with those knocking on the door of the European Union. Therefore, any proposal for such 'concentric circles' will be acceptable only if these circles are really permeable; they do not introduce 'second-class' membership or new barriers on the road to the EU.

So far, Czech diplomacy has no position towards the European Parliament resolution of 10 July 2008 on the Commission's 2007 enlargement strategy paper (based on the report drafted by Elmar Brok). The proposal for concentric circles also did not enter Czech public debate. Therefore, we can only guess how the Czech Republic will react on the basis of our knowledge of Czech priorities and existing reactions from European political elite to the European Parliament's resolution. The resolution already raised some doubts. Propositions contained in this resolution can be interpreted as a substitution for enlargement.[915] In fact, the resolution calls for new intermediate steps towards full membership, each requiring the fulfilment of "necessary internal and external conditions". This may be at odds with the priorities of the Czech government concerning enlargement generally and the integration of the Western Balkan countries in particular. For example, anchoring Western Balkan states in 'not-so-permeable' concentric circles may threaten the goal of Czech diplomacy to smoothen the transition between the "signatory of the Stabilisation and Association Agreement" status and candidate status.

Even though in his original draft report, Elmar Brok calls for the consolidation within the EU and rejects the "Union of multiple configurations", Czech politicians may treat the proposal for "permeable concentric circles" as an example of a multi-speed European integration: with the core EU-27 and a belt of countries participating only in some policies and agendas. Thus, even though Czech politicians did not directly comment on Brok's proposal, their position on this proposal will also be influenced by their attitude towards the concept of a multi-speed Europe

Most Czech officials believe that the formation of an integrated core, consisting of several countries that move towards closer integration and others lying at its margins, would place Czechs into a very difficult position. The Czech nation would "face dilemmas on which it probably even can not find solutions".[916] Deputy Premier for European Affairs Alexandr Vondra from the Civic Democratic Party (ODS) values the full membership of the Czech Republic, since it allows us (together with like-minded countries) to balance influence of others and shape the ideas in Europe.[917] Following this logic, 'second-class' membership of neighbouring countries would mean that these countries cannot enter this balancing game in many important areas.

On the other side, there are some 'eurorealists' from the Civic Democratic Party who favour a multi-speed and flexible European Union, consisting of "more integration cores". The idea of a multi-speed and flexible European Union is promoted by Jan Zahradil (MEP, foreign affairs expert in Civic Democratic Party),[918] who even argues that enlargement will lead towards a more flexible European architecture.[919]

* **Institute of International Relations.**

[915] 'Close relations' more fashionable than enlargement, EurActiv, 10 July 2008, available at: http://www.euractiv.com/en/enlargement/close-relations-fashionable-enlargement/article-174112 (last access: 14 July 2008).

[916] Rozhovor v Mladé frontě DNES: Nehrajme si v EU na žáčky a učitele (Interview with Alexandr Vondra: Do not play students and teachers in the EU), Mladá fronta DNES, 21 June 2008, available at: http://www.vlada.cz/scripts/detail.php?id=36872 (last access: 14 July 2008).

[917] Ibid.

[918] Jan Zahradil: Radar, Irové a české drobečky (Radar, Irish and Czech crumbs), Hospodářské noviny, 10 July 2008, available at: http://hn.ihned.cz/c1-25936910-radar-irove-a-ceske-drobecky (last access: 14 July 2008).

[919] Naším zájmem je flexibilní Evropa, nikoli pevnost: Rozhovor s poslancem Evropského parlamentu a stínovým ministrem zahraničí Janem Zahradilem (Flexible Europe, not a fortress is in our interest: Interview with member of European Parliament and shadow minister of foreign affairs Jan Zahradil), EU a její východní sousedé, Inzertní příloha Revue Politika, March 2005.

The Czech Republic supports the strengthening of the eastern dimension of the European Neighbourhood Policy. The strengthening of the eastern dimension is one of the priorities of the Czech EU-Presidency; the eastern dimension was also stressed during the Czech Presidency of the Visegrad Group.[920] But the eastern dimension of the European Neighbourhood Policy cannot be interpreted as an alternative contractual form to enlargement. There is a consensus on the Czech political scene that the EU should remain open to (potential) candidates, especially from the Balkans and Eastern Europe. Probably the only exception is Turkey, whose membership is opposed by Christian Democrats (KDU-ČSL) and a few non-governmental groups. The opponents of Turkish EU membership do favour 'strong ties' between Turkey and the EU rather than membership, but the exact content and form of such a contractual relationship is not clear. Also, these ideas are focused solely on Turkey (in contrast to more general proposal for "concentric circles" made by Elmar Brok and the European Parliament).

Denmark*

Target and adapt ENP to different countries and regions

The Elmar Brok report has not been discussed in depth in Denmark and there have not been made any official statements from parliament or the government regarding the report. Despite that, the view presented in the report tallies with the view put forward by the Danish Foreign Ministry and thereby the Danish government. The Danish government finds that the European Neighbourhood Policy (ENP) should be a merit-based system in that each country's level of co-operation with the EU (access to the internal market, integration in the EU's energy and climate policies, etc.) is dependent on how willing and successful each ENP country has been in undertaking reforms. This opens the door for mutually permeable concentric circles similar to EU's policies towards the Mediterranean with different speeds of integration depending on the speed of democratic and market reforms undertaken in each of the EU's neighbouring countries.[921]

Generally, the Danish government finds it important to target and adapt the ENP to the situation and challenges of individual countries and regions. In this respect, Denmark sees different challenges and needs for the Southern ENP regions compared to those in the East. The challenges in the Southern ENP regions centre on counteracting radicalisation, terrorism and political instability, whereas the challenges for the ENP in the East are related to securing human rights, freedom of the media and combating trafficking of humans.[922]

Estonia*

Closer cooperation with the able and willing

There has been very little public discussion of the Brok report. However, the positions of the Estonian government regarding enlargement and the European Neighbourhood Policy (ENP) are quite clear. Estonia remains a strong proponent of further enlargement "on the basis of the principles that have been followed up until now."[923] This means an individual, merit-based approach, coupled with strong accession conditionality. Thus, Estonia emphasises "the importance of complete fulfilment of the current enlargement criteria in order to give a clear message of expected homework to candidate countries, and by doing so raising the quality of the process itself."[924] Estonia is opposed to making absorption capacity an additional criterion of enlargement.

Estonia regards the ENP as 'one of the most effective mechanisms' for supporting reforms, democratisation and stabilisation in the neighbourhood. In principle, Estonia supports all measures designed to strengthen the ENP.

[920] The Visgard Group is a forum in which the Czech Republic, Hungary, Poland and Slovakia cooperate in a number of fields of common interest. Tisková konference po jednání předsedů vlád zemí Visegrádské skupiny (Press conference after the meeting of prime ministers of the Visegrad Group countries), 16 June 2008, available at: http://www.vlada.cz/scripts/detail.php?id=36515 (last access: 14 July 2008).

* **Danish Institute for International Studies.**

[921] The Danish Foreign Affairs Ministry, available under: www.um.dk (last access: 4 July 2008).

[922] The Danish Foreign Affairs Ministry, available at: http://www.um.dk/da/menu/Udviklingspolitik/LandeOgRegioner/Naboskabsprogrammet/ (last access 25 January 2008).

* **University of Tartu.**

[923] Estonia's priorities in the European Union during the Slovenian Presidency, available under: www.riigikantselei.ee (last access: 1st of September 2008).

[924] Ibid.

It is recognised that the current ENP framework does little to provide solutions to critical problems faced by countries such as Georgia, the Ukraine and Moldova. The denial of a membership prospect to ENP countries is regarded as a problem: conditionality is likely to remain ineffective in the absence of the eventual possibility of membership. Thus, the EU should adopt a more differentiated, individual approach to cooperation with the partner states, taking into account each country's progress in implementing the ENP action plan and its wishes and ambitions in moving closer to the EU.[925] Countries that want to move on faster should be allowed to do so; countries that are sceptical towards the ENP should be given additional incentives to participate more actively. Existing ENP action plans should not hinder the conclusion of new agreements with countries that are able and willing to take the next step. In this context, Estonia supports the diversification of external contractual frameworks, the strengthening of the political dimension of relations, the gradual extension of the area of common policies and the four freedoms, and developing multilateral and regional cooperation formats within the ENP framework (Mediterranean Partnership, Eastern Dimension, Black Sea Synergy). Priority areas include economic and trade cooperation, visa facilitation, resolution of frozen conflicts and energy cooperation.[926]

Finland*

Equal acknowledgement

In general, the Finnish line towards the European Union's various neighbourhoods is that of equality: the importance of all the neighbourhoods of the European Union is widely acknowledged and the emphasis is put on giving all of them their due. In this respect, the Finnish interest is to keep all of the European Union committed to all of its varying neighbourhoods and preventing the emergence of isolated sub-dimensions and neighbourhoods within the wider EU context. Finally, during the period of reporting there was not any discussion of Brok's report in Finland.

The Swedish and Polish idea on Eastern enlargement gained some media attention in Finland. The Swedish Prime Minister stated that strengthening the Eastern dimension is important for the democratisation process of the respective countries. The Finnish Foreign Minister commented that this new Eastern project does not threaten the 'Northern Dimension' that is important to protect the Baltic Sea.[927] Finland's idea of the 'Northern Dimension' was to bring the European Union closer to Russia. The aim was to find concrete cooperation areas. Later during the second Finnish EU-Presidency, equality between Norway, Iceland, EU and Russia was strengthened. Cooperation was based on issues related to security, justice and home affairs but the environment has always been a key issue.[928]

Russia, Russia and Russia

In this respect, of particular interest to Finland will be the commencement of the negotiations for a new Post-Partnership and Cooperation Agreement between the European Union and Russia that took place at the EU-Russia Summit in Khanty-Mansiysk, Siberia, in late June. The Finnish interest is to have a wide-ranging new document between the parties. The former Prime Minister Paavo Lipponen wrote in the leading weekly magazine "Suomen Kuvalehti" how, as a small EU member state, Finns have a keen interest in preventing the development of an overriding bilateralism between Russia and some of the key larger member states. For him it is obvious that Finland – as well as other small member state such as the Baltic states – would end up on the losing side and repeatedly facing *fait accomplis* decided upon elsewhere.[929]

A Union for the Mediterranean

The biggest item to be debated related to the French President is Nikolas Sarkozy's idea of a Mediterranean Union. In the Finnish media this

[925] State Chancellery of Estonia: Vabariigi Valitsuse istungi protokolli märgitud otsus: Eesti seisukohad Euroopa Liidu üldasjade ja välissuhete nõukogu (GAERC) 28, 28th of April 2008, available under: www.riigikantselei.ee (last access: 1st of September 2008).

[926] State Chancellery of Estonia: Vabariigi Valitsuse istungi protokolli märgitud otsus: Eesti seisukohad Euroopa Liidu üldasjade ja välissuhete nõukogu 18, 19th of February 2008, available under: www.riigikantselei.ee (last access: 1st of September 2008).

* **EUR Programme/Finnish Institute of International Affairs.**

[927] Ruotsi ja Puola: EU katsokoon itään, Helsingin Sanomat, 27th of May 2008.

[928] Helsingin Sanomat: EU piirtää ulkorajoilleen "ulottuvuuksia" ja "unioneita", 29th of May 2008.

[929] Paavo Lipponen: Vahva Venäjä, heikot kumppanit, Suomen Kuvalehti 15/2008.

was seen as a harmful intrusion into the overall policy logic within the European Union.[930] Leading Finnish politicians, however, were very careful not to voice any open criticism towards the concept. The Finnish position is to support the development of the Euro-Mediterranean relations. The European Commission communication on the "Barcelona Process: Union for the Mediterranean" is in line with the Finnish position, especially because it does not give extra funding for the process but continues the funding based on the European Neighbourhood and Partnership Instrument. Finland would like the secretariat to be based in Brussels. (In the communication it is stated only that the location will be decided by consensus[931]) In addition, Finland sees that the concrete projects are the key element of the initiative. Traditionally, Finland has been most active in the environmental sector.[932]

France*

Focus remains on the Mediterranean circle

Rather limited debates on the relations between enlargement and neighbourhood policy as a whole

The draft report on the EU enlargement strategy paper, proposed by Elmar Brok, did not raise many debates in France. Analyses remain instead on the European Neighbourhood Policy as a whole. For some scholars, like Philippe Perchoc (CERI/SciencesPo), the 'concentric circles' strategy is actually a tool to develop a 'hidden enlargement policy'. More precisely, he outlines the fact that some non-member states do participate in some common policies (e.g. Schengen), whereas others, who are member states of the EU, do not participate in these policies. However, he nuances this statement with this crucial observation: "member states decide, the others undergo or profit from these decisions".[933]

A Union for the Mediterranean still dominates discussions on neighbourhood policy

When discussing enlargement and neighbourhood policy in France, the project of the Mediterranean Union is at the forefront most of the time. French newspapers covered the criticisms from Muammar Gadaffi, the Libyan Head of State, who announced his decision not to take part in the project and the kick-off on July 13th 2008.[934] Gaddafi argues: "If Europe wants to cooperate with us, let them do so through the Arab League or the African Union [...] we will not accept that they deal only with a small group"[935]. Neither the French President, nor the government, had an official reaction; they rather tried to put this event into perspective, arguing that the Libyan leader has a rather limited capacity to influence other Arab Heads of State.[936]

In April, during an official visit to Tunisia, Nicolas Sarkozy's strategy to re-launch his project was also criticised. "Libération" wrote that the French President overstepped the mark of diplomatically tolerable cynicism, when he called Tunisia as "unrivalled model of human rights in the world".[937] As a matter of fact, the French government will try, by any means, to push forward this project during the French Presidency.

The first step was to find an agreement with Germany. The French press outlined the fact that the Mediterranean Union was the most controversial issue in the bilateral relations of both countries. Following Pierre Avril ("Le Figaro"), "Berlin has therefore achieved its objectives: stopping Paris becoming the promoter of an initiative that would have polarised the South of Europe and jeopardised the EU's integrity".[938] From the bilateral perspective, this episode is also seen as a symbol of a shift in Nicolas Sarkozy's German policy. The French President has been forced to admit, despite himself, that France cannot act on the continent without Germany's assent.[939]

The President's special counsellor, Henri Guaino, often considered to be the 'father' of the Mediterranean Union project, explains that the original concept has changed, in order to reach

[930] Helsingin Sanomat: Välimeren unioni vesittyi – onneksi, 20th of March 2008, p. A2.
[931] See: http://ec.europa.eu/external_relations/euromed/docs/com08_319_en.pdf (last access: 16th of September 2008).
[932] Personal interview with a Finnish diplomat, Ministry for Foreign Affairs.
* **Centre européen de Sciences Po.**
[933] Philippe Perchoc: Politique Européenne de Voisinage : politique de puissance ou élargissement masqué ?, Nouvelle Europe, 22/05/2008, available under http://www.nouvelle-europe.eu/index.php?option=com_content&task=view&id=471&Itemid=90 (last access 29/08/2008).
[934] Le Monde, 25/06/2008.
[935] AFP, 10/06/2008.
[936] Le Monde, 11/06/2008.
[937] Libération, 30/04/2008.
[938] Pierre Avril: Méditerranée, l'UE entérine le projet, Le Figaro, 14/03/2008.
[939] L'Express, 10/03/2008.

this consensus at the EU level, and will now involve all member states.[940] Not only Germany but also the European Commission tried to shape the initial version. In the new version, "Le Figaro" sees the footprint of Benita Ferrero-Waldner, European Commissioner for External Relations and European neighbourhood Policy, and considered as the pet peeve of Paris, because of her activism against French leadership on this project.[941] However, Brussels' attitude reveals the hesitations of many of the member states. If the Netherlands and the United Kingdom are reluctant to finance this policy, some Eastern states, like Poland, fear that a union looking towards the South would forget Eastern partners like the Ukraine.[942] Trying to temper EU partners, the Secretary of State for European Affairs, Jean-Pierre Jouyet, opposed the French President and his counsellor Henri Guaino, who wanted to limit the initial Mediterranean Union to neighbouring countries.[943]

Analysing the process of change, Raphaël Liogier, professor at the "Institute for Political Science Aix-en-Provence", thinks that there is more than a semantic shift between the former 'Mediterranean Union' project and the presently titled 'Union for the Mediterranean'. Asking, "who could deny that the German veto has reduced our current prospects to mere revising of the Barcelona Process?", he argues that the new version thus translates into an attempt to make the southern coastline a 'eurozone' for investors.[944] The association "Attac" adopts a similar point of view, and considers this project as nothing but the continuation of the Barcelona Process, an "unbalanced relation between EU member states and the 12 Southern- and Eastern-Mediterranean governments, subject to neo-liberal policies implemented by the IMF, World Bank and WTO"[945]. Unsurprisingly, economic actors quite actively support the Union for the Mediterranean. An opinion poll commissioned by the "General Confederation of Small and Medium-Sized Enterprises" (CGPME) to "IPSOS" shows that more than 80 percent of corporate managers consider the project as a good way to improve co-operation between the different states involved in the project.[946] According to the same poll, corporate managers now expect the creation of a "Mediterranean Bank of Investment".

Finally, the Union for the Mediterranean also reveals a hazy boundary between neighbourhood and enlargement policy, especially regarding Turkey. Some observers see this union as a way for the French President to keep Turkey out of the European Union. Nicolas Sarkozy is opposed to Turkey's entry into the EU and defends the idea of a 'special partnership', an idea that is categorically rejected by Ankara, which seeks full membership.[947]

Germany*

Few reactions – no new alternatives

There have been no direct reactions to Elmar Brok's Report in Germany, which shows that it does not match well with current priorities on the EU agenda of the political parties. Nonetheless, there is debate in the German parliament ("Bundestag") and among the parliamentary factions about the EU's enlargement strategy and the European Neighbourhood Policy (ENP). Most of the topics under discussion, however, are influenced by the most recent developments in Georgia, the Union for the Mediterranean, the Black Sea Synergy, or the ratification process of the Lisbon Treaty. The latter shows that when it comes to matters of the EU, most politicians are foremost concerned about the internal reforms of the EU, which in turn is seen as a necessary precondition for further enlargement or even a credible ENP.

Yet, within these debates certain tendencies can be identified that build upon older models or patterns of EU partnership with its neighbours (new terms or concepts, such as 'European Commonwealth' do not appear in the national debate). A key document in this context is a motion passed by the Green

[940] Henri Guaino: Les peuples riverains de la Méditerranée doivent s'unir pour assumer leur part de destin commun, Interview pour Touteleurope.fr, 30/05/2008.
[941] See its opinion column L'Union pour la Méditerranée, une chance pour l'Europe, Le Figaro, 23/05/2008.
[942] Le Figaro: Méditerranée: Bruxelles limite les visées de la France, 20/05/2008.
[943] Le Monde, 04/07/2008.
[944] Raphaël Liogier: «Méditerranée: le flair imparable de Kadhafi, Le Monde, 24/06/2008.
[945] Attac: Union pour la Méditerranée, Communiqué de presse, 06/07/2008.
[946] See: http://www.ipsos.fr/CanalIpsos/articles/images/2558/diaporama.htm (last access: 29/08/2008). See also Les chefs d'entreprise plébiscitent l'Union pour la Méditerranée, 11/06/2008, available under: http://www.touteleurope.fr/fr/actions/relations-exterieures/politique-de-voisinage/analyses-et-opinions/analyses-vue-detaillee/afficher/fiche/3551/t/44100/from/2386/bre (last access: 29/08/2008).
[947] Le Monde, 08/07/2008.

* **Institute for European Politics.**

faction ("Bündnis 90/Die Grünen") and by Rainder Steenblock, member of the Committee of European Affairs, entitled "To develop the Enlargement and Neighbourhood Policy of the European Union further".[948] This motion calls for a "close cooperation across Europe's boundaries" but also for a differentiation between the neighbouring countries that have theoretically a membership perspective and a neighbourhood policy for "the countries south and east of the Mediterranean", i.e. the ones with no membership perspective.[949] A coordinated, albeit specific, strategy should be developed towards each of the regions. Moreover, it proposes 'new instruments' to integrate the Central Asian countries more than until now through partnership and cooperation agreements into the ENP.[950]

The motion was rejected with the votes of all other factions (CDU/CSU, SPD, FDP, "Die Linke"), based on the argument that "the European Commission had founded its enlargement strategy on the principles 'Consolidation, Conditionality, and Communication'" and that those were not explicit enough in the motion.[951] The explanations of Stephan Eisel, member of the Committee of European Affairs, who answered on behalf of the Christian Democrats (CDU/CSU), made clear again that 'deepening' of the existing EU is a priority.[952]

Despite the negative outcome of this motion, it gave new input to latent discussions on the 'future of Europe' – with regards to its internal as well as external strategy. One aspect that has been recalled many times is the idea of 'differentiation'. This should happen in two ways: on the one hand there should be a distinction in the way the Greens requested it in their motion (countries with a membership perspective and countries without), on the other hand there should be a differentiation between the individual countries. The latter is to say that if there is a possibility for membership, an accession date should not be set in advance, but emerge naturally as a result of the developments in the respective country and the 'readiness' of the EU. Additionally, the EU should refrain from ascribing a 'to-do-list' since this does not usually help to foster sustainable reforms.[953]

In general it seems like none of the political parties wants to create real alternatives to the ENP. When the Christian Democrats (CDU/CSU) talked about a strategy towards Georgia, it mentioned the need for an Eastern Partnership but on the basis of the tools available under ENP.[954] Both, the Greens ("Bündnis 90/Die Grünen") and the Social Democrats (SPD) underlined that the Union for the Mediterranean is an initiative under the Barcelona Process and thus also part of the ENP.[955] In the same vein does Angelica Schwall-Düren, vice president of the SPD, deem the Black Sea region as falling under the ENP.[956] Merely the Left Party ("Die Linke") demands a significant shift in the existing debate and calls for an "equal" or "democratic"

[948] Antrag der Fraktion Bündnis 90/Die Grünen: Die Erweiterungs- und Nachbarschaftspolitik der Europäischen Union weiter entwickeln, Bundestagsdrucksache 16/5425, available under: http://dip21.bundestag.de/dip21/btd/16/054/1605425.pdf (last access: 10 September 2008).
[949] Ibid.
[950] Ibid.
[951] Beschlussempfehlung und Bericht des Ausschusses für die Angelegenheiten der Europäischen Union (21. Ausschuss) zu Drucksache 16/5425, Bundestagsdrucksache 16/6977, available under: http://dip21.bundestag.de/dip21/btd/16/069/1606977.pdf (last access: 9 September 2008).
[952] Ibid., p. 6.
[953] Cf: Stephan Eisel: Vertiefung und Konsolidierung vor Erweiterung. Rede zur EU- Erweiterungs- und Nachbarschaftspolitik, speech in parliamentary debate, 8 November 2007, available under: http://www.cdu-csu.de/Titel__Vertiefung_und_Konsolidierung_vor_Erweiterung/TabID__1/SubTabID__2/InhaltTypID__2/InhaltID__8057/Inhalte.aspx (last access: 9 September 2008); Thomas Silberhorn: Vertiefung der Europäischen Integration ein Weg dazu ist, in der EU wieder erweiterungsfähig zu werden. Rede zur EU- Erweiterungs- und Nachbarschaftspolitik, speech in parliamentary debate, 8 November 2007,available under: http://www.cducsu.de/Titel__Vertiefung_der_europaeischen_Integration_ein_Weg_dazu_ist_in_der_EU_wieder_erweiterungsfaehig_zu_wer/TabID__1/SubTabID__2/InhaltTypID__2/InhaltID__8059/Inhalte.aspx (last access: 10 September 2008).
[954] Bernhard Kaster/Michael Stübgen: Union Positioniert sich zu aktuellen Themen der EU. Klausurtagung der Arbeitsgruppe Angelegenheiten der Europäischen Union, press release, 9 September 2008, available under: http://www.presseportal.de/pm/7846/1261544/cdu_csu_bundestagsfraktion (last access: 10 September 2008).
[955] Cf: Angelica Schwall-Düren: Partnerschaft mit den Mittelmeeranrainern verstärken, press release, 14 July 2008, available under: http://www.spdfrak.de/cnt/rs/rs_dok/0,,44711,00.html (last access: 10 September 2008); Rainder Steenblock: Euromediterrane Parlamentarische Versammlung, speech in parliamentary debate, 29 May 2008, available under: http://www.raindersteenblock.de/berichte-reden-photos/reden/not_cached/inhalt/euromediterrane_parlamentarische_versammlung/einzelansicht/?cHash=54c66288eb (last access: 10 September 2008).
[956] Angelica Schwall-Düren: EU setzt klares Zeichen für die Unterstützung Georgiens, press release, 2 September 2008, available under: http://www.pressrelations.de/new/standard/result_main.cfm?pfach=1&n_firmanr_=109407&sector=pm&detail=1&r=336824&sid=&aktion=jour_pm&quelle=0 (last access: 10 September 2008).

neighbourhood policy, which is not oriented on the "geo-strategic interests of the various actors within the EU".[957] However, neither the Left Party come up with a clear strategy or a model.

Nonetheless, a number of research institutes and think tanks as well as political foundations have thought through different models of EU integration.[958] Although the initial ideas date back a few years, they serve as points of reference or sources of inspiration for further development. One should mention the "European Economic Area", built by Norway, Iceland and Liechtenstein which inspired the EEA plus proposals.

The Christian Democrats (CDU/CSU) still regard a "Privileged Partnership" as an alternative to Turkish membership, even if they search for a new name and more precise substance. Also the following models remain rather theoretical games since they have not yet found response in German EU politics. Those are the "Extended Associated Membership" (EAM) as envisaged by Wolfgang Quaisser and Steve Wood from the "Osteuropa-Institut",[959] the "Gradual Integration" approach as discussed by Cemal Karakas,[960] the "Junior-Membership" as proposed by Franz-Lothar Altmann from the "Stiftung Wissenschaft und Politik"[961] and the ambitious "pan-European Confederation" proposed by Barabara Lippert, "Institut für Europäische Politik"[962].

Greece*

Strong interest in 'enlargement-minus' relations

Given the close ties Greece entertains both with its Balkan (presently Western – Balkan states: Albania, the Former Yugoslav Republic of Macedonia, Serbia) and Black Sea (especially the Ukraine and Moldova, but most importantly Russia) neighbours, its interest in 'enlargement minus' situations is quite high. Discussions in either the European Parliament or the European Commission are not really reflected widely in Greek public debate, but seeking ways to build a European web of relations with such countries is perceived as a priority (to the point of being commented on as a 'partial-substitute' for Greek foreign policy in an extremely sensitive environment). Therefore, the Greek position is not only positive as to the extension of any sort of contractual relations of the EU in the region, but also policy-neutral as to the nature and/or legal qualification of such relations. This is particularly valid for stronger EU-Russia relations that would justify and 'legitimise' the bilateral Greece-Russia rapprochement, mainly in energy matters.

[957] Cf: Hakki Keskin: Zum Antrag der Fraktion DIE GRÜNEN „Die Erweiterungs- und Nachbarschaftspolitik der Europäischen Union weiter entwickeln", speech in parliamentary debate, 8 November 2007, available under: http://www.keskin.de/bundestag/reden/801601.html (last access: 10 September 2008); Hakki Keskin: Europäische Nachbarschaftspolitik zur Förderung von Frieden und Stabilität im Südkaukasus nutzen, speech in parliamentary debate, 21 February 2008, available under: http://www.keskin.de/bundestag/reden/1169809.html (last access: 10 September 2008); Hakki Keskin/Diether Dehm: Karabach-Konflikt friedlich lösen, press release, 9 May 2007, available under: http://www.linksfraktion.de/pressemitteilung.php?artikel=1217721468 (last access: 10 September 2008).

[958] Cf: Barbara Lippert: Alternatives between Full Membership and Non-membership – Fata Morgana or Silver Bullet?, Conference Paper, 3-6 July 2008, available under: http://www.eliamep.gr/eliamep/files/The-EU-and-its-Neighbours_Programme.pdf (last access: 10 September 2008); For previous proposals see Deborah Klein/Canan Atilgan: EU-Integrationsmodelle unterhalb der Mitgliedschaft, Arbeitspapier der Konrad-Adenauer Stiftung 156/2008, available under: http://www.kas.de/db_files/dokumente/arbeitspapiere/7_dokument_dok_pdf_8414_1.pdf (last access: 10 September 2008); Thorsten Arndt: Quo Vadis EU III: Europa an den Grenzen – Grenzen der EU. Das Ende der bisherigen Erweiterungspolitik, documentation of the Heinrich Boell Foundation, available under: http://www.boell.de/internationalepolitik/internationale-politik-3114.html (last access: 10 September 2008).

[959] Wolfgang Quaisser: Alternative EU-Integrationsstrategien für die Türkei und andere Kandidatenländer. Privilegierte Partnerschaft oder „Erweiterte Assoziierte Mitgliedschaft", Kurzanalysen und Informationen des Osteuropa-Instituts München 12/2004, available under: http://www.osteuropa-institut.de/ext_dateien/info12.pdf (last access: 10 September 2008); Wolfgang Quaisser/Steve Wood: EU Member Turkey? Preconditions, Consequences and Integration Alternatives, forost Arbeitspapier 25/2004, available under: http://www.forost.lmu.de/fo_library/forost_Arbeitspapier_25.pdf (last access: 10 September 2008).

[960] Cemal Karakas: Für eine Abgestufte Integration. Zur Debatte um den EU-Beitritt der Türkei, HSFK-Standpunkte 4/2005, available under: http://www.hsfk.de/downloads/Standpunkte-4-2005(druckfrei).pdf (last access: 10 September 2008).

[961] Franz-Lothar Altmann: EU und Westlicher Balkan. Von Dayton nach Brüssel: ein allzu langer Weg, SWP-Studie 1/2005, available under: http://www.swp-berlin.org/common/get_document.php?asset_id=1841 (last access: 10 September 2008).

[962] Barbara Lippert: Beefing up the ENP: Towards a Modernisation and Stability Partnership, in: The International Spectator 4/2006, pp. 85-100.

* **Greek Centre of European Studies and Research.**

Be it also said that, while the official Greek position concerning the full accession of Turkey to the EU ('provided all relevant conditions are fulfilled') remains as repeatedly stated, in fact some sort of 'accession minus' would be most welcome at a later political/diplomatic stage for large segments of Greek public opinion. Especially if the internal upheavals of the Turkish political system result in a protracted period of unpredictability and/or 'exported problems' on the part of this too-close neighbour. Thus, an enhanced relationship between the EU and Turkey, if made acceptable to Ankara through its insertion in a wider European architecture, would prove rather popular in Greece. It should be noted that former Prime Minister Costas Simitis expressed last February in rather stark terms that the idea of a special relationship between EU and Turkey is recommended instead of accession.[963]

This, along with the 'French connection' to Greek foreign policy, explains why Greece has greeted the Union for the Mediterranean project quite positively, notwithstanding initial misgivings due to the project's potential overlapping with the existing Barcelona Process.

Hungary*

Supportive of European Neighbourhood Policy with a stronger Eastern dimension

Within Hungarian diplomacy the publication of the European Parliament's report did not make a real sounding. Although the report contains valuable proposals, the official stance of Hungary[964] is to offer full membership to all those countries which belong to Europe and which fulfil the membership criteria. Countries beyond this circle, but bordering the European Union, should be tied to the EU in the framework of the European Neighbourhood Policy (ENP). In this respect Hungary's main interest is to see the European Union's Southern and Eastern relations well balanced. This balance should also be reflected at the level of financial support, since to date the Mediterranean region benefits from some 70 percent of ENP assistance, while the Eastern partners get only 30 percent. Hungary is of the view that from 2014 on, the financial envelop backing the ENP should be increased, so that the Southern partners would not get less while the Eastern region would benefit more. Regarding the ENP in general – in the name of a more pragmatic approach – Hungary would like the EU to fill these relations with more substance and with more concrete projects that would preferably not require new institutions.

[963] See articles by Nikos Frangakis, Dimitris Dimitriadis (President, European Economic and Social Committee)/George Glynos, Dimitrios Katsoudas (Secretary General for European Affairs, Ministry of Foreign Affairs), Athanasios Kotsiaros, Achilleas Mitsos, Constantine Papadopoulos, Christos Triantopoulos and Kostas Zepos, in VIMA IDEON of the newspaper TO VIMA, September 2008, reflecting a roundtable discussion organised by EKEME on 1 July 2008.

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

[964] The answer given here is based on an interview with a high official of the Hungarian Ministry of Foreign Affairs.

Italy*

Focus on Mediterranean region

Neither the draft report nor the final text adopted in July triggered many reactions in the Italian political realm for at least two different reasons. First of all, at the time of the publication of the report, Italy went through political elections that were held on April 13th and 14th, so that the political limelight was on the electoral contest itself and the outcome. Secondly, it has to be considered that, being a country that lies on the Mediterranean, one of the most important directions of Italy's foreign policy, although not the exclusive one, is towards the Mediterranean region.[965] This proves true even in the case of Italy's European foreign policy priorities, where the policy vis-à-vis the Mediterranean region is one of its most important features. During the last months, another element has been added to the traditional preference of Italy for the Mediterranean region: the debate on Sarkozy's idea for a Mediterranean Union and the launch of the initiative last July.

As for the debate on alternative forms of membership and neighbourhood, Italy accepted the principle of the European Partnership, proposed last May by Poland and Sweden, but with some caveats. First of all,

* **Istituto Affari Internazionali.**

[965] On the characteristics of the Italian foreign policy and its main directions, see C. M. Santoro: La politica estera di una media potenza, Bologna/Il Mulino 1991.

while Italy agrees on the need for a strengthening of the European Neighbourhood Policy (ENP), it wants to preserve two of its tenets, namely unity and differentiation.[966] The first principle means that the ENP should remain one, and not be broken down in different regional dimensions; the second means that the progress of each of the ENP countries in its relationship with Brussels will be determined by its commitment and behaviour, regardless of its geographical positioning. Italy thinks that an emphasis on the different regional dimensions of the ENP risks contradicting the principle of differentiation itself. Therefore, if one ENP country carries out a significant reform of its political and economic system, it should be rewarded, whether it is an Eastern or a Southern neighbour.

Some Italian MPs are in favour of new initiatives that, while not envisaging EU membership, can build on the ENP and even go further than that. For example, Sandro Gozi, a member of the Italian lower chamber ("Camera dei deputati") and former advisor of Romano Prodi at the European Commission, believes that the ENP has not yet displayed its full potential. Therefore, any initiative that is aimed at overcoming the "in-out alternative" – that is the alternative between acceding and not acceding to the EU – and does not run counter to the principles of the ENP itself, is to be welcome.[967]

Secondly, the Italian government is opposed to a proliferation of a plethora of initiates that might overlap and generate a feeling of confusion among EU's partners, privileging an approach based on projects and practical results, rather than one based on abstract formulas.[968] This is one of the main reasons why the Italian government warmly welcomed Sarkozy's idea for a Mediterranean Union since its early formulations. A summit of the three biggest Mediterranean EU countries – namely France, Italy and Spain – was held in Rome on December 20th, 2007. On that occasion, some of the main elements of the new initiatives were outlined, such as the importance of the political impulse, the need for mobilising civil societies, the approach based on the realisation of concrete projects and the fact that new Union for the Mediterranean (UfM) would be based on the principle of cooperation, and not on that of integration.

The Union for the Mediterranean enjoys bipartisan support among Italian MPs, as it is shown by the approval by both the government coalition and the opposition of two resolutions (one by the upper chamber ("Senato della Repubblica") in July and the other by the lower house in June), endorsing the new initiative.

Italy endorsed the final format of the UfM that brings together all the EU countries, the Southern partners of the Barcelona Process, including Turkey, plus the riparian Western Balkans states, such as Croatia, Montenegro, etc. In particular, the Italian government supported the idea of launching projects with the Southern partners on civilian and maritime protection.[969] Italy also expressed its preference for having a Southern city (i.e. Tunis or Tangeri) as host to the future Secretariat of the UfM.

As for the principles of the UfM, the Italian government is satisfied with the new approach based more on cooperation, rather than on integration. According to the Italian Minister of Foreign Affairs, Franco Frattini, one of the main shortcomings associated with the Euro-Mediterranean Partnership is that it generated the feeling among the Southern partners that the EU was trying to impose its own models.[970] On the contrary, the UfM is trying to avoid generating this perception. According to Frattini, there exists no alternative: a 'partenariat' implies that the two parts are considered as equals, and whatever deviation from this pattern is considered as a new form of colonialism.[971] Also, the Italian government suggested a less interventionist approach on the issue of democracy promotion, referring to the fact that when one tries to export a Western-oriented model, the outcome may run counter to the expectations, as the results of the elections in Egypt and the Palestinian Authority.[972]

As far as the reactions among the academics and researchers, the EU's relations with its Eastern and Southern neighbours have attracted much attention in the past years. As

[966] Interviews with officials of the Italian Ministry of Foreign Affairs.
[967] Interview with MP Sandro Gozi, July 2008.
[968] Interviews with officials of the Italian Ministry of Foreign Affairs.
[969] Interviews with officials of the Italian Ministry of Foreign Affairs.
[970] L. Leone: Mediterraneo, gioco alla pari, Il Secolo XIX, July 13th, 2008.
[971] Ibid.
[972] Ibid.

for the draft report of the European Parliament, it was not much discussed and it is too early to assess the reactions to the final text, as this was approved only on July 10th. The same applies to the Swedish-Polish proposal for a European Partnership: it is too early to provide an evaluation, and most analysts will probably take it into consideration when the European Commission will publish the relative communication in the spring of 2009.

UfM aroused much interest and many expectations, even though some of its shortcomings have been highlighted. According to Roberto Aliboni, vice-president of the "Istituto Affari Internazionali", the new initiative has a positive potential and, compared with the Euro-Mediterranean Partnership, features a more counterbalanced and egalitarian relationship between the two shores of the Mediterranean.[973] However, he warned, the enhanced legitimisation of the Southern partners may not lead to a more deep and cooperative political dialogue. On the contrary, they are now in a better position to say 'No' to the EU.[974]

Latvia*

Concentric Circles around the EU? The View from Latvia

To date there has been no public discussion of the draft report to the European Parliament concerning EU policies toward its neighbours. Nonetheless, that should not be interpreted either as a Latvian dismissal of the report, lack of interest in the EU neighbourhood, or disrespect for Elmar Brok. Considering the views stated by various government officials and Latvian members of the European Parliament, many of the proposals in the report appear to echo also their views. For example, Latvia has consistently supported the notion of a united European Union, rather than a European Union of multiple configurations, an idea that is discussed in paragraph 8 of the draft report and depicted as detrimental for the EU.

Latvia has dealt with many of the issues addressed or alluded to in the Draft Report via the European Neighbourhood Policy (ENP), which, according to a recently issued non-paper of the Latvian Ministry of Foreign Affairs. At the outset the document underlines the ENP's continued usefulness in promoting and deepening the Union's relations with its partner countries and advocates strengthening that policy. It recommends a pragmatic and flexible approach to address more effectively the various needs of the neighbours and considers the implementation of existing ENP commitments as the main priority in the short term.

At the same time, the European Union should explore new ideas, such as regional co-operation, which could add a new dimension to the ENP. Acknowledging that the partner countries have different views about the future of their relations with the EU, the ministry believes that one of the preconditions for the successful implementation of the ENP is the European Union's ability to respond properly to the initiatives of partner countries. The ministry also believes that the Union should state clearly that the goal of the ENP is not to restrain partner countries from possible membership of the European Union in the long-term, but rather to concentrate efforts on the next generation agreements and to set the mid-term goals as being the development of a common economic space, a common area of freedom, security and justice and the expansion of the energy community.

Comparing the Barcelona Process and the Union of the Mediterranean, the ministry points out that the EU has no equivalent regional framework for its Eastern neighbours and, therefore, recommends a multilateral framework for regional co-operation with EU's Eastern neighbours.

Regional cooperation

The ENP action plans have been very useful in promoting and bringing forward the reform agenda in the Eastern neighbourhood. However, the EU also needs a clear multilateral framework for regional co-operation with the Eastern neighbours. That would give an additional dimension and dynamics to the ENP by increasing synergy and strengthening dialogue.

The regional co-operation among the countries in the Eastern neighbourhood has been

[973] R. Aliboni: La nuova Unione per il Mediterraneo tra luci e ombre, Affarinternazionali, available under: http://www.affarinternazionali.it/articolo.asp?ID=892 (last access: 28th of August 2008).
[974] Ibid.
* Latvian Institute of International Affairs.

dominated by post-Soviet formats driven mainly by Russia (for example, Commonwealth of Independent States, Collective Security Treaty Organisation). However, the countries from the Eastern neighbourhood have clearly expressed their wish to also see a European dimension. Most of the countries perceive the EU as an attractive alternative to the post-Soviet processes.

The EU can play a constructive role in regional development. Stability and prosperity of its neighbourhood is in the European Union's interests. That requires a strengthening of democracy and respect for human rights, as well as sustainable and balanced economic and social development.

The EU needs a multilateral framework for regional co-operation, which would promote European values and standards in the eastern neighbourhood. The platform for regional co-operation could be a political inter-parliamentary dialogue involving the European Parliament and national parliaments as well as practical cooperation on issues like trade, energy, environment, justice and home affairs. Senior officials could be involved. Other regional actors could also be invited on an ad hoc basis.

Lithuania*

No artificial impediments for the further enlargement

The draft report prepared by Elmar Brok did not become an object of public discussion in Lithuania. With regard to the EU enlargement, Lithuania has always favoured the 'open door' policy. Regarding Lithuanian strategic priorities, Lithuanian President Valdas Adamkus declared that one of the Lithuanian priorities is to guarantee that the space governed by European principles would spread as widely as possible and according to him, to implement this goal there is no better instrument than the EU enlargement policy.[975]

Undersecretary of the Lithuanian Foreign Affairs Ministry, Žygimantas Pavilionis, emphasized that the provisions of the Lisbon Treaty regarding the special relations with neighbouring countries are interpreted by Lithuania as the readiness to develop co-operation with neighbours, but this in no way can become an alternative for membership in the EU. If we want the EU to play a global role we have to seek for an open, objective and just policy when the perspectives of a European member state would depend only on its will to implement the necessary reforms and preparedness for membership. Setting artificial borders or artificial drag of negotiations with Turkey and Croatia would send a serious negative signal about EU reliability both for the countries, seeking membership as well as the whole international community.[976]

For a stronger European neighbourhood policy

With concern to the European Neighbourhood Policy, Lithuania wants this policy to be as strong as possible. As the undersecretary of the Foreign Affairs Ministry Laimonas Talat-Kelpša said, the European Neighbourhood Policy should not remain where it is and should be expanded. According to him, it might be discussed how quickly and towards which direction – deeper or wider – it should be expanded.[977] Speaking about the European Neighbourhood Policy, Lithuanian Foreign Affairs Minister Petras Vaitiekūnas stressed that there is a necessity to continue seeking for more efficient results in concrete fields – expanding free trade, solving frozen conflicts more efficiently, facilitate visa regime.[978]

* **Institute of International Relations and Political Science, Vilnius University.**

[975] News agency ELTA: V. Adamkus: tapusi ES ir NATO nare, Lietuva kelia naujus strateginius iššūkius (V. Adamkus: after becoming a member of the EU and NATO, Lithuania sets new strategic challenges), May 8th, 2008, available under: http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/3268/ (last access: August 28th, 2008).

[976] Žygimantas Pavilionis: The speech of undersecretary of the Lithuanian Foreign Affairs Ministry Žygimantas Pavilionis at the conference "Lisbon treaty: what is next?", January 17th, 2008, available under: http://www.urm.lt/index.php?1898845102 (last access: August 28th, 2008).

[977] Lithuanian Foreign Affairs Ministry: Neišnaudoti mūsų šalies pranašumų Europos kaimynystės politikoje būtų aplaidu ir žalinga Lietuvai (It would be careless and dangerous not to use the advantages of our country in the European neighbourhood policy), a press release of the Lithuanian Foreign Affairs Ministry, February 13th, 2008, available under: http://www.urm.lt/index.php?1169809006 (last access: August 28th, 2008).

[978] Lithuanian Foreign Affairs Ministry: Lietuvos užsienio reikalų ministras: Europos Sąjunga turi įvertinti Moldovos pažangą įgyvendinant reformas (Lithuanian Foreign Affairs Minister: the European Union has to evaluate the progress of Moldova in implementing reforms), a press release of the Lithuanian Foreign Affairs Ministry, February 19th, 2008, available under:

Therefore there are quite a few debates about further EU enlargement and the European Neighbourhood Policy, but the alternative forms to the membership and the Neighbourhood Policy are not discussed in Lithuania.

Luxembourg*

Widening and deepening parallel processes

The draft report itself did not engender major discussions in Luxembourg. The EU enlargement strategy and European Neighbourhood Policy dealt with in the paper have been commented on other occasions.

Minister of Foreign Affairs Jean Asselborn affirms: "With the negative result of the Irish referendum on the Lisbon Treaty the expansion process of the EU comes to a halt and we are falling back on the Nice Treaty"[979]. For Jean Asselborn, the enlargement process and the consolidation process have to run parallel. "We have to watch out that we don't slam the doors shut here and create a lot of bitterness, especially on the Balkans issue. We know that instability could reoccur in the Balkans"[980].

Malta*

The EU-Arab League forum

Malta fully supports closer relations with those countries that are neighbours to the EU. If membership is not on the horizon or compatible with the Copenhagen criteria, then alternative modalities of cooperation should be sought.

Since becoming a member state of the EU in 2004, Malta has for example been championing closer ties between the EU and the Arab League, and has called for the establishment of a permanent EU-Arab League forum. In fact, the first meeting of this type was held in Malta in November 2007, and Malta would like to see this process become a fixed event in the annual EU calendar.

The EU and Arab League Foreign Ministers helped to facilitate the task of promoting a more enhanced structured dialogue between the European Union and the League of Arab States and its member states and should serve to launch a regular Euro-Arab forum of interaction.

A better structured EU-Arab League political dialogue will focus on building confidence and trust and strengthening policy measures between Europe and the Arab world on global and strategic issues of mutual interest. An open exchange of views on such aspects as development, dialogue among cultures, potential areas of cooperation, and the general situation in the Middle East, will provide an important visible signal to everyone that Euro-Arab commonalities outweigh the threat of extremism and fundamentalism.

The Maltese initiative has been a tangible contribution by Malta to the European Union's Common Foreign and Security Policy. As a member of the EU, Malta has consistently navigated through contemporary Euro-Mediterranean international relations with the specific objective of contributing to peace and prosperity across the Euro-Mediterranean area. The EU-Arab League forum of enhanced cooperation underscores Malta's vocation of clearly highlighting Euro-Mediterranean security challenges and concerns.

Closer Euro-Arab co-operation would of course adopt all of the existing mechanisms of partnership (association agreements, action plans, trade provisions and financial cooperation) that already exist through the Euro-Mediterranean Partnership and European Neighbourhood Policy. The main goal of this initiative is to create a more positive atmosphere between Europe and the Arab world in all sectors, including politics, education, culture and business. The success of this initiative will lie in the informality of regular interaction between the two shores of the Mediterranean.

When it comes to immediate practical forms of co-operation, EU and Arab League member states should seek to cultivate a pre-emptive

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http://www.urm.lt/index.php?1638827625 (last access: August 28th, 2008).

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

[979] Der Standart: Asselborn: Ein zweites Referendum, es gibt keinen anderen Ausweg, 19.6.2008.

[980] German Times: Let's have solidarity, 8.7.2008.

* **Mediterranean Academy of Diplomatic Studies, University of Malta.**

dialogue that addresses in a more comprehensive manner the plethora of security challenges existing in the Mediterranean including the management of illegal migration, the surveillance of pollution, the monitoring of fishing activities and the carrying out of search and rescue missions in the Mediterranean.

A more enhanced structured dialogue between Europe and the Arab world will also strengthen efforts aimed at creating a functioning free trade area between the EU and the Gulf Cooperation Council countries. Closer EU-Arab relations could serve as a basis upon which long-term cooperation in the areas of European Security and Defence Policy and energy could be fostered. The success or failure of coordinating Euro-Arab security and energy policies will determine future relations between these two adjacent regions of the Mediterranean. Such an engagement should focus on immediately enhancing Euro-Arab research and development in the field of innovation, especially when it comes to renewable and alternative energy. Malta's Euro-Mediterranean Initiative for Technology and Innovation is already starting to implement such an agenda.

The EU-Arab policy dialogue mechanism will also add momentum to the European Neighbourhood Policy (ENP) that is being implemented and which seeks to integrate southern and eastern neighbours closer into the fabric of European society.

Future Euro-Arab co-operation needs 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 be 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. Complementing the Euro-Mediterranean Partnership scholarship scheme launched last June in Cairo, the Euro-Arab League initiative should seek to introduce a package of programmes that seeks to tap into the wealth of intelligence in the region via scholarships, seminars, and workshops.

Promoting closer Euro-Arab co-operation in the educational and commercial fields can only take place if both public and private stakeholders work hand in hand with a long-term perspective to attract a larger number of European and Arab professionals to their shores. This will of course require an updating of procedures for visas.

Last but not least, an enhanced Euro-Arab dialogue needs to focus much more seriously on climate policy and the implications of climate change on the Mediterranean. 2008 marks the twentieth anniversary of the adoption by the UN General Assembly of its resolution 43/53 which recognised that 'Climate Change is a Common Concern of Mankind' and led to the adoption of the UN Framework Convention of Climate Change. This resolution was the result of the initiative taken by Malta in September 1988 to place for the first time the problem of climate change on the international political agenda. The Euro-Arab League initiative provides an excellent opportunity to further advance cooperation in this strategically important sector.

Now that the Maltese foreign policy initiative to commence a EU-Arab League structured dialogue has been achieved, Malta believes that all actors involved in this exercise need to focus on delivering practical modalities of cooperation. Such an enhanced dialogue will also provide more dynamism and substance to the Euro-Mediterranean Partnership (EMP), ENP, and also sub-regional groupings such as the Mediterranean Forum and the West Mediterranean Forum also know as the "5 + 5 group" (Morocco, Algeria, Tunisia, Libya and Mauritania and Portugal, Spain, France, Italy and Malta) that recently met in Morocco. In such an exercise of network building one must also remember the very important role that Mediterranean municipalities can play. If we can manage to establish a truly interactive network between them, this will go a long way to fostering a closer understanding of one another.

The long-term objective of an enhanced political dialogue between the EU and the Arab world should be to foster a more conducive political environment within which a political dialogue that aims towards a convergence rather than a clash of civilisations is achieved.

Malta has also been promoting consistently closer EU ties with its immediate sub regions, in particular the Maghreb. Through such initiatives as the "5 + 5 group", and the Mediterranean Forum, Malta has been seeking to promote closer political, economic, and cultural ties between the EU and its southern neighbours.

Thus, in the last two decades, numerous initiatives have been put forward to stimulate the concept of regionalism across the Mediterranean. The most prominent of these are the "5+5 group" that brought together five southern European states with their Maghreb counterparts, the Mediterranean Forum initiated by Egypt, the Maltese proposal to create a Council of the Mediterranean, and the Italian-Spanish proposal to launch a Conference on Security and Cooperation in the Mediterranean. Other regional initiatives include the initiative to create an Arab Maghreb Union, which was established in 1989, and the European Union-led EMP and ENP and more recently the French proposal to establish a Mediterranean Union.

Efforts to reactivate sub-regional cooperative initiatives in recent years have helped to improve regional relations across the Mediterranean. The lack of coordination between the different regional groupings and the heterogeneous nature of the grouping's membership have, however, not triggered any specific attention to the goal of building a more integrated and thus competitive Mediterranean region.

Netherlands*

Towards a "partenariat"

Up to the referendum in June 2005, further enlargement of the Union was not a real issue in Dutch politics. The majority of the mainstream political parties in The Netherlands favoured (further) enlargement. After the 'No' vote to the Constitutional Treaty in 2005, an evaluation through focus groups[981] and a non-representative inquiry through the Internet in March and April 2006[982] indicated that the general public did not support further enlargement, jeopardising support for European integration in general. Political parties concluded a period of consolidation and reorientation was needed.

During the electoral campaign of 2006, the Christian Democratic Party (CDA) suggested an alternative form of EU-membership, called "partenariat" (partnership).[983] The idea appeared in full in the coalition agreement of February 2007,[984] with the new governing coalition of CDA, the socialist party "PvdA" and the small Christian Party "ChristenUnie" subscribing to the idea that "countries can have in addition to, or in anticipation of, the candidate-membership status of the EU, new forms of status at their disposal (like the partnership)".[985] However, the characteristics of this apparently new form of alternative membership were not elaborated upon further, neither were its goals, context and geographical scope.

Compared to the official position of the previous government, which had expressed its reservations against any form of in-between membership, this new form of partnership was a major innovation. It should be kept in mind that this innovation was developed by the CDA, a party that is against EU membership by Turkey. It could therefore rightly be considered as a way to keep this country out of the Union, particularly since the text continues as follows "for example, as a step in between if they can *not* (yet) *meet* the criteria for (candidate)membership.[986] Responding to critiques that the government should come up with a more concrete elaboration of the concept[987], the official government EU agenda "State of the European Union" announced that the "partneriat" would be further developed.[988]

* **Netherlands Institute of International Relations 'Clingendael'.**

[981] Anker Solutions: Kom terug naar de camping! Tijd voor een reality check. Eindrapport focusgroepen Buitenlandse Zaken, September 2005, pp. 12-13.

[982] Anker Solutions: NEDERLANDINEUROPA.NL. Eindrapport Ministerie Van Buitenlandse Zaken, May 2006, pp.18-20, available under: http://www.minbuza.nl/binaries/pdf/eu-actueel/eu-grondwet/nederlandineuropa_rapport.pdf (last access: 26 August 2008). On the website www.NederlandinEuropa.nl (last access: 26 August 2008) 97,452 participants filled in a questionnaire about the (future) position of the Netherlands in Europe.

[983] CDA: Verkiezingsprogramma 2006-2011. Vertrouwen in Nederland. Vertrouwen in elkaar, p. 96.

[984] Parliamentary factions of CDA, PvdA and ChristenUnie: Coalitieakkoord tussen de Tweede Kamerfracties van CDA, PvdA en ChristenUnie. samen werken, samen leven, 7 February 2007, p. 13.

[985] Original: "Landen kunnen in aanvulling op, of vooruitlopend op, het kandidaat-lidmaatschap van de EU beschikken over nieuwe statusvormen (zoals het partenariaat)." Translation by the authors. CDA: CDA Verkiezingsprogramma, p. 96.

[986] Original: "Bijvoorbeeld als tussenstap als men (nog) niet aan de criteria voor (kandidaat)lidmaatschap kan voldoen." Translation and italicization by the authors. Ibid.

[987] Jan Rood: Partenariaat? Is dat iets tussen wal en schip?, in: Staatscourant, 12 March 2007.

[988] Ministerie van Buitenlandse Zaken: Staat van de Europese Unie, 18 September 2007, p.21. See also: Advisory Council on International Affairs (AIV): The European Union's new Eastern Neighbours, No. 44, July 2005, p. 36.

In a letter to the Dutch parliament in May 2008, the concept was further developed.[989] The idea of partnership is in line with the discussion in many member states about the scope of the European Neighbourhood Policy (ENP) since its inception in 2004. In 2005, the Ministry of Foreign Affairs sent a memorandum to parliament about "the borders of the European Union". The document describes that it is difficult to determine if a nation is European or not, but the countries south of the Mediterranean, on the African continent, cannot join the European Union. But this is more complicated for the diffuse, Eastern border and a request for membership from the Ukraine, Moldova or Belarus cannot be refused on geographical grounds.[990]

The recent idea, put forward by Elmar Brok, for further differentiation between the southern neighbours and the 'European' eastern neighbours is a consequence of this viewpoint.[991] It has received no media coverage in the Netherlands, but the idea exposes the foundations of the discussion about ENP: the (lack of) conditionality and the holistic, unilateral approach towards the 'ring of friends', the 'one-size-fits-all approach'.[992] The "partenariat" tries to solve this by being exclusively available for the six European neighbours. It offers a flexible, tailor made instrument, when the opportunities of the ENP have reached their maximum potential. In its contents this new policy is similar to the European Economic Area (EEA) (EEA Plus), with full participation in the internal market but without an accession perspective. It is expected that "with this (policy) it will meet the expectations of the Eastern neighbours."[993] But given the priority of the foreign policy of Ukraine and Moldova, membership of the EU, this new concentric circle in the form of a "partenariat" can hardly be a substitute for actual membership. For countries, a privileged status is only attractive if it is not an obstacle to actual membership, or if it is perceived as bringing this goal closer. The discussion in the Netherlands therefore focuses on the question if this privileged status should be developed only for countries with a perspective on membership. Otherwise, it would be counter-productive.[994]

[989] Ministerie van Buitenlandse Zaken: kamerbrief over de notitie inzake het partenariaat, 14 May 2008.
[990] Tweede Kamer der Staten-Generaal: Staat van de Europese Unie. Uitbreiding van de Europese Unie, 17 March 2008, No. 18, p. 5.
[991] European Parliament: Draft report on the Commission's 2007 enlargement strategy paper, (2007/2271 (INI)) PE404.495v02-00, 3 April 2008.
[992] Rob Boudewijn/Evelyn van Kampen/Jan Rood: Overview PaperEU policy seminar. Exploring the scope of the Europeaan Neighbourhood Policy. Towards new forms of partnership?, available under: http://www.clingendael.nl/publications/2008/20080411_cesp_paper_seminar.pdf (last access: 26 August 2008).
[993] Original: "Daarmee wordt recht gedaan aan de verwachtingen van deze Europese buren." Translation by the authors. Ministerie van Buitenlandse Zaken: kamerbrief over de notitie inzake het partenariaat, 14 May 2008.

Poland•

Polish MEPs keep EU's entrance door open

The Polish position on Elmar Brok's proposal was presented and very well enforced within the European Parliament's debates on this report. The MEPs from new member states (and especially from Poland) had several concerns regarding Elmar Brok's first draft report on the European Commission's 2007 enlargement strategy paper. Most importantly Polish MEPs opposed the formulation of any additional conditions necessary for the accession to the EU. The original draft contained quite a detailed description of the so-called 'integration capacity', as well as a formulation according to which "new member states should resolve all its internal issues, particularly those concerning its territorial and constitutional set-up before enlargement". The draft also conceded that further enlargement had to be followed by a period of adequate consolidation, and the lack thereof could lead to "a union of multiple configurations, with core countries moving towards closer integration". A second objection was linked with Brok's idea that the gap existing between the European Union's enlargement strategy and its neighbourhood strategy needs to be filled by some sort of intermediate step, such as 'free trade area plus'. In the early stages of the work on the report the MEP's from new member states convinced Brok to concede that if external contractual frameworks were to be structured as concentric circles, those circles had to be permeable and that acceding states have to be able "to move form one status to the other, if they so wish and if they fulfil the criteria pertaining to each specific framework". The third problem was linked to the

[994] Jan Rood/Rob Boudewijn/Tomas Rieu: Van EU-partnerschap tot –lidmaatschap. Veel etiketten voor één envelop, in: Internationale Spectator, September 2007, p. 417.

• **Foundation for European Studies - European Institute.**

assessment of the previous enlargements, which according to many MEP's, was too lukewarm towards new member states in the first draft.

The report was so contentious that it divided the biggest political groups in two, and the vote had to be postponed for more than a month. Finally, many of the objections by the deputies from new member states were taken into account by the rapporteur. Integration capacity was defined in a clearer way (although, according to many MEP's, still in a too detailed manner). Paragraph 6 now states that "acceding member state should resolve its main (not all) internal problems" and that the EU should be helpful in solving them. The report still talks about the need of adequate consolidation but now says that the lack thereof could "damage the Union's internal cohesion", not "lead to a union of multiple configurations". The last version of the report also affirms "participation in the European Neighbourhood Policy does neither in principle nor in practice constitute a substitute for membership or a stage leading necessarily to membership". It also adds that neighbours would participate in an intermediate step to membership on a totally voluntary basis and that such step would facilitate the deployment of all instruments available to the EU in order to help these countries on their path towards full membership. In order to placate the new member states the past enlargements are accessed in a very positive light, as "a great success, benefiting the old as well as the new EU member states by fostering economic growth, promoting social progress and bringing stability, freedom and prosperity to the European continent"[995]. In the latest version of the report all of the references to the Lisbon Treaty were struck down (as they are contained in other reports). In addition, at the latest moment Elmar Brok decided to include in his report a positive reference to the new Swedish-Polish proposal concerning Eastern Partnership. After most of the concerns of the new member states were accounted for (albeit not in a perfect form) the report was finally agreed upon and passed in the foreign affairs committee (55 votes for, 1 against, 9 abstentions).

In this context, the scenario of differentiation is not seen as credible by most Polish politicians and specialists, as most of them agree that it is impossible to realise under current treaties. Even though the government treats the talk about a 'Hard Core Europe' as a usual threat used in times of distress (accession negotiations, budgetary bargaining, haggling over treaty provisions), it brands such notions from some European politicians as 'counterproductive'.

[995] Although Tune Kelam's amendment according to which enlargement contributes to competitiveness of the EU was rejected by the Socialists against the wishes of Elmar Brok himself (the ballot was lost by 34 against 32 votes).

Portugal*

Great interest in Mediterranean neighbours

There was no public reaction to the draft report. The question of enlargement has no great salience in public debate, except, to some degree, of the Turkish case, where Portuguese official policy in favour of enlargement seems to enjoy broad public support. In general, the Portuguese elite and public opinion, as expressed in polls, is favourable to further enlargement, including Turkey. This seems to be the result both of a normative impulse – that would account for the small oscillations of support for enlargement, even, so far, in times of crisis – of providing others with the opportunities of development and democratic normalisation within the EU from which Portugal benefited; as well as of the more instrumental argument of seeking an ever larger area of security and prosperity in Europe.[996]

This traditional position would seem to point to a rejection of concentric circles and alternative forms of membership other than full membership of the EU. This has so far, indeed, been the case regarding Turkey. At the same time membership is not in the cards for Portugal's closest Southern Mediterranean neighbours – Morocco, Algeria, Tunisia – non-European countries where Portugal has very significant long-term interests and major investments. Consequently, the Portuguese diplomatic and political elite would welcome some flexibility with enhanced and more

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

[996] See Bruno Martins/Bruno C. Reis: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-27 Watch, No. 6, March 2008, Berlin, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-27_Watch_No_6.pdf (last access. 25.08.2008); Bruno C. Reis: Report for Portugal, in: Institut für Europäische Politik (ed.): EU-25/27 Watch, No. 5, September 2007, Berlin, available under: http://www.iep-berlin.de/fileadmin/website/09_Publikationen/EU_Watch/EU-25_27_Watch_No_5.pdf (last access: 29.08.2008).

institutionalised cooperation with those cases in mind, even if no concrete proposals seem to have emerged.

Romania[•]

Possible alternatives to 'classical' bilateral arrangements: 'thematic cooperation', "networks of regional arrangements around the EU"

The need to reassess, diversify and consolidate the instruments, which the ENP has been endowed with so far, seems to have been a priority topic of the debates taking place in Romania over the last six months. However, the Elmar Brok draft report does not appear to have constituted a reference of these debates, as it has not generated reactions directly and explicitly associated with it. The recent developments in the realm of the European Neighbourhood Policy (ENP), embodied by the two important projects – the French initiative of a Mediterranean Union and, subsequently, the Polish-Swedish reply with an Eastern Partnership – have brought back to the attention of the Romanian Ministry of Foreign Affairs (and of foreign policy analysts as well) to the issue of possible regional cooperation scenarios, especially beyond the EU's Eastern borders.

Among possible alternatives to the 'classical' bilateral arrangements provided by the ENP action plans, Foreign Minister Lazăr Comănescu mentioned, on the occasion of a conference devoted to ENP issues held in Warsaw,[997] the importance of the development by the European Union of a "different type of instruments that involve more of its neighbours in what I would call EU-led or EU-inspired multilateral arrangements". Against the background of the European press[998] having already signalled the reticence of Romania and Bulgaria concerning the recent initiative's potential to undermine the earlier-launched project of the Black Sea Synergy, the Romanian Foreign Minister was thus making a direct reference to the Eastern Partnership jointly proposed by Poland and Sweden in May 2008, which is a project based on the principle of a multilateral cooperation among the countries located in the Eastern neighbourhood of the EU. Without expressing criticism as to the viability of such an arrangement concerning cooperation beyond the Union's Eastern borders, Minister Comănescu emphasised the need for *complementarity* between the projects relevant for the Eastern dimension of the ENP, that is, between the Eastern Partnership and the Black Sea Synergy: "Romania has supported this for a long time, when we were discussing about thematic cooperation within the ENP. […] To be frank with you, the Synergy, albeit less ambitious than originally expected, provides a framework for promoting regional cooperation among partners rather than bilateral ties between partners and the EU. The Black Sea Synergy has the advantage of encompassing under one vision, the ENP, the Four Spaces of Cooperation with Russia and the Accession Negotiations with Turkey."[999]

The scenario of a 'thematic cooperation' – which is a defining feature of the Black Sea Synergy – promotes, according to the vision of the Romanian Foreign Affairs Minister, the principles of openness, flexibility, project-oriented approach, cost-sharing and trust building, which can constitute essential elements for encouraging and consolidating partnerships among the countries in the Eastern neighbourhood in important policy areas such as transport, environment and migration.

Concerning the connection of the ENP to EU's enlargement strategy by possibly using the cooperation framework offered by the Eastern Partnership as an intermediary step towards a subsequent opening of accession negotiations with some countries belonging to EU's Eastern neighbourhood, the opinion of the Romanian official seems slightly different from the one expressed by his Polish counterpart, Radosław Sikorski. The stakes incorporated by the two visions are different. The Romanian Foreign Affairs Minister emphasises the importance of consolidating the Eastern dimension of the ENP in the context of the need for reviewing the European Security Strategy: "*Being neighbours should be a privilege, not a curse.* This principle must be reflected in our effort to review the European Security Strategy for our neighbourhood, especially the Eastern

[•] **European Institute of Romania.**

[997] Lazăr Comănescu, Minister of Foreign Affairs: speech on the occasion of the International Conference on Neighbourhood Policy "A Common Approach to the Neighbourhood", 28 June 2008, Warsaw.

[998] EU Observer.

[999] Lazăr Comănescu, Minister of Foreign Affairs: speech on the occasion of the International Conference on Neighbourhood Policy "A Common Approach to the Neighbourhood", 28 June 2008, Warsaw.

one".[1000] Meanwhile the Polish Foreign Affairs pleads in favour of an Eastern regional cooperation seen as a preparatory stage for an EU membership scenario: "To the south, we have neighbours of Europe. To the east, we have *European neighbours* [...] they all have the right one day to apply [for EU membership]. We all know the EU has enlargement fatigue. We have to use this time to prepare as much as possible so that when the fatigue passes, *membership becomes something natural*."[1001]

However, the parallel between the two quoted visions could be seen as an outcome of a subjective interpretation, taking into consideration the fact that these statements were made at different moments and in totally different contexts. The two Foreign Affairs Minister had an official meeting in Warsaw on June 27th and, according to a press release issued by the Romanian Ministry of Foreign Affairs, they agreed that the development of the ENP's Eastern dimension should be based upon the added value and complementarity's principles. „Romania and Poland are key actors in promoting the ENP, and this particular policy is important for the EU, but for the whole Eastern region as well, aiming at enlarging the European stability and prosperity space. Romania will continue to particularly support the Black Sea Synergy, but it is also interested in any initiative able to build stronger partnerships among the Eastern countries of our continent"[1002], said Lazăr Comănescu after the discussions with Polish Minister of Foreign Affairs Radosław Sikorski.

Moreover, Romania's view about the transformation of the Black Sea region in the context of strengthening the Eastern dimension of the ENP tends to favour the idea of "engaging Russia in the Black Sea vicinity in a pragmatic, responsible and cooperative manner."[1003] Reviewing the logic of the ENP against the background of re-thinking the European Security Strategy should, thus, aim at a balance of the EU's priorities vis-à-vis all of its 'neighbourhoods', as well as between the bilateral and regional approaches. Beyond the shortcomings deriving from the overlapping of two different initiatives for the consolidation of the EU's Eastern neighbourhood, the parallel (and, possibly competing) development of the two projects might have an impact on the relations between the EU and Russia. The offensive undertones of the Polish-Swedish proposal might, by comparison, shed a more positive light for the Kremlin leaders, on the alternative of cooperation in the framework offered by the Black Sea Synergy.

Another means of pursuing the EU's security interests by laying partnership foundations for its neighbourhood, which the Romanian Foreign Affairs Minister has evoked on the occasion of the above-mentioned event recently organised in Poland is "the instrument of the network of regional arrangements around the EU", through which the European Union might opt for selective associations. This seems to be the alternative coming closest to the vision of "mutually permeable concentric circles" around the EU sketched by Elmar Brok in his report of April 2008 submitted to the Committee on Foreign Affairs of the European Parliament. Although not presented in great detail by Lazăr Comănescu, the scenario of a network of regional arrangements around the EU would seem to focus primarily on those issues relevant for the EDSP area, particularly on its 'non-militarised hard component' being thus compatible mostly with the operational spectre of cooperation missions concerning assistance for reconstruction and reform.

The announcement of the Eastern Partnership initiative has drawn the attention of the Romanian press,[1004] particularly in view of the fact that the 'discreetness' surrounding the preparation of this project, without consultation or prior discussions with the potential actors of this partnership, among which Romania and (even more surprising) the Ukraine, has triggered some suspicions linked to the possible negative implications of Poland's and Sweden's initiative on the still fragile Black Sea Synergy. This lead to some of the earlier expressed concerns by the Secretary of State for European Affairs in the Romanian Ministry

[1000] Ibid.
[1001] Polish Minister of Foreign Affairs Radosław Sikorski, available under: http://euobserver.com/9/26211 (last access: 27 May 2005).
[1002] Lazăr Comănescu's statement after the meeting with Radoslaw Sikorski on June 27 in Warsaw. See: Romanian Ministry for Foreign Affairs, press release, 28 June 2008, available under: http://www.mae.ro/index.php?unde=doc&id=36377&idlnk=2&cat=4 (last access: 22 August 2008).
[1003] Lazăr Comănescu, Minister of Foreign Affairs: speech on the occasion of the International Conference on Neighbourhood Policy "A Common Approach to the Neighbourhood", 28 June 2008, Warsaw.
[1004] Luca Niculescu: Romania, Poland and the EU's Eastern Policy, in: Dilema Veche No. 225, 7 June 2008, available under: http://www.dilemaveche.ro/index.php?nr=225&cmd=articol&id=8406 (last access: 22 August 2008).

of Foreign Affairs, Răduta Dana Matache.[1005] Apart from a balanced presentation of the concept on which the Eastern Partnership is founded, as well as of the statements made by the protagonists of the new Eastern regional cooperation initiative, foreign policy analysts commented in some detail about the risks of overlap between the two projects aiming at consolidating the Eastern neighbourhood area and the obstacles which might confront such an initiative at bringing countries to the negotiation table which, although share similar interests in the area, do not trust each other.

Slovakia*

Principle of gradual deepening and widening

There was no discussion or public mention of the motion presented by Elmar Brok on the Commission's 2007 enlargement strategy paper. Slovakia generally subscribes to the principles of gradual deepening and widening of the EU. It has joined the mainstream of EU countries that – unlike even some other new states, most notably Poland – do not fundamentally discuss the political and geographic limits of integration. Slovakia's officials are essentially happy with the state of the Union. As outlined above the country supports (any) EU institutional reform. Slovakia's politicians have also repeatedly favoured further EU enlargement, especially to the countries of the Western Balkans and namely to Croatia and Serbia.[1006] Prime Minister Fico also stated his explicit support to the ambitions of Turkey to join the European Union. Fico sees Turkey's membership in the EU as "added value for the Union and also for Turkey, from economic, political and strategic standpoints". Moreover, the current Prime Minister also underlined that Turkey could not be disqualified from its accession process only because of its different predominant religion than in the EU.[1007] While former Prime Minister Dzurinda made comparatively more lukewarm statements on prospects for Turkey's membership in the EU, he also sought domestic consensus in Slovakia's parliament in support of opening accession negotiations with Ankara in 2005. In short, since May 2004 we do observe a large degree of continuity in Slovakia's stances on broad issues of EU deepening and widening. Slovakia has also supported the development of the European Neighbourhood Policy but has not really come up with any specific initiatives like Poland did with its Eastern Partnership or Bulgaria and Romania with their Black Sea Synergy.

[1005] "Our only preoccupation is that any new proposal should complement, and not replace, the already existing policies", said the Secretary of State for European Affairs within the Romanian Ministry of Foreign Affairs, Răduta Dana Matache. See Luca Niculescu: Romania, Poland and the EU's Eastern Policy, in: Dilema Veche No. 225, 7 June 2008, available under: http://www.dilemaveche.ro/index.php?nr=225&cmd=articol&id=8406 (last access: 22 August 2008).

* **Slovak Foreign Policy Association.**

[1006] Slovakia has not officially recognized the independence of Kosovo.

Slovenia*

EU doors need to remain open

Elmar Bork's draft report has largely gone unnoticed in the Slovenian media and is not debated amongst the political elites. Slovenia's strong stance is that doors need to remain open for the South-Eastern European states to join the EU once they comply with the criteria. The EU needs to be willing to embrace them; the institutional capacity is largely a question of will. As for the space beyond South-Eastern Europe, the Slovenian government is not opposing further enlargements, provided the accession states comply with accession criteria. A European perspective for the Ukraine is not disputed, but it needs to conclude the present negotiations for the new enhanced agreement and then prove itself capable of complying with it. It is acknowledged that other member states are interested in some eastern neighbours joining the EU, on the similar grounds as Slovenia is interested in the South-Eastern European states once they comply with the criteria, the rest is simply a question of political power-structures. Slovenia is not however opposing further enlargements on ideological grounds. According to a Slovenian diplomat, the EU should continue to communicate and co-operate with the countries of these areas with a view of EU membership; however the EU should not lead the states into a belief of a fast membership. The process should therefore be

[1007] Fico spoke about Turkey's prospects for EU membership in front of the parliamentary Committee for European affairs on December 11, 2006 (Source: CTK, December 11, 2006).

* **Centre of International Relations.**

based on instruments providing enough motivation for patience and gradual but firm progress.[1008]

The European Neighbourhood Policy has to remain vivid and in force. During its EU-Presidency in the first half of 2008, Slovenia included the Southern European neighbourhood among its foreign policy priority, next to the previously sole priority of Western Balkans. The state has started to promote itself as the most Mediterranean among the Central European member states and as the most Central European among the Mediterranean ones. Its special achievement is the launch of the "Euro-Mediterranean University", based in the coastal city of Piran. Slovenia has intensely supported the idea of The Barcelona Process: The Union for the Mediterranean (BP: UfM) as an upgrade of the Euro-Mediterranean Partnership (EMP), as long as it does not duplicate the existing structures. During its EU-Presidency it has especially engaged itself in the inclusion of Western Balkan Mediterranean states, namely Albania, Croatia, Bosnia and Herzegovina and Montenegro, however, under a strong stance that their inclusion in firstly EMP and later BP: UfM should not be understood as an alternative to membership in the EU. The state supports a regional framework of co-operation with Southern Mediterranean partners, however not at the expense of bilateral relations.[1009]

Spain*

Lack of debate

Regrettably, there are a general lack of interest and knowledge towards the relevance of the Eastern neighbours, so there were no reactions to this draft report.

The priorities areas for the Spanish foreign policy are the Mediterranean and Latin-American regions. Countries of both (with the exception of Turkey) are out of being considering as potential candidates of members of the EU. The debates in Spain are focused in the Union for the Mediterranean, but according to the last summit held in Paris in July 2008, it is based under the Barcelona Process, considering a "big umbrella" under different initiatives could be developed. Spain is a strong supporter of this approach to the Mediterranean area.

[1008] Interview with Ms. Veronika Stabej, Ambassador of the Republic of Slovenia to the EMP, in Ljubljana, 2 July 2008.
[1009] Ibid.
* Elcano Royal Institute.

Sweden*

Enlargement should not stop at the Western Balkans

The Brok report has attracted little if any attention in Sweden. Generally, the Swedish view is different from that proposed. The view of the Swedish government is that enlargement of the European Union must also continue after the inclusion of the Balkan states. The government is strongly in support of Turkish membership under the precondition that Turkey fulfils the requirements.

Initiative on Eastern Europe

In May 2008, Poland and Sweden jointly launched an initiative centring on Eastern Europe, which primarily concerned five countries: Ukraine, Moldova, Georgia, Armenia and Azerbaijan. Carl Bildt, Foreign Minister, has declared that this is not in place of membership but rather the opposite, one way towards an eventual one.[1010] The proposal has been endorsed by the European Council and the European Commission is to present a concrete proposal during the spring of 2009.[1011]

Union for the Mediterranean

As for the Mediterranean Union, the first reaction was negative. Sweden has been engaged in the Barcelona Process, having strong views on the importance of free trade and particularly active in certain issues, such as the Anna Lindh Foundation. With the introduced changes in the original French proposal Sweden is now supportive, seeing it as a beefed-up Barcelona process, the crucial matter being that the whole must be EU involved. Sweden also connects this proposal to its own proposal regarding the Baltic Sea

* Stockholm International Peace Research Institute.
[1010] Dagens Nyheter: Swedish Initiative Aimed to Strengthen Links EU – Eastern Europe, 23 May 2008.
[1011] Statement by Carl Bildt, in: Committee on EU Affairs: EU-nämndens stenografiska uppteckningar (stenographic reports of the Committee on EU Affairs), 13 June 2008, p. 5.

region. “It is normal,” says the foreign minister, “that those who are geographically closer are more engaged in the various projects.” The important characteristic, he states, is that the overriding political responsibility rests with the EU.[1012]

Turkey*

Any alternative to membership unwelcome

Elmar Brok’s report for the Committee on Foreign Affairs of the European Parliament, which was published in April 2008, did not attract enough attention from journalists, civil society organizations, or the government. Thus, in relation to this report, arguments on the gap between the EU’s enlargement strategy and its Neighbourhood Policy has not been discussed deeply in Turkey due to the decrease in the interest in EU affairs and the heated debates on the domestic politics.

In general however, the journalists, bureaucracy, and the public do not welcome alternative forms to membership. Turkish public has been sceptical towards suggestions such as limited membership, partial membership, a privileged partnership and so on. Therefore, an European Economic Area+, a European Commonwealth or an European Neighbourhood Policy+ are not accepted since, these have been perceived as an alternative to full membership for Turkey in the Union. Although, there is not an ongoing debate on these matters, the only membership form that finds acceptance is full membership, thus, the other suggestions hardly find a place in the debates and are rejected by the opinion makers, opinion leaders, bureaucracy and the public.

United Kingdom*

Eastern Europe is far away from London

Questions of the further enlargement of the European Union, with the possible exception of those relating to Turkey, are rarely discussed in the United Kingdom. The Brok report has passed with little or no public comment. In theory, the British government favours the greatest possible enlargement of the European Union, laying in this context particular emphasis on the goal of full Turkish membership in due course. Elite opinion in the UK is aware that a range of economic, social and political problems are posed by the concept of EU membership for the countries of the Western Balkans, and, even more, for the countries of the former Soviet Union. There is, however, little desire to regard the resolution of this problem as a matter of pressing urgency. The geographical distance between the UK and the Ukraine is a powerful reason why the question of Ukrainian membership in the EU is only occasionally discussed, and then only with limited interest.

[1012] Statement by Carl Bildt, Ibid., 12 March, pp. 23 and 28.

* Center for European Studies / Middle East Technical University.
* Federal Trust for Education and Research.

6

The first ten years of the Euro

Almost ten years ago, on 1 January 1999, the common currency Euro was launched. Today, 15 EU member states have adopted this currency. What are the experiences of your country with the Euro?

- **Has the discourse on the Euro changed since its introduction? What had been the main topics in the debate on the Euro before it was launched? What are the main topics now?**

- **In the context of an international economic crisis, how is the autonomy of the European Central Bank (monetary policy decisions, interest rates, etc.) perceived in your country?**

- **Does your country intend to join the eurozone? Please outline the main arguments for or against joining the eurozone.**

Please give special attention to public opinion, discourses of political elite and the business community.

Austria*

Rise of prices for daily life items

Austria introduced the Euro in 2002. Generally speaking the experiences are twofold. On the one hand, the Euro has been made responsible for the rise of prices for daily life items and service. But on the other hand, the economy, especially the exporting segment, has lived a great advantage.

The public opinion has gotten used to the Euro, but it remains very unpopular. Every now and then voices can be heard that call for the reintroduction of the Austrian Schilling. But this can be also seen in other countries. According to a "Die Presse" article[1013] 30 percent to 40 percent of the Austrian and German population would prefer to get their former currency back, a rather high number. And you can still find enough people who still convert the Euro prices into Schilling to see (or feel) how much this 'really' costs. However, the youth has adapted fast to the Euro, and sees it as 'their money'.

The discourse on the Euro since its introduction

The discourse has not change very much. The main topics remain the same: the rise of prices for daily life items and food, the advantages for the economy, the omission of the fees for money change and money transfer, a unique currency that is more robust against speculation driven attacks and other world events that could have negative effects on a currency, in other words a higher value stability.

The autonomy of the European Central Bank

The autonomy of the ECB has not been widely discussed. The debate rather focused on their actions and their handling of the interest rates policy, which is broadly seen as inappropriate regarding the current economic crisis and the strong Euro. One of the fundamental points of criticism is that the ECB does not take into account the fact that even if there is one currency in the main part of the EU, there is not one economic policy, so their handling of the interest rates does not fit to all Euro countries. Some countries need a reduction of interest rates to support the economy. In Austria the policy of raising the interested rates to counter inflation has been criticised sharply by the President of the Austrian chamber of commerce Christoph Leitl.

* **Austrian Institute of International Affairs.**

[1013] Christine Domforth: Der Euro: erfolgreich, aber unbeliebt, in: Die Presse, 04.05.2008.

Belgium*

Strong support for Euro – main concern inflation

Generally speaking, the Belgian population has easily and rapidly accepted the Euro. The questions raised by its introduction were broadly never related to cultural or identity aspects but solely on economic and financial issues as, for example, the current problem of the perception of inflation by the public. As far as the government is concerned, it expressed its unconditional support to the project of monetary union and wanted, from the beginning, to be part of its creation.[1014] The alarming state of public finances required important budgetary efforts from successive governments. As it wanted the country to be as well prepared as possible, the federal cabinet in 1996 took measures to allow the maximum use of the Euro during the transitory period, without rendering its use compulsory. Since early 1999, companies and citizens could convert for free their bank accounts from Belgian Franks to Euros and were allowed to carry out payments on these accounts with a credit card. They were also able to pay their taxes in Euros and both the financial sector and the administration were able to work with both currencies. A special entity, the general Commissariat for the Euro, was created by the government in 1996 to deal with these dispositions and, more generally, to help with the introduction of the Euro.

There was basically no opposition to the Euro in the political parties. Independently, whether they belonged to the parliamentary majority or the opposition, they were all favourable to the European currency. One should nonetheless notice that the liberals and the Greens (both

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

[1014] European Parliament: L'union monétaire et la Belgique, Task Force Union Economique et Monétaire, 6th Briefing (second revision), 22/04/98, doc. PE 166.073/rev.2.

parties in the opposition) contested the speed of the budgetary efforts made by the government in order to respect the convergence criteria.

The workers and employers unions were also generally in favour of the Euro.[1015] The Federation of Employers is particularly favourable to the European currency and expressed its satisfaction regarding the overall government's plan because of the flexibility it gave to the companies. The labour unions nevertheless criticized the too little attention given to employment and consumption issues. In addition, the FGTB (a union with a social-democrat tendency) emphasized the need for a social Europe.

As the Belgian public opinion is traditionally very enthusiastic towards the European idea, there was strong support for the European currency among the population. Eurobarometer polls indicated in March 1998 that 57 percent of the population is favourable to the idea, significantly above the European average (51 percent). Nonetheless, 71 percent of Belgians felt "not informed" or "not well informed", pushing the government to launch a large campaign of information via TV programs and explanatory documents available in every public place. This concern was relayed by Federal MPs that expressed their perplexity regarding the 'mental preparation' of the population and emphasized the need for more information, not only on the practical details of the conversion, but also on the overall goals of the European currency.[1016]

The main queries the different actors had about the Euro were, at that time, not only about inflation, but also about employment. The concerns were therefore about the possible consequences of the Euro on the employment market in Europe (a deregulation of such market was feared) and in Belgium and whether this currency could help decrease the unemployment rate. Regarding prices and incomes, the public opinion and elites were concerned about the convergence of the prices in the different countries and whether the adjustments would be upwards or downwards. Another type of concern is regarding the international financial and exchange market. A shared interrogation turned around the position of the Euro compared to the Dollar and if the new European currency would bring more stability to the international financial system or lead to speculative tendencies.

In November 2004, almost three years after the introduction of the European currency, 48 percent of Europeans and 33 percent of Belgians still had problems with the Euro, compared to 49 percent of Europeans in November 2003, according to Gallup Europe. Women, elderly people and less-educated persons are the main components of this group of people having difficulties to adapt to the new currency. Ten years later, the perception of the European currency in the population was even more favourable. The approval rate got higher than 80 percent in autumn 2007 (the EU average being 61percent).[1017]

But the main concern of the Belgian population rapidly became inflation and its perception. Already in November 2001, 64 percent of Belgian citizens were afraid of losing some purchasing power with the new European currency. After the launch of the Euro, more than 80 percent felt that they had been ripped off during the conversion period or that prices were too often rounded upwards.[1018] In 2007, the variation of the perception of the 'real' inflation and its perception remain quite high compared to neighbouring countries such as Germany and Netherlands.[1019] The extreme-right French-speaking party, saying that the launching of the Euro provoked a continuous increase of the prices, but this party still thinks the country needs the European currency, has relayed this concern.[1020] On the early months of 2008, the decrease of inflation was not followed by the parallel perceptions of such inflation. The Belgian National Bank considers that the differences for such perceptions have a permanent nature and that they have been poorly influenced by the launching of the Euro in 2002. The observed development of the prices does not explain why the Belgian population perceived that these prices got higher.

[1015] Ibid.
[1016] L'introduction de l'Euro, Report from the Advice committee on European Issues of the Chamber and the Senate, 08/06/98 , doc. 1581/1-97/98 (Chambre) and 1-1010/1 (Sénat).
[1017] Lemonnier Cécile: L'Union monétaire, l'euro et l'opinion publique, in: Bulletin de la Banque de France, No. 171, March 2008.
[1018] Évolution de l'inflation en Belgique: une analyse de la Banque nationale de Belgique, Analysis requested by the federal government, in: Belgian National Bank (ed.): Economic Review, 2008.
[1019] Cornille D./Stragier T.: L'euro, cinq ans après : que s'est-il passé avec les prix ?, in: Belgian National Bank (ed.): Economic Review 2007.
[1020] Front National: Electoral Manifesto, 2007 Federal Elections.

Bulgaria*

Date of introduction in 2009 or 2010 likely to be rescheduled

Specifics of the current situation in Bulgaria

In principle, the Euro adoption process in Bulgaria will pass through the same stages as in the other EU member states. At the same time, the situation in the country has some interesting specifics.

On July 1st 1997, Bulgaria established a currency board. This arrangement, very atypical of today's European financial practices, is introduced whereby the confidence in the central bank, its classical functions and instruments, and the abilities to use them has been lost. And this is exactly what was seen in Bulgaria some ten years ago, when it had a deep financial, economic and political crisis. The currency board was introduced as one of the most important measures for overcoming that crisis, and over the period since its introduction, it has proved its efficiency. Generally, the currency board is a monetary system whereby the national currency issues are entirely covered by the foreign convertible (reserve) currency. When this arrangement was put in place, the national monetary unit, the Bulgarian Lev, was pegged to the Deutsche Mark at an exchange rate expressly set in the Law of the "Bulgarian National Bank" of 1997, i.e. 1000 BGL for 1 Deutsche Mark. After the Euro was adopted by Germany and the re-denomination carried out in Bulgaria in 1999, whereby 1,000 old BGL were replaced with one new BGN, this pegged exchange rate was changed to 1.95583 BGN for 1 Euro.[1021]

Another specific feature of Bulgaria is that, unlike other new EU member states, the Euro has already been used as legal tender in Bulgaria for many years. For example, the prices of real estates and motor vehicles in the capital city and in the major cities are given exclusively in Euro, and the payments on such transactions are very frequently made in this currency. All these practices, having existed for years, have been taken into consideration by the legislator in the adoption of the Foreign Exchange Law at the end of 1999. This legal act abolished a provision of the Law on the Obligations and Contracts (a law passed in 1950 in completely different economic and social conditions), which stated that payment obligations had to be agreed in the local currency, i.e. the Bulgarian Lev. So, since January 1st 2000 (i.e. after the Foreign Exchange Law took effect) there have been no legal obstacles for the payments between local and foreign persons in the territory of the country to be made in a foreign currency, including the Euro, if the parties have reached agreement on this.[1022]

Consequently, we should point out that the use of the Euro with the consent of the parties to private transactions does not mean that the Bulgarian Lev has ceased to be legal tender or that unilateral euroisation has been carried out (like what we currently observe in some countries, e.g. the Western Balkans).

Bulgaria's practice can be called 'unofficial spontaneous euroisation', which is understood as a phenomenon where economic agents voluntarily use the Euro alongside the national currency. This is not a deliberate government policy of promoting unilateral adoption of the Euro and, therefore, it is not contrary to the European community law.

Preparation for the adoption of the single currency

Bulgaria is going to officially adopt the Euro only in compliance with the provisions of Community law. The country's Central Bank, the "Bulgarian National Bank" (BNB), plays a key role in the process of preparing for the adoption of the Euro. It has expressed its position on this issue in its "Strategy for BNB Development in 2004-2009"[1023], which has been publicly announced. A major idea in this statement is that the currency board in Bulgaria is consistent with the requirements of the European Commission and of the European Central Bank (ECB) for participation in the mandatory interim stage before adopting the Euro – i.e. European Exchange Rate

* **Bulgarian European Community Studies Association.**

[1021] Law on the Bulgarian National Bank, in: Official Journal (Darjaven Vestnik), issue 46 of June 10th 1997, effective since June 10th 1997 with amendments. For the amendments see: Law on Redenomination of the Bulgarian Lev, in: Official Journal (Darjaven Vestnik), issue 20 of March 5th 1999.

[1022] Art.10, para. 1 Law on the Obligations and Contracts, in: Official Journal (Darjaven Vestnik), issue 275 of November 22nd 1950, effective since January 1st 1951 with amendments.

[1023] BNB: Strategy for Bulgarian National Bank Development between 2004 and 2009, available under: http://www.bnb.bg (last access: September 2nd 2008).

Mechanism II (ERM II). BNB upholds this position in the European System of Central Banks (ESCB). Although these central banks are independent legal entities conditioned by the legislation of the specific country, they are an integral part of the Euro-system and, as such, are subject to the ECB regulatory regime. They are functionally subordinate to the ECB and are therefore required to comply with the regulatory framework of the ECB governing bodies.

Work is carried out on both an international and national plane. In November 2004, BNB and the government signed an agreement on the adoption of the Euro in the Republic of Bulgaria.[1024] It was signed in circumstances different from todays, as its content reveals. It specifies in a rather optimistic sense, as seen from the current perspective, an exact timeframe for Bulgaria's accession to the eurozone and of BNB to the eurosystem. This was expected to take place in the second half of 2009, or on January 1st 2010. Since the time of signing the agreement, parliamentary elections have been carried out in Bulgaria and the government is no longer the same. Still, this agreement is effective as a set of agreed steps, which the executive branch and the autonomous central bank have agreed to follow. In addition to the BNB, the council of ministers of Bulgaria (both the one operating in 2004 and the following one in power since the elections in June 2005) has also made a commitment to ensure that Bulgaria's participation in ERM II is based on:
a) keeping the currency board until joining the eurozone at the current fixed exchange rate of BGN 1.95583 per 1 EUR;
b) a unilateral commitment on the part of the Bulgarian government and the BNB during ERM II for Bulgaria to take advantage of the possibilities for a change under the exchange rate regime;
c) observing the minimum period for participation as laid down in the EU legislation and timely undertaking of all necessary steps in the eurozone accession procedure;
d) adopting the Euro as the national currency from the moment of joining the eurozone.

The macroeconomic policy institutional framework, created in this way, is an important factor for the country to quickly join the European Economic and Monetary Union. Unfortunately, there are adverse factors as well. These were manifested during the country's efforts to join the ERM II. As a result, a previously discussed optimistic timeframe was not met, namely for the ERM II entry to start immediately from the date of EU accession. Thus, Bulgaria is still outside ERM II, and it is not clear for how much longer this will be the case. The time period for a member state as set forth in the community law is two years at minimum. This is the minimum term, but it could also be extended – for instance, this period was more than four years for Greece. During this period a country is expected to demonstrate a high level of economic stability expressed in the performance of the so-called Maastricht criteria, which is monitored, by both the European institutions and the ECB.

The criteria set forth in Article 121 of the treaty, and written in details in the protocol to the treaty, cover public finances, inflation rate, interest and exchange rates.

Public debt (up to 60 percent of GDP) and budget deficit (up to 3 percent of GDP): with regard to these indicators, data on Bulgaria is within the requirements. Over the past few years, the country has consistently improved its budget fundamentals. Since 2003, a break-even point, the budget ran surpluses, and in 2007 was at 3.4 percent of GDP. The EC forecasts that it will remain at 3.2 percent of GDP in both 2008 and 2009.

Regarding the exchange rate, the currency board arrangement provides an even greater stability to the exchange rate of Bulgarian Lev against the Euro, than the requirements of the Maastricht Treaty.

The hardest criterion to comply with is price stability. The average level of inflation should not be higher than 1.5 percentage points of the inflation in the three EU member states with the lowest level of inflation. This is measured under the Harmonised Indicator of Consumer Prices. At present, those member states are: Malta, the Netherlands and Denmark. Inflation has been one of the major issues in Bulgaria over the past few years.[1025] In 2007 it increased significantly over the government forecast of 4-5 percent per year. Now, for the first time after the implementation of the currency board arrangement, for the current

[1024] Agreement between the Council of Ministers and the BNB on the introduction of the Euro in the Republic of Bulgaria from November 25th 2004, available under: http://www.bnb.bg (last access: September 2nd 2008).

[1025] National Statistic Institute: Bulgaria 2006 – Social-economic development, available under: www.nsi.bg (last access: September 2nd 2008).

year 2008 it is expected that yearly inflation will exceed 10 percent, or to be 7-8 percent at the least. Inflation – and in particular the increase in the price of food, energy and transport – were of particular concern to the consumer in the first half of 2008 and are unlikely to become less worrying over the second half.

The conclusions in the ECB and the European Commission convergence reports, which provide information on the current economic status of member states, also imply that Bulgaria is not ready yet to adopt the single currency.

Irrespective of these difficulties, Bulgaria still aims at adopting the Euro as soon as possible. The business does realise the advantages of the Euro. After the adoption of the Euro, the exchange risk will be removed, and there will be additionally encouraging capital inflows in Bulgaria, speeding the convergence of interest rates and spreads.[1026]

The public is also relatively positive towards the adoption of the Euro. In June 2008, there was a national discussion organised by the national television and the "Bulgarian News Agency BTA" regarding the symbol to be engraved on the first 'Bulgarian' 1 Euro coin. The most common responses were: the Bulgarian rose, the "Rila Monastery", the mediaeval rock relief "Madarski Konnik" ("Madara Horseman") of the 8th century AD, and the Cyrillic alphabet. The "Madara Horseman" was the favourite symbol of all Bulgarians[1027] and it is the most plausible to be depicted on the national side of the future Euro coins. Such a decision will contribute, as well, to the continuation of the national minting tradition, as that image appears on Bulgarian coins from before the Second World War.

If we look forward, the January 1st 2012 is considered as plausible for the introduction of the Euro in Bulgaria. However, we should not neglect the forecasts of many Bulgarian and foreign experts who pinpoint the finalisation of that process for Bulgaria and Romania (to which the adoption of Euro is also among the tasks with priority) between 2013 and 2014.

[1026] Tsvetan Manchev/Mincho Karavastev: Economic and Monetary Union on the Horizon, Discussion papers of the BNB, 50/2005, August 2005.
[1027] Nazionalna kampaija "Bulgarksite simvoli (National campaign "Bulgarian symbols"), see at: http://infobulgaria.info/ (last access: September 2nd 2008).

Croatia*

Confidence in Euro still strong in Croatia

The public discourse on a single currency, the Euro, has mainly been positive in Croatia. Since its inception Croatia has mirrored the public opinion of main EU member states, but with somewhat less criticism and doubt. On the tenth anniversary of the introduction of the Euro, most of the media reactions focused on the positive economic effects: visible in the increase of the EU economic competitiveness, decrease of unemployment, substantial job creation, rise of investments and economic growth rates.[1028]

The Croatian currency, the Kuna (HRK), has been pegged to the Euro since 2002 and the Croatian National Bank is therefore closely following all the changes related to EU monetary and exchange rate policy, its impact on the economic performance, the trend of continuous appreciation of Euro towards US dollar and changes of perceptions of costs and benefits of its introduction in the countries that joined the eurozone, especially in the new EU members states.

The attitude of the Croatian population regarding the Euro and EU-accession seems to be more optimistic than in the most EU member countries. The recent survey shows that 66 percent of Croatians advocate for EU membership with a single currency – which is about 5 percent above the average support in the EU[1029]. According to latest European public opinion survey, a lot of uncertainty, suspicion and doubts regarding the Euro during these ten years appeared to be unfounded. The results of the special research survey done for the Eurobarometer at the end of 2007,[1030] in which Croatia is also included showed that the general European scepticism towards the Euro has decreased.

The main topic of current public interest in Croatia is whether the introduction of Euro will have an impact on inflation rate and the general level of prices in Croatia. The publication of the Flash Eurobarometer Survey

* **Institute for International Relations.**
[1028] "Ten years of euro". Vecernji list, 9 May 2008.
[1029] Vanja Moskaljov: "Croats are not Europeans just in their heads, Dosje Eurobarometar". Vecernji list, weekly supplement Obzor, 2 February 2008.
[1030] Eurobarometer No. 68, December 2007.

in March 2008[1031] brought several comments in the Croatian media on general public and government perceptions of adopting the European single currency in two latest newcomers. According to the survey, 66 percent of residents of Cyprus and 37 percent in Malta had fear of high inflation because of price rounding as a result of their conversion to Euros. At the time of the introduction of the Euro the Central Bank of Cyprus claimed the opposite.[1032] About half of the Slovenian respondents (52 percent) had a similar opinion immediately after the introduction of Euro in their country in 2007.[1033] Also, of considerable public interest was news related to the economic situation in Slovakia, prior to applying for membership in the eurozone. Namely, Slovakia can serve as a good example of a country that managed to keep the inflation rate under control and lower then in many other member states, despite high rises in fuel and food prices. In addition, it also records a decrease of fiscal deficit below the maximum 3 percent of GDP set by the Maastricht criteria.[1034] The Slovakian success is a good policy roadmap for Croatia too, given the similarities in the paths of economic reforms and the bringing of public finances in order. Media reports also stress that Slovakia is among post-socialist countries that profited the most from EU accession, especially by attracting a large amount of foreign direct investment, which led to a substantial increase of employment.[1035]

Autonomy of ECB supported but concerns over strong Euro continue

The central monetary authority of Croatia, the Croatian National Bank (CNB), perceives the autonomy of European Central Bank as crucial for implementation of a successful EU monetary policy and has continued to adjust Croatian monetary policy towards adopting the legislation and the rules of the EU. In the process of alignment of Croatian legislation with the EU, strengthening the independence of the Croatian National Bank was one of the conditions in the process of negotiations and in this context the amendments to the law for Croatian National Bank were adopted. The amendments of CNB Law now more comprehensively prohibits financing of the public sector. Furthermore, the changes of legislation also included the adoption of a secondary objective that allows general economic objectives of the EC to take precedence over Croatia's domestic monetary objectives. In addition, rules and structures were adopted for the integrating of CNB into the European System of Central Banks by the time of EU accession. Nevertheless, Croatia has not yet completed its legal alignment in order to ensure the central bank's full independence.[1036] There are still provisions that give privileged access to public authorities into financial institutions, but overall the monetary policy alignment is well on the track as the new laws regarding the Croatian National Bank have already been drafted in May 2008, which solves the remaining issues of alignment with the EU.[1037]

The announcements of the new cash regulations from ECB also caught some media attention in Croatia. Business monthly "Banka" published the article[1038] which states that ECB is considering some novelties concerning the adoption of Euro in the next enlargement of eurozone, especially the increased delivery of Euros to banks and stores in order to decrease the crowd and long cues on the first day of membership in eurozone. It is also very important to ensure the enlarged amounts of coins in first days, in particular in smaller countries. For example, Malta was the first in the eurozone to forbid the price roundup during the conversion of Liras to Euros, and Cyprus has imposed even stricter controls.

On 12 March 2008, "Vjesnik" published an alarming article[1039] concerning the continuously rising value of the Euro relative to the US dollar in which it was stated that the overvalued Euro could present a major threat

[1031] "Euro Introduction in Cyprus and Malta: Ex Post Citizen Survey". Flash Eurobarometer No. 222 and 223, March 2008.
[1032] See "In Cyprus and Malta euro became official currency since New Year's day". Poslovni dnevnik, 2 January 2008, available under: http://www.poslovni.hr/65749.aspx (last access: 12 September 2008).
[1033] Flash Eurobarometer No. 222 and 223, March 2008, p. 6.
[1034] Stanko Boric: "European Commission approved Slovakia to join eurozone in 2009!". Poslovni dnevnik, 30 April, p. 16.
[1035] Bruni Lopandic: "Integrations pay off". Vjesnik, 3 and 6 July 2008, p. 15.
[1036] European Commission: Croatia 2007 Progress Report, commission staff working document, 6 November 2007, COM(2007)663 final, p. 41.
[1037] Proposal of the Act on the Croatian National Bank, May 2008 available under: http://www.hnb.hr/propisi/epropisi.htm?tsfsg=eae6b12b8e9c2a5202de6798b9dfed77 (last access: 4 July 2008).
[1038] "Citizens of Malta and Cyprus are satisfied with switch on Euro". business monthly Banka, 18 April 2008, available under: www.banka.hr (last access: 29 July 2008).
[1039] Luka Capar: "Concerns in Brussels because of overvalued euro". Vjesnik, 12 March 2008, p. 28.

to the eurozone economy, as it hurts exports. Contrary to many beliefs, José Manuel Barroso, the President of the European Commission, claims that this will not significantly affect the growth rate of the European economy, thus giving full support to ECB independence. The EU business community seemed to have a different opinion. An article quoted the statement of Ernest-Antoine Seillière, the president of BusinessEurope, a pan-European business association, questioned the sustainability of such an alarmingly high valued Euro in the long run, without considerable political support from the eurozone members. In the EU as well as in the Croatian market, such trends go in favour of those companies – for example the INA (Croatian oil industry), which imports goods payable in dollars and places it on market either in Euros or in HRK which is closely pegged to Euro.[1040]

Croatia plans to join eurozone, but after three years of adjustment period

After the accession of Croatia to the EU, European Economic and Monetary Union (EMU) membership is a further logical, but not an automatic step, and is to be followed by a period of adjustments for EMU entry. Croatia is currently in the process of alignment with the EU acquis that is governing the monetary policy (chapter 17) as a part of the accession reforms needed for joining the EU and Croatian National Bank, as a central monetary authority, has already stated a clear intention of joining eurozone, but allowing itself at least three years of adjustment after accession similar to many other Central European countries of the last enlargement wave. "Upon EU accession, Croatia must spend two years within the ERM [European Exchange Rate Mechanism], during which period the country's ability to maintain exchange rate stability is evaluated. After that, provided that we also meet all other required Maastricht criteria for monetary and economic stability, we could introduce the Euro."[1041] In addition to the Maastricht criteria, Croatia must comply with two additional requirements for EMU: the independence of the Central Bank and the full liberalisation of capital flows. In Croatia, there is already an exceptionally high degree of 'euroisation', which hopefully would make the transition from HRK to the adoption of the Euro easier.[1042] However, the experts and analysts noticed that the introduction of the Euro in the new member states is much slower than originally expected.[1043] In his recent speech at the "Croatian money market conference" Dubravko Radošević, chief economic advisor to President Mesić, addressed the question of Croatian strategy of entering the ERM II, the EMU and the intention of joining the eurozone. Radošević said that the process of entering in EMU will be carried out gradually in three phases (under assumption of joining the EU in 2011): 1) Croatian monetary sovereignty (2008 – 2011); 2) entering the ERM II (2011-2015); 3) 'euroisation' (2016). In order to make it feasible however, he pleaded for better control of financial system's stability by Croatian National Bank and its protection from asymmetric external shocks that affect the level of exchange rate and interest risks that make the highly indebted Croatian economy very vulnerable.[1044]

Within the preparations for introduction of a single European currency, the Croatian National Bank has started activities that would create all the necessary infrastructural support for operation of the Single Euro Cash Area (SECA) and the Single European Payments Area (SEPA). The CNB has already adopted directives for distribution and cash operation in accordance to ECB 2004 directives. All banks, credit and other cash operating institutions in Croatia should be ready before the Euro is adopted in order to ensure the smooth cash transactions, although twelve months would be granted for adjustments after introduction. Croatian banks are envisaged to be ready for the Single Euro Cash Area by the end of 2009 as they already began intensive legislative, financial and accounting preparations and buying IT support two years ago.[1045]

The academic and expert circles, as well as media are especially focused in their analyses on the experiences of the new EU members in adopting the Euro, especially on the impact of

[1040] Ibid.
[1041] Interview with Boris Vujčić, deputy governor of the Croatian National Bank, Euroforum No. 15, Newsletter of the Croatian Ministry of Foreign Affairs and European Integration, June 2007, p. 4-5.]

[1042] Vedran Sosic, Croatian National Bank, ibid., p. 13.
[1043] Ibid., p. 7.
[1044] The speech of Dubravko Radošević, chief economic advisor to the Croatian president, was held at the 11th Scientific and expert conference "Croatian money market" in Opatija on 9 May 2008. See: www.hanfa.hr/uploads/prezentacije/opatija/OPATIJA2008-Dubravko_Radosevic.pdf (last access: 3 July 2008).
[1045] See the interview with Boris Raguž, Croatian National Bank. business monthly Banka, No.6., June 2008, pp. 28-31.

this switch on price stability and inflation.[1046] In this respect, the experiences of Slovenia, Malta and Cyprus are especially instructive. During the first half of 2008, the print media brought many reports on recent experiences in Cyprus and Malta which adopted the Euro on January 1st 2008, as well as announcements that Slovakia will be the next country joining the eurozone starting in 2009. Most of the media also quoted the statement of Paul de Grauwe, advisor to the President of the European Commission, who said that Croatia as a small country would benefit tremendously from joining the EMU primarily through ensuring a long-term price and exchange rate stability thus enabling all the participants of the market a favourable financial and business conditions.[1047]

Cyprus*

Introduction accomplished

Prices are centre of the debate

Cyprus was one of the two new member states which joined the eurozone on the 1st of January 2008. The transition to the new currency has been very smooth and, it is generally recognised that, Cyprus moved into the eurozone with ease and minimum disruption to the everyday life of its citizens. As a result of this successful transition, the dual circulation period was shortened.[1048] In the lead to the adoption of the new currency, the public debate had been dominated by the need to avoid the experiences of other countries whereby the transition to the Euro was seen as an opportunity to unduly raise prices through the so-called 'rounding-up' effect. As it turned out, and partly as a result of the heightened awareness amongst consumers generated by this debate, but also due to the active role that Civil Society Organisations and consumer groups have played in monitoring key sectors and 'naming and shaming' recalcitrant traders, the cases of abuse were limited and contained in small pockets of economic activity.

The "Cyprus Consumer Association" found in a survey conducted over the period July-December 2007 that 50 percent of businesses had not changed their prices, 10 percent had reduced their prices, while 40 percent had increased them. The president of the association released a list of the companies, products and services. He said the most worrying aspect was that of the 40 percent that had increased prices more than half had done so by over 10 percent. He said it was up to the consumer to report cases and affect matters.[1049]

New government fosters inflationary trend

Thus, during the weeks immediately following the adoption, public debate on the Euro had gradually subsided, moving instead to the up-coming presidential election in March 2008.

In the aftermath of the election, and with the arrival of a new 'left/left-of-centre' government, the economic debate moved quickly to social issues. Indeed, the new president, anxious to fulfil some of his election campaign promises and given the improved fiscal position he had inherited from the previous government, swiftly announced a series of expensive 'targeted' social measures to 'protect' the most economically vulnerable social groups and improve the social safety net. This turned out to be a rather premature move as it coincided with increased inflationary pressures across the eurozone and beyond, and a result of high oil and food prices, as well as the increasingly deteriorating international financial conditions as a result of the 'sub-prime loans crisis' in the US and its fallout in the EU.

Indeed, according to data released on the 1st July 2008, by the government statistics service, inflation for June reached 5.5 percent (the highest level since March 2003), compared to 4.9 percent in May. The greatest increases were recorded for price of food, non-alcoholic drinks, housing, restaurants, and

[1046] See for instance comments of Goran Šaravanja, chief economist Zagrebacka banka. business monthly Banka, available under: www.bankamagazine.hr (last access: 30 June 2008); Žarko Miljenović, Croatian National Bank, Euroforum No. 15, Newsletter of the Croatian Ministry of Foreign Affairs and European Integration, p.19.

[1047] Interview with Paul de Grauwe, Poslovni dnevnik, 29 March 2008, p. 15.

* Cyprus Institute for Mediterranean, European and International Studies.

[1048] See Flash Eurobarometer 220, Dual circulation period in Cyprus. Analytical Report, January 2008, available under: http://ec.europa.eu/public_opinion/flash/fl_220_en.pdf (last access: 01/09/2008); Flash Eurobarometer 222-223, Euro Introduction in Cyprus and Malta Ex-Post Citizen Survey, Analytical Report, February 2008, available under: http://ec.europa.eu/public_opinion/flash/fl_222_223_en.pdf (last access: 01/09/2008).

[1049] Cyprus Consumer Association Press Conference, 09/01/2008

hotels. Large increases were also recorded for the price of fuel. Inflation in Cyprus is approximately 1.5 percent higher than the predicted value for the eurozone.

The government's declared expansionary fiscal stance has set the new Minister of Finance in a collision course with the governor of the Central Bank of Cyprus who, with the full backing of his colleagues at the European Central Bank (ECB) and for the first time in the 48-year history of the Republic, publicly rebuffed the government for its lavishness and profligacy. The governor expressed his deep concerns that the government's expansionary macroeconomic stance was fuelling the inflationary forces in the economy and called for fiscal restrain to contain inflationary expectations. His comments generated strong critical reactions from leading left-wing politicians close to the new president, who called into question the governor's independence and his political legitimacy as an autonomous and non-elected official. The main opposition conservative party came to the rescue of the beleaguered governor pointing out that his independence was guaranteed in the EU Treaty and is the cornerstone of the European Economic and Monetary Union and the Euro.

Another mini-row erupted a few weeks later, this time involving the governor and Parliament, when members of the "House of Representatives" lambasted the governor claiming that he "had shamed Cyprus in the European Union because, according to them [members of parliament], he had informed the President of the ECB that the house had included him in a piece of legislation without consulting him, as they had to. They took deep offence and made all sorts of silly threats that amounted to interference in the independence of the central bank"[1050].

Finally, the recent increase of interest rates by the ECB to 4.25 percent is troubling consumers as the payments for flexible interest rate mortgages also increase. The employers and industrialists federation attacked the government for its decision to grant civil employees with pay rises at a time of inflationary pressures, while worker unions called on the government for measures against the effects of rising prices. Minister of Finance Charilaos Stavrakis, however, noted that the Cypriot economy is strong and flexible and able to handle the situation.[1051]

[1050] See Phedon Nicolaides: The Commissioner, the Governor and the Politicians, Cyprus Mail, 08/06/2008.

Czech Republic*

The Czech Republic is not rushing for the Euro

The Czech government so far has not stated a date when the Euro will be introduced in the Czech Republic. The government has a rather hesitant approach on the issue, and Prime Minister Mirek Topolánek has even stated that the country could do fine without the common currency.[1052] In addition, President Václav Klaus is opposed to the Euro and argues that it is a non-optimal currency area, which in his opinion, the first ten years of the Euro has proven to provide lower economic growth in these countries than in comparable ones.[1053] The two smaller parties in the current governing coalition, the Greens and the Christian Democrats (KDU-ČSL), both would prefer to set a date for the Euro as well as the Social Democratic opposition (ČSSD). Yet, despite the differences in opinion among the political elite, the debate on the topic receives rather little attention in the media.

The reluctant view of the biggest governing party is also reflected in a rather hesitant public opinion. Even if two thirds of the population were in favour of the common currency, only one fifth would like to see a rapid introduction of the Euro in the Czech Republic.[1054]

The former governing coalition (2002-2006) consisting of Social Democrats, Liberals and Christian Democrats, when the Czech Republic entered the EU in 2004, had the goal of introducing the Euro by 2010. However, because the country failed to meet the convergence criteria this goal was abandoned. Instead, the national plan for the introduction of the Euro from March 2007 mentioned the year

[1051] Main evening news TV bulletins, 04/07/2008.

* **Institute of International Relations.**

[1052] Topolánek exkluzivně: Když nebude euro, nezemřeme (Topolánek exlusively: We will not die without the euro), available at: http://aktualne.centrum.cz/domaci/politika/clanek.phtml?id=518857 (last access: 14 July 2008.

[1053] Václav Klaus: V, 10 let Eura: Kdo má důvod oslavovat? (10 Years of the euro: who has a reason to celebrate), available at: http://www.klaus.cz/klaus2/asp/clanek.asp?id=2KS7h2bWIduM (last access: 14 july 2008).

[1054] Studie: Euro neovlivní růst ekonomiky, ceny ale zřejmě porostou (Study: the euro does not influence the growth oft he economy but prices are predicted to increase), Czech News Agency, 21 January 2008.

2012, but lately current Prime Minister Topolánek has described 2012 as unrealistic. In his opinion is it first necessary to reform the pension system.[1055] The governor of the Czech National Bank, Zdeněk Tůma, has argued that the country could wait until 2019 without any problem without introducing the Euro.[1056] Currently the Czech Republic is failing primarily to meet the inflation criterion, the Minister of Finances, Miroslav Kalousek, however, argues that this is rather a onetime diversion.[1057]

An investigation into the question of the consequences of the introduction of the Euro in the Czech Republic ordered by the Ministry of Finance came to the conclusion that in the short term this could lead to increased inflation, and the Czech Republic would no longer be able to maintain lower interest rates than the European average, which is an advantage for the Czech economy at the current moment. Therefore in the short term, the Euro might lead to a decrease in economic growth. Yet in the long term benefits outweigh short-term costs.[1058] Opinion polls among Czech companies show that three out of four would prefer the soonest possible entrance into the euroarea. Exporters are especially suffering at the moment due to the strong Czech Crown.[1059] The more active campaigners for the Euro in the Czech Republic are people from the business sector such as the vice president of the Confederation of Industry of the Czech Republic, Martin Jahn.[1060] There are however influential economists who argue against the Euro as well. According to them, the Czech Republic is not prepared for the Euro and furthermore, the common interest rate might be very risky for a small and open economy such as the Czech.[1061]

[1055] EK: Česko nesplňuje podmínky pro přijetí eura (The European Commission: The Czech Republic does not meet the conditions for the euro), Czech News Agency, 7 May 2008.
[1056] Srovnání ČR, Maďarska, Polska a Slovenska na cestě k euru (Comparison of Hungary, Poland and the Czech Republic on the road to the euro), Czech News Agency, 29 April 2008.
[1057] EK: Česko nesplňuje podmínky pro přijetí eura (The European Commission: The Czech Republic does not meet the conditions for the euro), Czech News Agency, 7 May 2008.
[1058] Studie vlivu zavedení eura na ekonomiku ČR (Study of the influence of the introduction of the euro on the economy of the Czech Republic), available at: http://www.mfcr.cz/cps/rde/xbcr/mfcr/studie_NKS_final_aktualiz-26022008_pdf (last access: 14 July 2008).
[1059] Česká republika a přijetí eura (The Czech Republic and the adaption of the euro), Hospodářské noviny, 22 June 2008.
[1060] See e.g. Martin Jahn: Desetkrát ano pro přijetí eura, available at: http://ihned.cz/c4-10076520-25696080-00000K_d-desetkrat-ano-pro-prijeti-eura (last access: 14 July 2008).
[1061] See, e.g. Robert Holman: Desetkrát ano pro odklad eura (Ten times yes for postponing the euro), available at: http://www.klaus.cz/klaus2/asp/clanek.asp?id=1e0VbjsROmDz (last access: 14 July 2008).

Denmark*

Euro@10

Denmark does not participate in the third stage of European Economic and Monetary Union and has not adopted the Euro. After rejecting the Maastricht Treaty in 1992, Danes adopted a document in a second referendum in May 1993 after obtaining four opt-outs on the Euro, EU defence policy, justice and home affairs policy and EU citizenship. The Danish Krone, however, is closely tied to the Euro through the fixed exchange rate policy and Denmark's participation in the fixed exchange rate co-operation, ERM II (European exchange Rate Mechanism).

Danes last voted on whether or not to adopt the Euro in 2000, when the measure was rejected by 53.2 percent of voters. The Danish Prime Minister Anders Fogh Rasmussen of the 'centre-right' Liberal Party has said he wants to put the four EU opt-outs to a nationwide vote in 2009. In November 2007, the Danish parliament therefore commissioned the "Danish Institute for International Studies" (DIIS) to report on the developments in the EU since 2000 in relation to the areas of the four opt-outs. The report came out on the 30 June 2008. The campaign prior to the 2000 Euro-referendum, the debate surrounding the DIIS report and Rasmussen's wish to hold a Euro-referendum demonstrate the change of discourse on the Euro since its introduction.

The concern prior to the Euro-referendum was that it was not yet known how strong the Euro would become. The Danish referendum campaign coincided with all-time lows in the value of the Euro against the US Dollar. The large decrease of the US Dollar's value in 1999-2000 raised concerns as to whether, or not, the Euro would follow the same path. As the Danish Krone is already pegged at a fixed rate to the Euro, it was difficult to persuade voters that full membership of the Euro would make any positive difference to them.

* **Danish Institute for International Studies.**

Indifference was heightened when a commission of 'Three Wise Men' from the "Danish Economic Council" concluded that the impact of the Euro would be marginal and that the benefits reaped from Euro-participation were uncertain and small. This had a lasting effect on the debate and the discourse on the Euro. Shortly after the release of the report the public opinion polls shifted and in August 2000 nearly half of voters (48 percent) felt that the Euro would neither result in economic benefits nor losses. The discourse on the Euro prior to its introduction and in its enfant years was mainly focusing on the uncertainty of how well the Euro would perform and on whether, or not, Denmark at all would benefit from Euro-membership.

Today – nearly ten years after the Euro's introduction – the debate on the Euro has changed. The Euro has proven to be a strong currency and the European Central Bank (ECB) to be a credible actor. The ECB is, however, criticised for focusing too narrowly on inflation rather than on unemployment. Many previous high-inflationary member states, such as Italy, Ireland and Portugal, have curbed sky-high inflation since joining the Euro. However, in the Danish debate many people fear that prices will increase if Denmark chooses to adopt the Euro. This fear builds on the 'price jumps' the consumer sector in eurozone members have experienced from the changeover to Euro as a result of retailers 'rounding up' prices. There are disagreements over whether or not, it is beneficial for Denmark to pursue its own monetary policy during a severe crisis involving asymmetric economic developments within the EU.

The newly published DIIS investigation analyses the consequences of Denmark's Euro opt-out from both an economic and political perspective. It draws two main conclusions:

1. During stable economic periods there are several smaller but inevitable costs incurred by not being a eurozone member. These costs relate to, for example, exchange expenses and slightly higher interest rates. During unstable periods for the Danish economy, however, the costs of remaining outside the Eurozone are hard to estimate. In a severe crisis in the Danish economy (high inflation and high unemployment) it remains uncertain how much investors will speculate (and thereby demand a higher interest rate on their bonds), to what extend the Danish government and the Danish National Bank will keep the fixed exchange rate policy and for how long (and how much) the ECB is willing to intervene to secure the Danish Krone.

2. The Danish Euro opt-out's greatest significance for Denmark is in relation to political influence on the development of EU's economic and monetary policy. Denmark does not participate in the Eurogroup, which is presently the forum where agreement is reached on many questions of broader economic relevance that also affect Denmark. Nor does Denmark participate in the European Central Bank's Governing Council, which sets the Euro area's interest rate and therefore also the Danish interest rate.[1062]

The Danish parliament ("Folketing") will decide in August 2008 on the date of one or several referendums on dropping EU opt-outs. The government will spend the summer studying the DIIS report and will decide at the beginning of August when and how a referendum could best be organised. The eight Danish parties in parliament are split in half on whether to maintain or drop the Danish Euro opt-out. The two left-wing parties, the Unity List and the Socialist Peoples' Party, together with the 'centre-right' party, New Alliance, and the right-wing party, the Danish People's Party are recommending voting against introducing the Euro in Denmark. In contrast, the 'centre-right' government consisting of the Liberal Party and the Conservative Party, together with the 'centre-left' Social Democratic Party and the Social Liberal Party are in favour of lifting the Euro opt-out.

All the main political parties, business leaders and trade unions are in favour of lifting the Euro opt-out in the belief that Euro membership will protect Denmark's economy during economic unstable periods and boost its influence within the European Union. However, the parties against introducing the Euro fear an erosion of Danish sovereignty, and are concerned that adopting the Euro would mean less say for Danes in how their economy is managed.

[1062] DIIS's opt-out investigation: De danske forbehold over for den Europæiske Union. Udviklingen siden 2000, Copenhagen 2008, available at: http://www.diis.dk/sw62534.asp (last access: 2 July 2008).

Estonia*

High inflation is the only obstacle to joining the eurozone

Changeover to the Euro at the first opportunity has been a key objective of Estonia's economic policy for a long time. Estonia meets all the convergence criteria except one – inflation. Furthermore, it is estimated that it will not be able to fulfil this criterion at least for the next three years, ruling out accession to the eurozone before 2012.[1063]

Estonia takes considerable pride in its stable currency, the Estonian Kroon, successful monetary policy and fiscal conservativism. Estonia was the first ex-Soviet country to break out of the Rouble zone. The Estonian Kroon was introduced in June 1992 and a currency board system was created, pegging the Kroon to the Deutsche Mark, and later, the Euro. As a result, Estonia has no problems with meeting the exchange rate criteria. Estonia was one of the first member states to join the European Exchange Rate Mechanism, ERM II, soon after accession to the EU; it has fulfilled its unilateral commitment to maintain the exchange rate within the zero percent fluctuation band. Similarly, it has no difficulties with satisfying the public finance criteria. Owing to its conservative fiscal policy, the state budget has been in a surplus. Government debt as a ratio to GDP is one of the smallest among EU member states (less than 3 percent of the GDP). Furthermore, all technical preparations for adopting the Euro were completed in 2006, except those directly related to the adoption date. The assessment of the European Commission concerning the respective preparations was very positive.

According to the forecast of the Bank of Estonia, average consumer price growth will remain at approximately 7 percent in 2008. This is significantly above the reference value of the Maastricht criterion (2.5-3.0 percent in different years). It is recognised that the high inflation rate stems from "the present developmental stage of our economy, which is characterised by a low level of prices compared to other EU countries, fast economic growth and structural changes related to development."[1064] For an open economy like Estonia, which is rapidly catching up to the standard of living in the eurozone, a slightly higher inflation rate compared to the eurozone is natural. Meeting the Maastricht inflation criterion will not be an easy target, especially in light of growing external price pressures (growing price of foodstuffs and fuel on the global markets) on a small open economy. However, it is expected that after 2009, Estonia's inflation will decrease to a level compatible with balanced economic growth (3-4 percent).

Public debates on the Euro have subsided, given the uncertain prospects of its adoption. It is clear however, that the general public does not share the enthusiasm of the political and economic elites. According to a recent survey (March 2008), the adoption of the Euro was supported by 48 percent of the population aged 15-74. Support for the changeover is higher among ethnic Estonians, and high-income respondents. Because the awareness-raising and support-building campaign has not begun, it is hard to say how effectively the opponents of the common currency will be able to mobilize. While proponents of the Euro claim that accession to the eurozone is a logical next step of Estonia's economic and monetary policy, especially given the existing peg of the Kroon to the Euro, opponents are likely to emphasise price hikes and the loss of national identity.

Finland*

Positive reception of the single currency

The tenth anniversary of Euro went largely unnoticed in Finland, perhaps partly due to a series of domestic political tussles within the country. In general, however, one may note that the reception of the single currency has been largely positive in Finland. For example, according to the Eurobarometer, 78 percent of Finns think that the single currency has been a positive thing.[1065] The Euro has been seen as a source of low inflation and interest rates for Finland – issues of primary importance to a country with a history of relatively high

* **University of Tartu.**

[1063] Bank of Estonia: Report on the adoption of the Euro, January 2008, available under: www.eestipank.ee (last access: 1st of September 2008).

[1064] Ibid.

* **EUR Programme/Finnish Institute of International Affairs.**

[1065] Special Eurobarometer 287, 2007.

inflationary pressures and volatile interest rates with repeated devaluations of the Finnish Markka in the past. Before the single currency, the main debates at the public level were around the fear of the increase in prices. Nowadays, this debate no longer exists and the increase in the commodity prices is understood to be due to other reasons.

Indeed, according to Antti Suvanto, the head of monetary policy and research at the Bank of Finland, the preservation of stability in the financial markets has been one of the clearest successes the Euro and the European Central Bank (ECB) has brought about. This has meant that inflationary pressures have – at least until recently – been curtailed while interest rates have remained low. At the same time, the strict budgetary requirements in the public finances have ensured that national spending has remained within acceptable limits. Taken together, these positive trends have also resulted in vastly improved employment as well as economic growth in the eurozone with Finland being one of the biggest beneficiaries in the process. Yet despite the positive overall assessment, Suvanto did go on to warn that in the future the success of the Euro and the ECB is far from certain. Challenges abound with rising inflation and interest rates, together with the erosion of fiscal discipline within the eurozone countries leading them. What is more, the sceptre of economic nationalism is rearing its head also in Europe, spelling potential trouble for the future development and preservation of the European single market.

Echoing Suvanto's assessment, the biggest daily in Finland, "Helsingin Sanomat", gave the last decade of the Euro in its editorial the grade of 'good plus'.[1066] According to "Helsingin Sanomat", the last decade has brought significant changes to the international monetary scene: the US Dollar no longer reigns supreme and the ECB has proved its independence and worth several times. At the same time, the newspaper does note the increasing turbulence as well as the rising interest rates and inflation and points out that serious storms in the European skies in this respect could easily undo all the gains made to date.

[1066] Helsingin Sanomat: Rahaliiton kymmenen vuotta saa arvosanan hyvä plus, 30th of May 2008, p. A2.

France*

Challenging the independence of the ECB in the context of economic crisis

Debates switched from political/symbolic aspects to economic problems

When the common currency was introduced in 1999, political and symbolic aspects, rather than economic ones, were crucial in the discussions. Indeed, the Euro was presented as a factor of economic stability and prosperity but other topics were particularly relevant for public opinion and the media: power issues (especially the balance of power between the EU and the USA), perception of the eurozone outside its borders, and the deepening of political integration.[1067] From a practical point of view, the introduction of a new currency also had an "aspect of play" for citizens.[1068] As a consequence, in 2003, 60 percent of the French public thought that introducing the Euro was a good thing.[1069]

Since then, debates have clearly moved to economic performance of the Euro. Now that its value against the US Dollar has exceeded the 1.50 US Dollar mark, new comments, rather critical ones, have emerged. Political actors have different points of view on this question. Nicolas Sarkozy had already strongly criticised the common currency during the electoral campaign in May 2007. In his opinion, the Euro was responsible for many economic problems in France, such as inflation, low wages, or lack of competitiveness.[1070] More recently, "Le Figaro" made a similar analysis, assuming that a strong Euro offers European economies only marginal protection from the rise in the price of raw materials (e.g. oil) and penalises them in terms of competitiveness.[1071]

The business community shares some of these arguments. Louis Gallois (Chief Executive Officer of "EADS") or Serge Dassault (Chief Executive Officer of "Dassault Group") have often criticised the European Central Bank policy and the "strong Euro".[1072] According to Louis Gallois, "the Euro, at its current level, is asphyxiating a good part of European industry by eroding its export margins. If

* Centre européen de Sciences Po.

[1067] See for example: Table ronde: L'euro facteur de recomposition du système monétaire international, Critique internationale, 1/2001.
[1068] Nouvelle Europe, 08/01/2008.
[1069] Opinion poll "TNS-Sofres" pour France Soir.
[1070] Libération, 29/03/2007.
[1071] Le Figaro, 27/02/2008.
[1072] Libération, 02/06/2008.

that continues, export industries will flee Europe. It is the only response available for survival".[1073] At the end of 2007, both companies threatened to relocate parts of their activities outside the EU in order to escape the strong Euro, provoking protests from trade unions. Among them, Force Ouvrière claimed that "the EU did not create the Euro to destroy jobs" and sees, as do other trade unions, such declarations as pressures on political actors to push them to tackle the Euro issue.[1074] As a consequence of these criticisms, but also of the economic crisis, French public opinion has become quite sceptical of the benefits of the common currency. According to an opinion poll commissioned by the economic newspaper "La Tribune" from "TNS-Sofres", 57 percent of the population believe that the Euro is responsible for inflation.[1075]

Trying to shift the public attitude towards the common currency, the State Secretary for European Affairs, Jean-Pierre Jouyet, adopts a more optimistic view. He considers that the Euro has been a success and its stability makes the eurozone attractive.[1076] For example, it accounts for 22 percent of the world's GDP, whereas 25 percent of reserves are now expressed in Euros. All these economic statements make Jean-Pierre Jouyet conclude that the eurozone must become aware of its considerable economic weight. Thus, on the Euro's tenth anniversary, France should now have a "Euro diplomacy", he assumes.

Finally, some academics tried to sort out the pros and cons of the common currency. For Jacques Généreux (Sciences Po), exporting industries (aeronautics, armaments, cars) are the losers from the Euro, whereas importing economic actors or speculators are the winners.[1077] There are also differences between member states, for example Germany, from which exports are more specialised with high added value, and France, from which exports are consumer goods. As a consequence, Germany is not so sensitive to currency fluctuations. Thus, the relevant level for European currency is not to be defined theoretically but by taking all these domestic specificities into account. According to the French economist, if the Euro's rise reflects European economic strength, it also reveals its political weakness.

Criticisms of the autonomy of European Central Bank

If President Sarkozy does not officially challenge the independence of the European Central Bank (ECB), he very often criticises its policy, as he did during his electoral campaign. More recently, he reiterated these criticisms, after the ECB decided to hike interest rates by a quarter point to 4.25 percent. "I was among those who voted for the independence of the ECB. I don't regret that", he said. "But all the same, without compromising everything I believe in, I have the right as President of the French Republic to wonder if it is reasonable to raise the European rates to 4.25 percent, while Americans have rates of 2.0 percent".[1078] The Minister of Economy, Christine Lagarde, agreed wholeheartedly with him, considering that the ECB's decision was deepening the gap with the U.S. monetary policy.[1079]

This attitude generated many reactions from other actors. Pervenche Berès, Socialist MEP, chairwoman of the Economic and Monetary Affairs Committee of the European Parliament, feared, with other MEPs, an attempt to undermine the ECB's independence.[1080] Socialists however are divided on this issue. Dominique Strauss-Kahn, now General Director of the IMF, noticed that the problem with the Euro is that the ECB, which does its job of containing inflation well, is overly powerful. It does not have a political counterweight in the form of a real European finance minister in charge of economic growth.[1081] On the contrary, "MEDEF", the French business confederation, opposed the government's activism against the ECB's policy. Its president, Laurence Parisot, claimed that fighting inflation was the priority, arguing that countries that have limited their inflation rate are the ones that now have the strongest growth rates.[1082] Adopting a balanced point of view, French economist Jacques Généreux notes that if the ECB can be considered an "economic government", the European Union still lacks a political government capable of defining, on a majority (and not under unanimity) basis, the guidelines for a change policy or industrial policy. According to him, without challenging its independence, the ECB should take the "Federal Reserve" as an example and

[1073] Interview of Louis Gallois to Le Figaro, 27/03/2008.
[1074] EurActiv: EADS et Dassault accusent l'euro fort et projettent de délocaliser, 06/12/2007, available under: www.euractiv.fr (last access: 29/08/2008).
[1075] La Tribune: Pouvoir d'achat: plus d'un Français sur deux incrimine l'euro, 18/01/2008.
[1076] Jean-Pierre Jouyet: Pour une 'diplomatie de l'euro, Le Monde, 03/01/2008.
[1077] Jacques Généreux: L'euro fort reflète aussi la faiblesse politique de l'Europe, Libération, 04/06/2007.
[1078] Le Monde, 05/07/2008.
[1079] Interview of Christine Lagarde to Le Figaro, 07/07/2008.
[1080] EurActiv, 12/02/2008.
[1081] Le Monde, 03/03/2008.
[1082] Challenges, 08/07/2008.

make its deliberations more transparent. This would give citizens the opportunity to assess the orientation of its monetary policy.[1083]

Germany*

The debate calmed down

In general in Germany the Euro is not regarded as being a failure but measuring concrete gains from its introduction seems to be somehow difficult. Nonetheless, several German politicians used the European Economic and Monetary Union (EMU), the Euro, and the European Central Bank (ECB) as 'sparring partners' either for scapegoating or just to get some media attention. But since the ratification of the Treaty on European Union was delaid completed, the introduction of the Euro was never severely contested. The feelings of the population towards the common currency will probably never become as warm as they were towards the Deutsche Mark (DM), but despite the debate about the 'Teuro'[1084] in 2002 the Euro can nowadays be regarded as widely accepted among the German people.

Gains or losses? – debate is going on

A central motivation to create the EMU and its preceding forms of regional exchange-rate regimes was to abolish costs and uncertainties that are caused in cross-border trade by instable exchange rates.[1085] Furthermore, it was hoped that low interest rates[1086] and increased transparency and competition on the European market would stimulate an increase in the GDP in the eurozone. In Germany such an effect cannot be detected.[1087] After the introduction of the common currency, on 1 January 1999, the growth of the GDP was in 1999 on the same level as in 1998 (both years 2.0 percent), in 2000 the growth of the GDP peaked (3.2 percent). Then the growth was until 2006 each year below 1.5 percent. Comparing the seven years before the introduction of the common currency to the following seven years the average growth of GDP between 1992 and 1998 was 1.46 percent,[1088] while it was 1.5 percent between 1999 and 2007.[1089] Regarding these figures Werner Becker from "Deutsche Bank Research" concludes that the economies in the eurozone have not become independent from economic trend in the US. Furthermore he denies that the economic downturn in the 2000s can be attributed to the introduction of the Euro or the Stability and Growth Pact.[1090]

Concerning the effects of the Euro on economic performance in Germany another aspect is noteworthy. As Germany's industry is highly dependent on exports, the value of the Euro against other currencies, especially against the US Dollar, is crucial for the economic trend. But it should be kept in mind that more than 60 percent of German exports remain in the European Union.[1091] Shortly after the introduction of the single currency, when the Euro lost against the US Dollar, economists and politicians debated whether this backs the German export industry[1092] or

[1083] Jacques Généreux: L'euro fort reflète aussi la faiblesse politique de l'Europe, Libération, 04/06/2007.

* **Institute for European Politics.**

[1084] 'Teuro' is a neologism, composed of the two words 'teuer', meaning expansive, and 'Euro'. In 2002 'Teuro' was awarded being word of the year. See the web site of the "Association for the German Language": http://www.gfds.de/aktionen/wort-des-jahres/ (last access: 1 September 2008).

[1085] Kathleen R. McNamara: Economic and Monetary Union. Innovation and Challenges fort he Euro, in: Helen Wallace/William Wallace/Marc A. Pollack (eds.): Policy-Making in the European Union, 5. Edition, Oxford/New York, pp. 141-160, here p. 143.

[1086] Hans-Werner Sinn/Robert Koll: Der Euro, die Zinsen und das europäische Wirtschaftswachstum, in: ifo Schnelldienst 32-33/200, pp. 46-47, available under: http://www.cesifo-group.de/portal/page/portal/ifoContent/N/rts/rts-mitarbeiter/IFOMITARBSINNCV/CVSinnPDF/CVSinnPDFPolicyContrib/ifosd_2000_32_Euro.pdf (last access: 1 September 2008).

[1087] Daniela Schwarzer/Sebastian Dullien: The Eurozone under Serious Pressure. Regional Economic Cycles in the Monetary Union Need to Be Stabilisied, SWP Comments 22/2005, pp. 1-2, available under: http://www.swp-berlin.org/common/get_document.php?asset_id=2235 (last access: 3 September 2008).

[1088] Own calculation with data from: Statistisches Bundesamt (ed.): Datenreport 2006. Zahlen und Fakten über die Bundesrepublik, Part 1, Bonn 2006, p. 244, extract available under: http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Content/Publikationen/Querschnittsveroeffentlichungen/Datenreport/Downloads/1GesWirtschUeberblick,property=file.pdf (last access: 3 September 2008).

[1089] Werner Becker: Der Euro wird zehn. Den Kinderschuhen entwachsen, in: Deutsche Bank Research (ed.) EU-Monitor 57/2008, p. 14, available under: http://www.dbresearch.de/PROD/DBR_INTERNET_DE-PROD/PROD0000000000226658.PDF (last access: 3 September 2008).

[1090] Ibid., pp. 14-15.

[1091] Statistisches Bundesamt (ed.): Datenreport 2006. Zahlen und Fakten über die Bundesrepublik, Part 1, Bonn 2006, p. 252, extract available under: http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Content/Publikationen/Querschnittsveroeffentlichungen/Datenreport/Downloads/1GesWirtschUeberblick,property=file.pdf (last access: 3 September 2008).

[1092] Reinhard Kudiß: Stimmungsumschwung beim Euro, in: Bundesverband der Deutschen Industrie: Info-Service.

threatens the economy, because foreign investors lose their faith in Germany.[1093] Since then the debate has turned. The value of the Euro rose rapidly. Now the question is: Does the strong Euro threaten economic growth in Germany? Representatives of business associations state 'Yes' and regard an exchange-rate of 1.20 US Dollar for 1 Euro being optimal.[1094] Economic research institutes agree on this opinion.[1095] Meanwhile, Peer Steinbrück, Social-Democrat Federal Minister of Finance, presents himself more relaxed in 2007 and early 2008. Saying he prefers a strong Euro, and that he does not see any necessity to intervene.[1096] On the other hand, he agrees that the strong Euro is one of the reasons for the economic downturn in Germany.[1097]

The most paradox experience Germany had with Euro since the introduction of the Euro coins and notes was inflation. It was paradox because people felt a strong increase in prices, while the inflation index did not measure this increase. In July 2004 the federal statistical office ("Statistisches Bundesamt") announced that between January 2002 and June 2004 the prices for consumers in Germany increased by 3.3 percent. The increase in prices in the last two and a half years before the introduction of the Euro coins and notes was 4.3 percent. The federal statistical office concludes: "The still wide spread notion, the Euro had sustainingly increased the level of prices in Germany, cannot be confirmed."[1098]

Meanwhile the individual perception of inflation was another one. Since early 2002 it was hotly debated whether the Euro is a 'Teuro'[1099] or not.[1100] In December 2001 expected Hans Eichel, then Social-Democratic Federal Minister of Finance, decreasing prices for German consumers,[1101] in May 2002 he said consumers should boycott enterprises that increased prices.[1102] The then Federal Minister for Consumer Protection, Nutrition and Agriculture, Renate Künast, even tried to initiate a so called 'Teuro-summit', bringing together representatives of retailers, hotel industry, catering trade, labour unions and consumer associations. The summit was criticised in German media for being populist and finally failed.[1103] The 'Teuro-debate' became also part of the electoral campaign in

Information und Meinung 15/1999, p. 1, available under: http://www.bdi-online.de/BDIONLINE_INEAASP/iFILE.dll/X84E0DAE4986B11D4B93D0050DA2662B7/2F252102116711D5A9C0009027D62C80/PDF/84E0DAE4986B11D4B93D0050DA2662B7.PDF (last access: 6 September 2008).

[1093] Heiko Martens: Nervöses Flackern, in: Der Spiegel 23/1999, pp. 92-93.

[1094] Karl-Heinz Büschemann/Helga Einecke: Gemeinschaftswährung auf Rekordstand. Deutsche Industrie klagt über starken Euro, Süddeutsche Zeitung, 11 July 2008, available under: http://www.sueddeutsche.de/finanzen/artikel/148/122978/ (last access: 3 September 2008); Claudio De Luca: Ist der starke Euro schädlich für Deutschland und Europa?, capital.de, 26 October 2007, available under: http://www.capital.de/politik/100008035.html (last access: 3 September 2008).

[1095] Handelsblatt: Steinbrück warnt vor "hysterischer Debatte", 19 March 2008, available under: http://www.handelsblatt.com/politik/deutschland/steinbrueck-warnt-vor-hysterischer-debatte;1406276 (last access: 3 September 2008).

[1096] Ibid.; EurActive: Eurozone macht sich Sorgen über den Wechselkurs, 9 October 2007, available under: http://www.euractiv.com/de/euro/eurozone-macht-sorgen-wechselkurs/article-167465 (last access: 3 September 2008).

[1097] manager-magazin.de: Peer Steinbrück: "Wachstums-Perspektive eingetrübt", 26 November 2001, available under: http://www.manager-magazin.de/unternehmen/artikel/0,2828,519786,00.html (last access: 6 September 2008).

[1098] Own translation, original text: "Die noch immer weit verbreitete Auffassung, der Euro habe das Preisniveau in Deutschland nachhaltig erhöht, kann somit nicht bestätigt werden." See: Statistisches Bundesamt: Zweieinhalb Jahre Euro: Geringere Teuerung als zu zeiten der DM, press release No. 316, 27 July 2004, available under: http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Presse/pm/2004/07/PD04__316__611,templateId=renderPrint.psml (last access: 6 September 2008).

[1099] 'Teuro' is a neologism, composed of the two words 'teuer', meaning expansive, and 'Euro'. In 2002 'Teuro' was awarded being word of the year. See the web site of the "Association for the German Laguage": http://www.gfds.de/aktionen/wort-des-jahres/ (last access: 1 September 2008).

[1100] See: Süddeutsche Zeitung: Höhere Preise nach der Euro-Umstellung, 8 January 2002; Süddeutsche Zeitung: Also doch (k)ein Teuro!, 8 March 2002; Arne Daniels: Zoff um den Euro, 29 April 2008, available under: http://www.stern.de/wirtschaft/unternehmen/maerkte/:Turbulenzen-/index.html?id=169729 (last access: 6 September 2008); Hans-Werner Sinn: Der Seelen-Teuro, Süddeutsche Zeitung, 2 July 2002.

[1101] Süddeutsche Zeitung: Eichel: Euro macht deutsche Waren billiger, 27 December 2001.

[1102] SpiegelOnline: Eichel ruft zum Boykott auf, available under: http://www.spiegel.de/wirtschaft/0,1518,196016,00.html (last access: 6 September 2008).

[1103] Süddeutsche Zeitung: Minister kritisiert "Anti-Teuro-Gipfel", 28 May 2002; Thomas Hillebrand: Künasts zweckfreie Sponti-Gesprächsgruppe, SpiegelOnline, 31 Mai 2002, available under: http://www.spiegel.de/wirtschaft/0,1518,198667,00.html (last access: 6 September 2008); SpiegelOnline: Künast muss alleine diskutieren, 8 July 2002, available under: http://www.spiegel.de/wirtschaft/0,1518,204375,00.html (last access: 6 September 2008); Peter Schumacher: Künast in der Populismus-Falle, FAZ.net, 10 July 2002, available under: http://www.faz.net/s/RubA24ECD630CAE40E483841DB7D16F4211/Doc~E9777E09AEAB74979BA793A1A86009EE2~ATpl~Ecommon~Scontent.html?rss_googlefeed_politik (last access: 6 September 2008).

2002.[1104] The then German Chancellor, Gerhard Schröder, front runner of the governing Social-Democrats, and his conservative counterpart, Edmund Stoiber, agreed in debates that the increases in prices could have been avoided, by introducing a duty to label prices in DM and Euro for one year.[1105] The German central association of retailers ("Hauptverband des Einzelhandels") opposed the mainstream opinion, and accused the government of having caused increases in prices by increases in taxes.[1106]

Economists on the other hand called the increases in prices a "non event"[1107], and the then president of the German national bank ("Bundesbank"), Ernst Welteke, declared: "We cannot stop this incomprehensible debate with facts, such as the real inflation rate."[1108] To end up the debate the federal statistical office started in co-operation with Hans Wolfgang Brachinger, professor at the seminar for statistics at the University of Fribourg, a research project to measure perceived inflation.[1109] Based on the following three assumptions the so-called 'index of perceived inflation' (IPI) was developed: 1.) Consumers perceive changes in prices as gains or losses; 2.) Consumers are more sensitive to price increases than reductions; 3.) The perceived inflation depends on how often a consumer is confronted with increased prices, the more often a consumer buys a product that became more expensive, the higher is the perceived inflation.[1110] Comparing a corrected IPI, called 'IPI 2', to the consumer price index for Germany shows that both indices have been close together between 1995 and 2001. In early 2001, one year before the introduction of Euro coins and notes, the perceived inflation starts to rise dramatically. The gap between the perceived inflation, measured by IPI 2, and the inflation measured by the consumer price index closes again in early 2003. Thus, Brachinger concludes, there is a "period of 'euro-induced' special inflation" in 2001 and 2002.[1111] The IPI 2 calculates the perceived inflation with reference to prices in the same month one year before. But Brachinger argues this is incorrect for the period after the introduction of Euro coins and notes, because people still take the DM-prices of 2001 as a point of references. Calculating the IPI 2 with reference to DM-prices shows that the gap between perceived inflation and the inflation measured by the consumer price index has not closed until mid 2005, the time the indices were calculated.[1112] Brachinger concludes: "the introduction of the Euro notes and coins was not a 'non-event'" and "contrary to what could be read in the German press in 2005, it cannot be asserted that in 2005 no significant gap existed anymore between perceived inflation and consumer prise index."[1113] This has two reasons: First, people take still DM-prices as a point of reference and second, "above-average price increases were applied precisely to those goods characterised by an above-average purchasing frequency."[1114]

An unstable currency?

To understand the debate about the Euro in Germany it is necessary to say a few words about the relationship between Germans and their old currency the DM. The mainstream relationship between Germans and their symbols of national sovereignty since 1949 might be best described as 'rational' and somehow 'distant'. European integration and ceding national sovereignty to the European Union have been connoted for long time with gaining national sovereignty in turn.[1115] Regarding the DM respectively the Euro the situation is different. This has two reasons: First, since the introduction of the DM Germany never experienced high inflation not to speak of hyperinflation. As the commemoration of the hyperinflation in the

[1104] In 2002 the German parliament ("Bundestag") was elected.
[1105] SpiegelOnline: Händchenhalten im Teuro-Kampf, Kandidatenduell, Teil 4, 10 July 2002, available under: http://www.spiegel.de/wirtschaft/0,1518,204592,00.html (last access: 6 September 2008).
[1106] Andreas Hoffmann: Gipfel gegen Euro-Abzocker, 25 May 2002.
[1107] Hans-Werner Sinn: Der Seelen-Teuro, Süddeutsche Zeitung, 2 July 2002.
[1108] Own translation, original text: "Wir kommen mit Fakten wie beispielsweise der tatsächlichen Inflationsrate nicht gegen diese unverständliche Debatte an." See: SpiegelOnline: Händchenhalten im Teuro-Kampf, Kandidatenduell, Teil 4, 10 July 2002, available under: http://www.spiegel.de/wirtschaft/0,1518,204592,00.html (last access: 6 September 2008).
[1109] Hans Wolfgang Brachinger: Der Euro im Kleid des Teuro, Neue Züricher Zeitung, 4 October 2005, available under: http://www.unifr.ch/stat/forschung/publikationen/Braching-NzzEuroIWI.pdf (last access: 6 September 2008).
[1110] Hans Wolfgang Brachinger: Euro or "Teuro"? The Euro-induced Preceived Inflation in Germany, Department of Quantitative Economics Working Paper No. 5, University of Fribourg 2006, p. 6, available under: http://www.unifr.ch/dqe/papers/files/wp0005.pdf (last access: 6 September 2008).
[1111] Ibid., p. 13.
[1112] Ibid., pp. 17-18.
[1113] Ibid., pp. 20-21.
[1114] Ibid., p. 20.
[1115] Manfred Görtemaker: Geschichte der Bundesrepublik Deutschland. Von der Gründung bis zur Gegenwart, Frankfurt am Main 2004, pp. 293-294.

early 1920s was and to some degree still is present, this was positively attributed to the DM. Second, the DM became one of the symbols for Western German economic recovery after 1945. What is mistakenly called the 'German economic miracle' is closely associated with the former German currency.[1116] Thus, the mainstream relationship between the German people and the DM became confidential and emotional. In 1992 Jacques Delors put it in a nutshell: "Not every German trusts in god, but all of them trust in the 'Bundesbank'."[1117]

This is reflected in polls conducted before the decision, to start the third step of EMU on 1 January 1999, was taken. In early 1998 two thirds of the German population were against the Euro und 40 percent did not believe in its introduction the next year.[1118] Thus, the Conservative-Liberal government, under then Chancellor Helmut Kohl, strongly heading for the decision to introduce the Euro before his term in office was over, had severe problems during the electoral campaign. A CDU-politician standing for office in parliamentary elections told the news magazine "Stern": "If you want to be protected from applause during electoral campaign speeches, just talk about the Euro."[1119] During late 1997 and the whole year 1998 a debate was going whether the single currency should be introduced in 1999 or the introduction should be postponed.[1120] The crucial question was, which countries would meet the Maastricht criteria and be the first to start the third step of EMU. Many German politicians, economists and as already mentioned the majority of the population feared 'economically weak' member states in the eurozone might threaten the value of the single currency. Even for Germany it was not sure whether it would meet all criteria in 1997.[1121]

The cleavage dividing 'eurosceptics' and supporters of the Euro did not follow party lines. While the Conservative-Liberal federal government strongly supported the introduction in 1999, CDU- and CSU- (conservative sister parties) politicians from the "Bundesländer" (the regional level in Germany) severely opposed this plan.[1122] The CDU-Prime Minister of Saxony, Kurt Biedenkopf,[1123] and the CSU-Prime Minister of Bavaria, Edmund Stoiber,[1124] for example argued, that an early introduction will destabilise the common currency. In the Social Democratic Party of Germany (SPD) the situation was similar. Gerhard Schröder, the then SPD-Prime Minister of Lower-Saxony and front-runner of the Social Democrats in their 1998 electoral campaign, opposed the Euro for a long time as being unnecessary,[1125] while the Social-Democratic Party presented itself more pro-European. The inner party opponent of Gerhard Schröder, the then SPD-Prime Minister of Saarland, leader of the Social Democrats and later Federal Minister of Finance, Oskar Lafontaine, welcomed the Euro and called for an integration of wage and tax policy.[1126] In its electoral manifesto the SPD favoured the introduction of the Euro.[1127] Thus Gerhard Schröder changed his mind during the electoral campaign. The Green Party[1128] and the Liberal Party (FDP) supported the introduction of the Euro,[1129] while the Socialist

[1116] Ibid., pp. 146-152; Gerhard Schulze: Die Erlebnisgesellschaft. Kultursoziologie der Gegenwart, 8. Aufl., Frankfurt am Main/New York 2000, pp. 532-535.
[1117] Own translation, original text: "Nicht alle Deutschen glauben an Gott, aber alle glauben an die Bundesbank." See: Oliver Teutsch: Eine deutsche Erfolgsgeschichte, SpiegelOnline, 30 July 2007, available under: http://www.spiegel.de/wirtschaft/0,1518,497250,00.html (last access: 6 September 2008).
[1118] Der Spiegel: "Kathedrale um den Euro", 10/1998, pp. 22-24, here p. 23.
[1119] Own translation, original text: "Wenn man als Wahlredner vor Beifall sicher sein will, braucht man nur über den Euro zu sprechen." See: Stern: Die Ratlosen von Bonn, 12/1998, p. 30.
[1120] Der Spiegel: Die Allianz der Skeptiker, 37/1997, pp. 22-24.
[1121] Der Spiegel: "Kathedrale um den Euro", 10/1998, pp. 22-24, here p. 22.
[1122] Der Spiegel: "D-Mark unter anderem Namen", 1/1998, p. 38.
[1123] Interview with CDU-Prime Minister of Saxony, Kurt Biedenkopf, in: Der Spiegel: "Was wir tun ist abwegig", 31/1997, pp. 35-38.
[1124] Edmund Stoiber in a parliamentary session of the German parliament. See: Bundestagsplenarprotokoll 13/227, p. 20801 (A)-20789 (B), available under: http://dip21.bundestag.de/dip21/btp/13/13227.pdf (last access: 6 September 2008).
[1125] Focus: Wahlkampf. Soll gegen Haben, 38/1998, pp. 28-30; die tageszeitung: Schröder: Euro kostet Jobs, 27 March 1998.
[1126] Oskar Lafontaine in a parliamentary session of the German parliament. See: Bundestagsplenarprotokoll 13/227, p. 20768 (B), p. 20769 (B-C), available under: http://dip21.bundestag.de/dip21/btp/13/13227.pdf (last access: 6 September 2008).
[1127] Christian Semler: Die Wahlen in Deutschland und das Wagnis Europa, die tageszeitung, 11 September 1998; Arbeit, Innovation, Gerechtigkeit, SPD-Programm für die Bundestagswahl 1998, Beschluss des außerordentlichen Parteitages der SPD am 17. April 1998 in Leipzig, p. 44, available under: http://www.april1998.spd-parteitag.de/download/wahlprogramm.doc (last access: 6 September 2008).
[1128] Joschka Fischer in a parliamentary session of the German parliament. See: Bundestagsplenarprotokoll 13/227, pp. 20781 (C)-20782 (A), available under: http://dip21.bundestag.de/dip21/btp/13/13227.pdf (last access: 6 September 2008).
[1129] Börsen-Zeitung: "Die Zeit ist reif für den Euro", 10 February 1998.

party, the then PDS, severely opposed the single currency.[1130]

But not just the political elite did take part in the debate. In January 1998 four professors from different universities appealed to the German constitutional court ("Bundesverfassungsgericht") to stop the introduction of the common currency in 1999. They argued the necessary preconditions to start the third stage of the EMU were not fulfilled.[1131] The constitutional court tore down the constitutional challenge as being "anyway evidently unfounded".[1132] 155 other professors did not take legal actions against the Euro but expressed similar concerns in a public declaration in February 1998.[1133] Meanwhile the academic debate was going on.[1134]

Another debate, discussing the preparations for the introduction of the Euro, started in late 1997. While the large companies seemed to be well prepared,[1135] the federal association of the German industry ("Bundesverband der Deutschen Industrie") pointed out that especially medium-sized companies needed assistance to introduce the new currency.[1136]

Meanwhile the state had problems to introduce the Euro already in 1999. E.g. the conference of German ministers of finance agreed that forms for tax return would be accepted in Euro not earlier than 2002.[1137]

New concerns since 1999

As already mentioned above, after the third step of the EMU came into force on 1 January 1999, the losses of the Euro against the US Dollar were debated in Germany. At the same time the new German Federal Minister of Finance attacking the ECB made headlines all over Europe.[1138] Lafontaine wanted to reduce the unemployment rate and stimulate domestic consumption.[1139] Due to the Maastricht debt criteria he could not start deficit spending and argued the ECB should reduce the interest rates like the federal reserve in the USA did.[1140] In the German media and public debate the Federal Minister of Finance was widely criticised for questioning the independence of the German national bank ("Bundesbank") and later ECB.[1141] The Keynesian policy, the attacks on the ECB and the debate stopped abruptly when Oskar Lafontaine retired as Federal Minister of

[1130] Gregor Gysi in a parliamentary session of the German parliament. See: Bundestagsplenarprotokoll 13/227, pp. 20787 (B)-20789 (B), available under: http://dip21.bundestag.de/dip21/btp/13/13227.pdf (last access: 6 September 2008).
[1131] Wilhelm Hankel/Wilhelm Nölling/Karl Albrecht Schachtschneider/Joachim Strabatty: Die Euro-Klage. Warum de Währungsunion scheitern muß, Hamburg 1998.
[1132] Boersen-Zeitung: Ein Praezedenzfall gegen kuenftige Euro-Klagen, 30 April 1998; decision of the constitutional court from 31. March 1998: BVerfG, 2 BvR 1877/97 vom 31.3.1998, Absatz-Nr. (1-101), available under: http://www.bverfg.de/entscheidungen/rs19980331_2bvr187797.html (last access: 6 September 2008).
[1133] die tageszeitung: Die Professoren wollen noch einmal ein Signal setzen, 10 February 1998; Georg Schwarte: Professoren wollen Euro ausbremsen, Tages-Anzeiger, 10 February 1998.
[1134] For an overview of the different statemts and discussed concepts see: Michael Sturm: Währungsunion und Politische Union – notwendige Ergänzungen, zwangsläufige Folgen oder fehlende Interdependenzen?, in: *integration* 4/1999, pp. 263-273; Rubert Mundell: A Theory of Optimum Currency Areas, in: American Economic Review 4/1961, pp. 657-665; Frirtz Mayer: Europa mit dem Euro – Herausforedrungen an die Politik, in: *integration* 3/1998, pp. 133-148; Wilhelm Schönfelder/Elke Thiel: Stabilitätspakt und Euro-X-Gremium – Die stabilitätspolitische Untermauerung der WWU, in: *integration* 2/1998, pp. 69-76; Stefan Collignon/Susanne Mundschenk: Die internationale bedeutung der Währungspolitik, in: *integration* 2/1998, pp. 77-85.
[1135] Der Spiegel: "Kathedrale um den Euro", 10/1998, pp. 22-24, here p. 23.
[1136] Bundesverband der Deutschen Industrie: BDI: Unternehmen für die Währungsunion fit machen – Euro-Umstellung in der Datenverarbeitung, press release, 29 January 1998, available under: http://www.bdi-online.de/BDIONLINE_INEAASP/iFILE/XB1FAA87724DE11D5B9380050DA26627A/2F252102116711D5A9C0009027D62C80/DOC/B1FAA87724DE11D5B9380050DA26627A.DOC (last access: 6 September 2008).
[1137] Ibid.; Bundesverband der Deutschen Industrie: BDI kritisiert Entscheidung der Länder-Finanzministerkonferenz, Steuererklärungen in Euro erst ab 2002 zu akzeptieren, press release, 23 January 1998, available under: http://www.bdi-online.de/BDIONLINE_INEAASP/iFILE/XB1FAA87124DE11D5B9380050DA26627A/2F252102116711D5A9C0009027D62C80/DOC/B1FAA87124DE11D5B9380050DA26627A.DOC (last access: 6 September 2008); Bundesverband der Deutschen Industrie/Bundesverband der Deutschen Arbeitgeberverbände: Wirtschaft fordert Euro-gängige Finanzverwaltung ab 1.1.1999, press release, 21 January 1999, available under: http://www.bdi-online.de/BDIONLINE_INEAASP/iFILE/XB1FAA86824DE11D5B9380050DA26627A/2F252102116711D5A9C0009027D62C80/DOC/B1FAA86824DE11D5B9380050DA26627A.DOC (last access: 6 September 2008).
[1138] The English newspaper "The Sun" even asked: "Is THIS the most dangerous man in Europe?" See: Der Spiegel: Oskar im Anflug, 49/1998, p. 20.
[1139] Tobias Ostheim: Praxis und Rhetorik deutscher Europapolitik, in: Christoph Egle/Tobias Ostheim/Reimut Zohlnhöfer (ed.): Das rot-grüne Projekt. Eine Bilanz der Regierung Schröder 1998-2002, Wiesbaden 2003, pp. 351-380, here p. 355; interview with Oskar Lafontaine in Der Spiegel: "Mit dem Unvollkommenen leben", 41/1998. pp. 33-35; Der Spiegel: Sklaven eines Verstorbenen, 46/1998, pp. 104-106.
[1140] Oskar Lafontaine: Das Herz schlägt links, München 1999, pp. 210-215.
[1141] Der Spiegel: Attacke auf den Hunnenkönig, 45/1998, pp. 128-130; Der Spiegel: Eine Katze in der Hölle, 50/1998, pp. 176-181.

Finance, leader of the SPD and MP on 11 March 1999.[1142]

In 2001 a debate started whether Germany might fail to met the 3.0 percent dept criteria of the Stability and Growth Pact and receive a so-called "blue letter"[1143] from Brussels.[1144] During the electoral campaign in 2002 the debate won some strength, as the opposition could blame the government as being untrustworthy in financial policy.[1145] Beside the dimension of daily financial policy and performance of the current German government, the debate had a more fundamental dimension, too. Soon the debate about the appropriateness of the Stability and Growth Pact was taken up again. One side, especially the government,[1146] argued the pact has to be more flexible, otherwise governments were incapable of coping with economic crises. The other side, especially economists, feared the huge economies of the eurozone, France and Germany, would disregard the Maastricht criteria, destroy the pact and jeopardize the value of the Euro.[1147] In late 2002 the then Federal Minister of Finance, Hans Eichel, declared the German government does not question the Stability and Growth Pact what had been falsely reported in the media.[1148] In November 2002 the European Commission finally started a deficit procedure according to art. 104 ECT.[1149] This was the first of four "blue letters" Germany received from Brussels concerning the Euro.[1150]

But far more dominant during late 2001 and the whole of 2002 was the debate about introducing the Euro coins and notes on 1 January 2002. As already pointed out above, the crucial question discussed was the inflation rate. This debate continued at least until 2004/2005.[1151] More populist newspapers even keep on reporting on the topic from time to time.[1152] But around new year's eve media reported as well on other topics concerning the introduction of the Euro coins and notes. Some of them were: the logistic to distribute the new coins and notes; the preparations of the economy, especially of retailers; whether Germans had to pay for changing coins and notes; and the reorganisation of tax administration.[1153] Another phenomenon raised some discussion in late 2001, as it seemed to support the arguments of 'eurocritics'. Since the decision to introduce the single currency was taken, the DM "has lost a considerable part of its value"[1154]. This has been interpreted as an indicator that people do not trust the Euro.[1155] But as Hans-Werner Sinn and Frank Westermann have shown, this interpretation is wrong. The DM has lost its value, because people abroad holding DM as a secure deposit and people holding black money in DM have started converting their DM in other secure currencies like the US Dollar or the Swiss Frank before 2002.[1156]

[1142] Matthias Geyer/Dirk Kurbjuweit/Cordt Schnibben: Operation Rot-Grün. Geschichte eines Abenteuer, 3. edition, München 2005, pp. 91-93.
[1143] In Germany pupils receive during the term a so called "blue letter" from their teacher if they potentially will not pass the class.
[1144] Börsen-Zeitung: Eichel rechnet nicht mit blauem Brief, 7 November 2001.
[1145] Christoph Roche: Unpassendes timing, Börsen-Zeitung, 6 September 2002.
[1146] Börsen-Zeitung: Berlin eröffnet Debatte um Defizit-Obergrenze, 17 August 2002.
[1147] Hans Reckers (member of the executive board of the "Bundesbank"): Wenn die Stabilitätskriterien dauerhaft verletzt werden, Börsen-Zeitung, 17. Mai 2002.
[1148] Börsen-Zeitung: Eichel: "Keine Änderung am Stabilitätspakt", 6 November 2002.
[1149] Börsen-Zeitung: Brüssel leitet Defizitverfahren gegen Deutschland ein, 14 November 2002.
[1150] Interview with the former Federal Minister of Finance, Theo Waigel, in Hamburger Abendblatt: "Ist der Euro doch ein Teuro?", 31 Mai 2008, available under: http://www.abendblatt.de/daten/2008/05/31/888030.html (last access: 6 September 2008).
[1151] Statistisches Bundesamt: Zweieinhalb Jahre Euro: Geringere Teuerung als zu zeiten der DM, press release No. 316, 27 July 2004, available under: http://www.destatis.de/jetspeed/portal/cms/Sites/destatis/Internet/DE/Presse/pm/2004/07/PD04_316_611,templateId=renderPrint.psml (last access: 6 September 2008); Hans Wolfgang Brachinger: Der Euro im Kleid des Teuro, Neu Züricher Zeitung, 4 October 2005, available under: http://www.unifr.ch/stat/forschung/publikationen/Braching-NzzEuroIWI.pdf (last access: 6 September 2008).
[1152] Abendzeitung: Preisschub durch den Euro, 30 October 2007, available under: http://www.unifr.ch/stat/forschung/publikationen/Braching-AZ301007.pdf (last access: 6 September 2008).
[1153] Peter Stein: Editorial. Jahreswechsel im Zeichen des Euro, Politische Studien No. 380, 2008, pp. 5-7, here p. 5, available under: http://www.hss.de/downloads/politische_studien_380.pdf (last access: 6 September 2008); Süddeutsche Zeitung: Freistellungsaufträge sollen angepasst werden, 14 November 2001; Süddeutsche Zeitung: Trainiert von Tengelmann, 22 December 2001.
[1154] Hans-Werner Sinn/Frank Westermann: The Deutschmark in Eastern Europe, Black Money and the Euro: On the Size of the effect, in: Centre for Economic Studies Info (CESifo) 3/2001, pp. 35-40, here p. 35, available under: http://www.cesifo-group.de/portal/page/portal/ifoContent/N/rts/rts-mitarbeiter/IFOMITARBSINNCV/CVSinnPDF/CVSinnPDFPolicyContrib/FORUM3-01-SINN-WESTERMANN.PDF (last access: 6 September 2008).
[1155] Peter Stein: Editorial. Jahreswechsel im Zeichen des Euro, Politische Studien No. 380, 2008, pp. 5-7, here p. 5, available under: http://www.hss.de/downloads/politische_studien_380.pdf (last access: 6 September 2008).
[1156] Hans-Werner Sinn/Frank Westermann: The Deutschmark in Eastern Europe, Black Money and the Euro: On the Size of the effect, in: Centre for Economic

Since debate about the 'Teuro' has calmed down during 2004 and 2005 media reports about the Euro are mostly of anecdotal character. Thus in 2004 it was reported that still 69 percent of Germans convert Euro prices into DM prices[1157] and in 2006 the "Stern" presented a public opinion poll, according to which 58 percent of Germans "want to have the DM back".[1158] Another topic occasionally reported about is the still ongoing conversion of DM into Euro. The "Frankfurter Rundschau" for example reported in February 2007 that the branch office of the German national bank ("Bundesbank") in Hamburg still converts 38,000 DM each day into Euro.[1159]

The most serious concern in the latest debate is, as already mentioned, the strong value of the Euro against the US Dollar. In the media debate on the "sub-prime mortgage crisis" and the downturn in world economy the role of the Euro has hardly been discussed. More attention has been paid to the role of banks, especially the behaviour of state owned banks like the KfW,[1160] the BayernLB[1161] and the SachsenLB[1162]. But in the political arena some statements have been issued concerning the Euro and the current economic crisis. Politicians of the CDU expressed in the parliamentary debate on the "sub-prime crisis" the opinion that "the Euro is the best answer to globalisation"[1163] and that the ECB is a guarantee for stability.[1164] Politicians of the Left Party, "Die Linke" former "PDS", in contrast do not see any reason to celebrate the 10th anniversary of the ECB. According to Alexander Ulrich, MP of the Left Party, the Euro does not shield German economy from globalisation.[1165]

The Euro: no topic of high salience anymore

As shown above the discourse on the Euro in Germany has changed. Highly debated prior to the start of the third step of the EMU and in the aftermath of the introduction of the Euro coins and notes, the topic is of low salience today. Public opinion is still in favour of the DM, but it seems reasonable to argue that the single currency has been accepted in the population. That neither the strong value of the Euro against the US Dollar, nor the "sub-prime mortgage crisis", provoked any considerable opposition to the Euro from major parts of the political and economic elite, might be taken as an evidence. But as diverging regional economic cycles in the eurozone call for flexible reactions,[1166] the single currency might be questioned again in the near future.

Greece*

Implications of Euro assessed differently

The Euro and the consequences of its introduction on the Greek economy are a topic gaining in interest. Much of the woes of the economy – mainly high prices and increased pressures on the labour market – are routinely attributed to the Euro by the media, while a widening segment of the political elite (including the overall pro-EU Socialists of "PASOK" but also members of the conservative government party "Nea

Studies Info (CESifo) 3/2001, pp. 35-40, here pp. 35-36, available under: http://www.cesifo-group.de/portal/page/portal/ifoContent/N/rts/rts-mitarbeiter/IFOMITARBSINNCV/CVSinnPDF/CVSinnPDF PolicyContrib/FORUM3-01-SINN-WESTERMANN.PDF (last access: 6 September 2008).

[1157] Süddeutsche Zeitung: Trauer um die Mark ist noch groß, 25 September 2004.

[1158] Stern: 60 Prozent wollen D-Mark zurück, 52/2006, available under: http://www.stern.de/wirtschaft/finanzen-versicherung/finanzen/579055.html (last access: 6 September 2008).

[1159] Hermannus Pfeiffer: Die Mark wird geschreddert, Frankfurter Rundschau, 20 February 2007.

[1160] SpiegelOnline: Milliardenloch bei KfW - Chefin Matthäus-Maier tritt zurück, 7 April 2008, available under: http://www.spiegel.de/wirtschaft/0,1518,545883,00.html (last access: 6 September 2008).

[1161] WeltOnline: Bayerische Landesbank versenkt Milliarden, 13 February 2008, available under: http://www.welt.de/finanzen/article1669933/Bayerische_Landesbank_versenkt_Milliarden.html (last access: 6 September 2008).

[1162] Sueddeutsche.de: Chronologie der SachsenLB-Pleite, 14 April 2008, available under: http://www.sueddeutsche.de/finanzen/artikel/453/168962/ (last access: 6 September 2008).

[1163] Norbert Röttgen: Europa in der Finanzkrise dank des Euro gut gerüstet, speech in the German parliament, 15 February 2008, available under: http://www.norbert-roettgen.de/content/view/292/1/ (last access: 6 September 2008).

[1164] Otto Bernhardt: EZB Hort der Stabilität, press release, 8 November 2007, available under: http://www.cducsu.de/Titel__EZB_Hort_der_Stabilitaet/TabID__6/SubTabID__7/InhaltTypID__1/InhaltID__7985/Inhalte.aspx (last access: 6 September 2008).

[1165] Alexander Ulrich: 10 Jahre EZB ist kein Grund zu feiern, press release, 2 June 2008, availabe under: http://www.linksfraktion.de/pressemitteilung.php?artikel=1258439849 (last access: 6 September).

[1166] Daniela Schwarzer/Sebastian Dullien: The Eurozone under Serious Pressure. Regional Economic Cycles in the Monetary Union Need to Be Stabilisied, SWP Comments 22/2005, pp. 1-2, available under: http://www.swp-berlin.org/common/get_document.php?asset_id=2235 (last access: 3 September 2008).

* **Greek Centre of European Studies and Research.**

Dimocratia" – e.g. former MEP Antonis Samaras) heap criticism on the European Central Bank's (ECB) rigidly anti-inflationary policies.

On the other hand, the argument is forcefully made that, without the inherent stability that the eurozone discipline provides to the Greek economy, an avalanche of devaluations-cum-deterioration of living standards would have to be expected. This is true, while the last years of important affluence are also attributed to the historically low real interest rates enjoyed by Greece due to the introduction of the Euro.

As for the independence of the ECB, it is generally conceived as a mechanism more trustworthy than ECOFIN, taking into consideration the country's low impact in shaping the Council's decisions.

Hungary*

Hungary does not yet meet the Maastricht criteria

The introduction of the single currency and the preceding debate was followed by Hungarian experts only as outsiders.[1167] It was emphasised that the single currency would be the coronation of the internal market; at the same time it can also be an important step towards political union. The European Economic and Monetary Union has also been interpreted as the political price Germany had to pay for its reunification. The main question during the discourse on the Euro has been whether the future members are mature enough for its introduction (especially from the point of view of the 'culture' of public finance stability) without threatening the new currency. After the first ten years of the Euro, it can be stated that the European currency became one of the most stable currencies in the world, and its role in international finances is becoming increasingly important – especially in regards to the reserve currency function.

Concerning the status of the European Central Bank (ECB), the Hungarian experts see it as the most independent bank in the world – as it is only accountable to the European Parliament. While guaranteeing its independence, the founding documents of the ECB bind the bank to preserve the value and the stability of the Euro, in other words to pursue a strong anti-inflationary policy. At all occasions when the ECB formulates the base interest rates in this spirit, or when it does not intervene at all into the Euro-US Dollar exchange rate, it is often attacked by politicians from member states. In this respect 2008 can be seen as a year of probation for the ECB, as economic slowdown is coupled with increasing inflation as well as strong inflationary pressures from outside the eurozone (especially the rising oil prices). In this context it remains to be seen whether the ECB will increase the base rate or if – similarly to the "Federal Reserve" – it decides an interest cut with the aim of promoting growth.

Hungary, being outside the eurozone, is much more exposed to international monetary speculation than the Euro of course. Hungary conducts 70 percent of its trade with the member states, and especially with partners in the eurozone. Introducing the Euro would abolish all exchange rate risks in trade transactions as well as capital movements. Despite the obvious advantages, Hungary is still far away from introducing the single currency. Hungary – as the only new member state – does not comply with any of the five Maastricht criteria for the time being. This also means that Hungary has been subjected for years to the excessive deficit procedure. Since 2006 – when the deficit peaked at 9.2 percent of GDP – there were severe restriction measures in Hungary which resulted in the slowdown of the economy. While Hungary is highly interested in joining the eurozone, this move must be carefully prepared and the sustainability of all the necessary indicators must be ensured. This will need more time, so it is difficult to predict the possible year of currency changeover in Hungary. So far there is no official target date.

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

[1167] The answer given here is based on an interview with an expert in EMU matters: Dr. Margit Rácz, research director of the Institute for World Economics. She also published her analysis of the first ten years of the Euro, which is available in Hungarian language under: http://www.koz-gazdasag.hu/images/stories/3per2/9-racz.pdf (last access: 28 August 2008).

Ireland*

Irish experiences with the Euro

During most of the ten years of the Euro Ireland has experienced strong economic growth, exceeding both the EU average and the eurozone average from 1999-2007.[1168] Ireland is now, however, entering a period of slower economic growth and possible recession. While the Euro is not blamed for the current slowdown, economists have questioned whether the ECB's interest rates rises are appropriate for the Irish economy. One point to mention is that Ireland has had a fairly seamless changeover to the Euro and there are no dual price displays reflecting how the Irish embraced the single currency.

The discourse on the Euro has changed

At the time of the introduction of the Euro the debate was focused on the UK's participation in EMU[1169] and on whether it was advantageous for Ireland to participate, if the UK was outside due to the close trading relationship between the two countries. There was concern over the potential impact of a possible fall in value of the Pound Sterling on the Irish economy.[1170]

Now the discussion has turned to whether eurozone interest rates are appropriate for Ireland in the current business cycle with one prominent economist advocating Ireland's exit of the eurozone reasoning that the ECB does not cater to our needs.[1171] To a certain extent this is true as interest rates are rising at a time when the economy is slowing. "We don't need rate increases right now," said David Drumm, chief executive of Anglo Irish Bank. "Rate increases squeeze borrowers and that would have a decelerating effect on demand." He said the housing slowdown has been "curing itself slowly", but an ECB rate hike would not help.[1172] It was felt by some economic commentators that joining the eurozone increased the Irish inflation rate due to the interest rate reduction and the effective devaluation of the exchange rate that were associated with entry into EMU.[1173]

The ECB has gained a lot of credibility in Ireland for the provision of emergency liquidity during the credit crunch. Somewhat surprisingly, the leading opposition party has refused to blame the ECB for raising the interest rates in a period of economic slowdown. They are focusing on the government's apparent mishandling of the economy.[1174] As mentioned above, the recent interest rate increases are unpopular in Ireland. It is thought that if Ireland had its own independent central bank interest rates would be cut rather than increased. The same commentators note that interest rates were too low in Ireland for too long reflecting Ireland's lack of integration with the eurozone business cycle which led to the construction boom which is currently unravelling.[1175]

The autonomy of the ECB has not however come into question by government, opposition or civil society. The Irish Prime Minister ("Taoiseach"), Brian Cowen, recently said "We respect the independence of the ECB. It has a mandate in relation to price stability to fulfil. It has done that very successfully in my opinion [...] Yes, there have been exchange movements vis-à-vis the Euro and the Dollar and the Euro and Sterling, and volatile exchange rate movements are not conducive to stability or predictability. For that reason one would rather see less of that from a business point of view, but that's the way the market is and the market is dictated by the sentiment that's out there, it's a reflection of some of the difficulties that are arising in other economic areas."[1176]

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* **Institute of International and European Affairs.**

[1168] Eurostat.

[1169] Brendan Lynch: EMU: Ireland's Dream Start The Political and Economic Impact of EMU on Ireland, 2008, p. 26.

[1170] Ibid., p. 45.

[1171] David McWilliams: If all else fails, then maybe it's time to ditch the euro, independent.ie, 16 July 2008, available under: http://www.independent.ie/opinion/analysis/if-all-else-fails-then-maybe-its-time-to-ditch-the-euro-1433720.html (last access: 22 September 2008).

[1172] The Irish Times: Talk of ECB rate hike bodes badly for Irish economy, 6 June 2008, available under: http://www.irishtimes.com/newspaper/finance/2008/0606/1212696230250.html (last access: 22 September 2008).

[1173] Brendan Lynch: EMU: Ireland's Dream Start The Political and Economic Impact of EMU on Ireland, 2008, p. 59.

[1174] Arthur Beesley/Paul Tensey: ECB increase puts interest rates at highest in seven years, The Irish Times, 4 July 2008, available under: http://www.irishtimes.com/newspaper/frontpage/2008/0704/1215110029516.html (last access: 22 September 2008).

[1175] Rossa White: Ireland's interest rate should be 6 %, Weekly Market Comment, 24 January 2005, available under: http://66.102.9.104/search?q=cache:Ef4YuPrgr2oJ:www.davy.ie/content/pubarticles/wmccr20050124.pdf+ireland+interest+rates&hl=en&ct=clnk&cd=9&gl=ie&client=firefox-a (last access: 22 September 2008).

[1176] Deaglán De Bréadún: Taoiseach seeks review of Ireland-US relationship, The Irish Times, 19 July 2008,

Italy*

"Euro remains unloved by most citizens"

The discourse on the Euro in Italy has partly changed in the last few years, especially because the single currency has not fulfilled all the expectations that preceded its introduction.

In September 2001, the Italian confederation of commerce "Confcommercio" carried out a survey assessing people's attitudes towards the introduction of the Euro. The results of this poll showed that Italians placed much confidence in the possibilities offered by the new currency, since they thought that wages and savings would be shielded better and more often at the European level than at the national level.[1177] However, the summary of the results of the poll specifies that most of the trust that Italians had in the Euro was probably due to the fear deriving from the events of September 11th and the consequent idea that Italy could no longer face the new international challenges by itself.[1178]

Another striking result of the "Confcommercio" survey is that only 31 percent of the Italian population was expecting a rise in prices, while 26 percent were quite confident that they would remain the same. On the contrary, today much of the debate on the Euro concerns the price rise that ensued and the reduction of Italian families' purchasing power. Already in 2003, 58 percent of Italians were nostalgic for the old currency, the Lira, and 94 percent of them affirmed that their purchasing power had decreased significantly with the introduction of the Euro.[1179] Today, according to the results of the Autumn 2007 Eurobarometer, Italians' dissatisfaction with the single currency is not as high as in the past, even if there is widespread discontent about our country's economic situation,[1180] partly attributed to the decisions made by European institutions.[1181]

When the Euro was introduced, the press warned consumers about the risk of becoming victims of "euro-frauds"[1182] and even "Confcommercio" stressed the importance of fighting attempts by criminal organizations to exploit the uncertainties of the single currency, which were still widespread among the people in September 2001.[1183] Others were more worried about the effective functioning of European Economic and Monetary Union (EMU) policy, as it was meant to address 12 countries with totally different economic backgrounds.[1184]

Even "The Economist", in an article recently dedicated to the 10th anniversary of the European Central Bank (ECB), noted that in Mediterranean countries "the Euro remains unloved by most citizens" mainly because of rising prices.[1185] According to this article, part of the responsibility for this dissatisfaction can be attributed to the fact that in Italy and other Mediterranean countries, unlike other EMU member states, no changes were introduced to make their economies more flexible. On the contrary, they "treated the adoption of the Euro as the end of their reforms, when it should have been only the start"[1186].

However, it is important to note that there have been some positive remarks in Italy on the Euro and its effects on the Italian economy. The Euro has been defined as "a great success for Europe", implying not only its economic significance, but also its symbolic value, since currency was always considered

available under: http://www.irishtimes.com/newspaper/ireland/2008/0719/1216398986738.html (last access: 22 September 2008).

* **Istituto Affari Internazionali.**

[1177] "Euroday". Gli Italiani verso l'euro, Sintesi del sondaggio confcommercio/CIRM, September 2001, available under: http://www.confcommercio.it/home/SALA-STAMP/Iniziative/2001/Euroday/sintesicirm.doc_cvt.htm (last access: 28th of August 2008).

[1178] Ibid.

[1179] ANSA: Italia – Tasche più vuote, il 58% rimpiange la lira, 7th of November 2003, available under: www.europamica.it (last access: 28th of August 2008).

[1180] Standard Eurobarometer 68, National Report Italy, Autumn 2007, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_it_nat.pdf (last access: 28th of August 2008).

[1181] Il Tempo: Riforma della BCE, passaggio obbligato per il futuro dell'Ue, July 9th 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IN90O (last access: 28th of August 2008).

[1182] Secolo d'Italia: Euro e dintorni: quel che non tutti sanno ed è opportuno sapere, 28th of October 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=2US6 (last access: 28th of August 2008).

[1183] Euroday, Gli Italiani verso l'Euro, Sintesi del sondaggio confcommercio/cirm, September 2001, http://www.confcommercio.it/home/SALA-STAMP/Iniziative/2001/Euroday/sintesicirm.doc_cvt.htm (last access: 28th of August 2008).

[1184] Il Giornale: Quell'Unione Monetaria nata con il "cesareo", 23rd of October 2001, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=2U9S9 (last access: 28th of August 2008).

[1185] The Economist: Ten years on, beware a porcine plot, 5th of June 2008, available under: http://www.economist.com/opinion/displaystory.cfm?story_id=11496844 (last access: 28th of August 2008).

[1186] Ibid.

one of the elements that constitutes national sovereignty. In particular, the advantages brought by EMU have been identified as the facilitation of trade between member states and the fact that the Euro has proved to be stronger than single national currencies in resisting speculation.[1187]

In the last months, there has been heated debate in Italy over the autonomy of the ECB and the impact of its decisions on member states' economies. There seem to be conflicting attitudes towards the ECB in Europe, which recently emerged in two different situations. On the one hand, on June 2nd, the 10th anniversary of the ECB's activity was celebrated in Frankfurt in a very positive atmosphere and all activity during the ceremony underlined the successful job done by the bank. On the other hand, when the ECB announced an increase in interest rates a few days after the celebration, there were many negative comments from some governments of the eurozone.[1188]

Some observers and members of the Italian political elite have criticized the fact that the ECB, in keeping with the dictates of the Maastricht Treaty, is focusing exclusively on the aim of fighting inflation, while ignoring other targets such as economic growth. The undersecretary for economic development, Adolfo Urso, stated in an interview that the ECB "seems to be going on blindly, aiming only at curbing inflation and not concerning itself with the real problem which at present is economic growth"[1189]. He is optimistic, however, about the impact that the rise in interest rates will have on Italian exports, but only because Italian companies have increased the quality of their products in the last few years to be able to face the consequences of the currency-effect.[1190]

In any case, after the interest rates increase, there was a 2.7 percent decrease in consumption in Italy (as compared to May 2007 figures), according to analyses carried out by "Confcommercio".[1191] Referring to this data, many European political leaders have criticised the ECB's decision and more generally have spoken out against the independence of the ECB.[1192] Even the Italian Minister of the Economy, Giulio Tremonti, seems to prefer to bring monetary policy back under government control.[1193] On the 10th anniversary of the ECB, the former Italian President Carlo Azeglio Ciampi stressed that the Maastricht Treaty has produced an asymmetry between monetary policy, managed at the European level by an independent body (the ECB), and the absence of a common European economic policy that is able to supplement, and sometimes correct, the consequences of the monetary policy.[1194] Along this line, some observers affirmed that the EMU system is incomplete today and it does not provide the ECB with the instruments that could help it fight inflation effectively, also considering that European inflation is due to external factors such as the rise in oil prices.[1195] They also criticized José Manuel Barroso's position on the ECB's independence and his recent declaration that ECB decisions should not be subject to political judgement: in their opinion, if the idea passes that European institutions are entirely technocratic, this would further undermine the trust that citizens have in the EU.[1196]

On the contrary, others supported the need for and the importance of the ECB's autonomy. In an interview with an Italian newspaper, Rainer Masera, managing director of "Lehman Brothers", stated that it is important for the

[1187] Ibid.
[1188] Il Tempo: Riforma della BCE, passaggio obbligato per il futuro dell'Ue, July 9th 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IN90O (last access: 28th of August 2008).
[1189] Avvenire: Il nostro export ha più qualità e subisce meno il supereuro, 4th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=ILQG5 (last access: 28th of August 2008).
[1190] Ibid.
[1191] Il Tempo: La moneta non serve a rilanciare lo sviluppo, 6th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IMCVZ (last access: 28th of August 2008).
[1192] La Stampa: Governi-BCE. Duello sui tassi, 3rd of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=ILA1E (last access: 28th of August 2008).
[1193] Il Tempo: La moneta non serve a rilanciare lo sviluppo, 6th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IMCVZ (last access: 28th of August 2008).
[1194] La Stampa: Governi-BCE. Duello sui tassi, 3rd of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=ILA1E (last access: 28th of August 2008).
[1195] Ibid.
[1196] Il Tempo: Riforma della BCE, passaggio obbligato per il futuro dell'Ue, July 9th 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=IN90O (last access: 28th of August 2008).

Bank's credibility to be independent from government pressure and to act autonomously, as it has done by increasing interest rates. Moreover, in Masera's opinion, this was the right decision from an economic point of view, since it will help placate the wage-price spiral.[1197] However, he agrees with Giulio Tremonti, economist and Italian MP, that interest rate policy cannot be left exclusively in the hands of the ECB, but should be coupled with coordination between EU member states.[1198]

Among those in favour of the ECB's role, Aurelio Maccario, economist at "Unicredit Markets", noted, "the ECB is perceived as the only true inflation fighter"[1199]. Others have asserted that the ECB will not allow the rise in raw material prices to lead to permanent inflation.[1200] This is particularly important for Italy, which suffered increased inflation and an economic recession during the former oil crises (1973-74 and 1979-89).[1201]

The discussion in Italy on the Euro and the role of the ECB is still far from reaching a common position or a single answer to the challenges of the international economic crisis. If, on the one hand, the discourse on the Euro has changed, leaving behind some concerns that were expressed at the time of its introduction, on the other hand, there are still many problems to solve and, generally speaking, the people's perceptions of the single currency are not positive. With regard to the European Central Bank, its autonomy has been criticised by some Italian observers, and many questions have been raised concerning future reform of the EMU system in order to make the ECB's action more complete and to correct, when necessary, its outcome.

[1197] Il Messaggero: Serve una politica monetaria concertata, 4th of July 2008, available under: http://www.senato.it/notizie/RassUffStampa/080704/iloyv.tif (last access: 28th of August 2008).
[1198] Ibid.
[1199] ECB fates its first 10 years, then is back to business, 1st of June 2008, available under: http://business.maktoob.com/NewsDetails-20070423155043-ECB_fetes_its_first_10_years_then_its_back_to_business.htm (last access: 28th of August 2008).
[1200] Corriere della Sera: La BCE e il Terzo Shock Petrolifero, 10th of July 2008, available under: http://rassegna.camera.it/chiosco_new/pagweb/immagineFrame.asp?comeFrom=search&currentArticle=INNOM (last access: 28th of August 2008).
[1201] Ibid.

Latvia*

The First Ten Years of the Euro and Latvia

Adopting the Euro as its currency became relevant for Latvia only in 2004 after it was admitted into the EU. Thus, in Latvia 'the first ten years of the Euro' as a topic of discussion is reserved to those studying the eurozone member states. However, upon joining the Union, Latvia committed itself to replace its currency, the Lats, for the Euro in the not so distant future, pending on demonstrating the fulfilment of the economic criteria. Thus, the Ministry of Finance drafted a plan for the adoption of the Euro.[1202] At that time, the most optimistic scenarios suggested that the Euro could be adopted in about four years. There was never a wide-ranging public discussion of the idea, because it was part of the package of obligations accepted with full membership in the European Union. Furthermore, there were always more urgent concerns for the government and the general public.

In the subsequent years, Latvia experienced growth and greater prosperity as more money entered from abroad: much from EU funds, foreign investments, and Latvians working in the older EU member states.

Growth and Inflation in Latvia 2004-2007
(growth against preceding year in percent)

	2004	2005	2006	2007
GDP	8.7	10.6	11.9	10.2
Inflation	6.2	6.7	6.5	10.1

Source: Latvia's Ministry of the Economy, http://www.em.gov.lv/em/images/modules/items/item_file_19501_en.pdf (last access: 10 September 2008).

These processes were accompanied by an ever increasing inflation and a willingness by the heretofore very conservative Latvian population to borrow money from lending institutions, which in recent years have grown like the proverbial mushrooms after the rain. At the same time, hardly any attention was paid by the government to the advice at home and abroad that greater efforts should be made to

* **Latvian Institute of International Affairs.**
[1202] The plan to introduce the Euro in Latvia was updated in October 2007, but does not project when the changeover will take place. See: http://www.fm.gov.lv/eiro/changeover/euro_impl_plan.doc (last access: 10 September 2008).

promote a balanced development of the country's economy and to the warnings that the economy might overheat. Between 2004 and 2007 the GDP grew by over 10 percent annually. Inflation, however, followed with a vengeance, attaining about 17 percent in December 2007 and remaining at more or less that level throughout the first half of 2008. Clearly, these trends, pointing to a looming economic recession, have to be corrected before Latvia can realistically consider itself a candidate for introducing the Euro.

Furthermore, public opinion, which associates Latvia's membership of the EU with rising prices, has become even more sceptical about the adoption of the Euro.

Initially the Latvians considered the idea without particular enthusiasm, but as something that could possibly benefit Latvia. Then the most recent public opinion poll, carried out the by the Eurobarometer in July 2008, shows that 59 percent of the respondents disapproved of the idea of introducing the Euro in Latvia, which is the lowest rating among those EU member states which do not yet have the Euro as their currency. Some 51 percent of the respondents also stated that that they felt that the introduction of the Euro would have negative consequences for Latvia, while 48 percent were also convinced that this step would also have negative consequences for themselves.[1203]

Lithuania*

Failed attempts to adopt Euro in 2007

Lithuania wished to adopt the Euro in 2007 but did not succeed as it did not satisfy one of the Maastricht convergence criteria – the inflation rate in Lithuania was 2.7 percent while the maximum inflation rate according to the Maastricht criteria could have only been up to 2.6 percent. Despite this failure, the adoption of Euro remains one of the Lithuanian priorities in European politics. After some time, 2010 has been settled by the Lithuanian government as the most convenient date to adopt Euro.

[1203] LETA, 27 July 2008.

* **Institute of International Relations and Political Science, Vilnius University.**

Inflation is still the most important impediment for the adoption of Euro

Currently the same situation exists – Lithuania satisfies all the Maastricht convergence criteria except the inflation criteria. Following the data by the Lithuanian department of statistics, this June annual inflation reached 12.5 percent.[1204] According to the head of the Bank of Lithuania Reinoldijus Šarkinas, the Bank of Lithuania is fully prepared to adopt the Euro in Lithuania, but this will only be possible when Lithuania deals with inflation. As he says, "it is worthless to hope that the inflation in the meantime would decrease to such a level which would allow us to adopt the Euro. We can only suppose that in the end of 2009 we might approach the Maastricht inflation criteria, but this will also depend on the situation in the world markets"[1205]. Therefore inflation stays the most important impediment for Lithuania to adopt the Euro. What concerns the concrete dates when Lithuania could adopt the Euro, he recently stated that with such a high inflation rate there is no possibility to speak about the concrete dates for the adoption of the Euro – it is simply too early to do that.[1206]

Lithuanian society is not very enthusiastic about the adoption of Euro

It has to be noticed that at the time when it was expected that Lithuania would have adopted the Euro by 2007, a prominent part of the Lithuanian population was against the adoption of the Euro (in 2005, 59 percent of Lithuanians were against the adoption of the Euro, and in 2006, 56 percent of Lithuanians agreed).[1207] It is interesting to note, that when Lithuania was not allowed to adopt the Euro by 2007, public opinion became more favourable towards the

[1204] Internet news site Zebra: Birželį metinė infliacija - jau 12,5 proc. (In June the annual inflation already is 12.5 percent), July 9th, 2008, available under: http://www.zebra.lt/naujienos/verslas/Birzeli-metine-infliacija-jau-12-5-proc-2008-07-09.html (last access: August 28th, 2008).

[1205] Internet news site Balsas: Euro įvedimas galėjo pristabdyti kainų augimą (The adoption of the euro could have slowed the increase of the prices), April 30th, 2008, available under: http://www.balsas.lt/naujiena/194200 (last access: August 28th, 2008).

[1206] Valentas Neviera: R. Šarkinas: Apie euro įvedimą kalbėti paprasčiausiai per anksti (R. Sarkinas: it is simply too early to talk about the adption of the euro), Internet news site „Bernardinai", June 30th, 2008, available under: http://www.bernardinai.lt/index.php?url=articles/77721 (last access: August 28th, 2008).

[1207] The information and communication strategy for the adoption of Euro. See: http://www3.lrs.lt/pls/inter2/dokpaieska.showdoc_l?p_id=296518 (last access: August 28th, 2008).

adoption of the Euro. According to the latest statistics, the number of the supporters of the Euro in Lithuania is growing. As a public opinion poll conducted in March of 2008 by "RAIT" demonstrates, 23 percent of Lithuanians wanted the Euro to be adopted as soon as possible, 20 percent wanted to have the Euro after 5 years, and 10 percent – no sooner than 10 years. At the same time, 41percent of Lithuanians do not favour the adoption of the Euro at all. In 2007, 47 percent of Lithuanians favoured the adoption of the Euro in Lithuania and 44percent were against.[1208] The head of the public relations department of the Bank of Lithuania, Kęstutis Vanagas, explains that there are a growing number of Euro supporters in Lithuania by the fact that Lithuanians are learning more about the Euro and can better appreciate the benefits it brings.[1209] Nevertheless, one of the best-known Lithuanian economists Gitanas Nausėda, indicated that this might be due to the fact that people tend to miss the things that they cannot achieve. And it is not possible to think about the adoption of the Euro in Lithuania in the next few years.[1210]

A Majority of Lithuanians fear the increased inflation after the adoption of the Euro

As the public opinion poll demonstrates, the most important advantages of the adoption of the Euro to Lithuanian society are the following: no need to change currency while travelling (71.6 percent of respondents indicated this), Lithuania will become a full member of the EU (68.1 percent), it would be more easy to make transactions with foreign partners (74.2 percent). Little of less importance is given to the fact that the Euro is a reliable and stable currency and it would be easy to compare prices in the EU member states.

The main fear associated with the adoption of the Euro is high inflation. 91.8 percent of Lithuanians are worried about the possible rise in prices, 83.4 percent of Lithuanians are afraid that their savings would depreciate and 69.4 percent of respondents fear that Lithuania will loose its national currency. Over time these fears tend to dominate the opinion polls.[1211]

Lithuanian businessmen favour the Euro more

Speaking in regards to the opinions of Lithuanian businessmen, an opinion poll conducted by "Vilmorus" in November of 2006, demonstrated that 54.3 percent of businessmen favour the adoption of the Euro in Lithuania and 32 percent of respondents would like the Euro to be adopted in Lithuania as soon as possible. Nevertheless, 47.1 percent of respondents claimed to be happy about the failure to adopt the Euro by 2007. Businessmen think that the adoption of the Euro would allow Lithuania to plant itself as a full EU member state. This factor is important for 68 percent of businessmen and is more important than other benefits brought by the Euro. Regarding the fears associated with the adoption of the Euro, 32.3 percent of respondents indicated their fear towards possible inflation.[1212]

Luxembourg*

Luxemburg gained political and economic independence with the Euro

In his own personal way, Jean-Claude Juncker describes the change in discourse on the Euro: "If the Catholic Church had as many late called to priesthood as the Euro, new seminaries would have to be built instead of being closed down"[1213]. "Nobody had dreamed on the eve of May 2nd 1998, when the EU leaders definitively put the Euro on track, and nobody had thought at that moment the Euro was introduced would be a lucky day for little Luxembourg."[1214] In another interview with the socialist daily "Tageblatt", Juncker describes this historic meeting: "The meeting we had on May 2nd ,1998 was a total catastrophe. The one and only point to be discussed was who was going

[1208] Aistė Liudvinaitytė: Euro įvedimo data tolsta (The date of the adoption of the euro is receding), Internet business news site Verslo savaitė, April 22nd, 2008, available under: http://www.verslosavaite.lt/content/view/3098/32/ (last access: August 28th, 2008).
[1209] Ibid.
[1210] Ibid.

[1211] The information and communication strategy for the adoption of Euro. See: http://www3.lrs.lt/pls/inter2/dokpaieska.showdoc_l?p_id=296518 (last access: August 28th, 2008).
[1212] Ibid.

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

[1213] Le Jeudi: Dix ans pour la monnaie unique: entretien avec Jean-Claude Juncker, 8.5.2008.
[1214] Luxemburger Wort: Joëlle Merges. Glücksfall, 5.5.2008.

to be the first and the second president of the European Central Bank. The decision taken on May 2nd was one of the most moving moments in my whole life in spite of the terrible course the meeting took. This was British Prime Minister Blair's fault because he completely ignored the internal European relations."[1215]

Luxembourg was linked to Belgium like a Siamese twin in monetary matters until 1999. The shock of the unilaterally decided devaluation of the Belgian-Luxembourg Franc by the government of Wilfred Martens on February 22nd 1982 was regarded upon by Luxembourg's Prime Minister Pierre Werner and his government as an 'affront' because it contradicted all previous bilateral agreements.[1216] Pierre Werner, author of the first plans to design a European monetary union in the seventies, can be considered as one of the true 'fathers of the Euro'. Pierre Werner tried to escape from the Belgian monetary trusteeship, when he was Luxembourg's Finance Minister of Luxembourg, but he had to learn within the timespan of a weekend that all alternatives would generate severe economical and financial problems for the grand duchy. Some measures, like the creation of a Luxembourg monetary institute, had been taken to be prepared for an unfriendly Belgian coup but they revealed to be insufficient.

By joining the Euro, Luxembourg could at last be regarded upon as a sovereign partner among 14 other countries who had adopted the Euro at the time. Luxembourg had been, until 1996, the only country meeting the Maastricht criteria. Belgium didn't match these criteria at that time. Could Luxembourg enter the eurozone without its monetary partner Belgium? Juncker confirms the existence of a secret 'plan B'. "Luxembourg had contractual guarantees that it could adopt the Euro even without Belgium. Before the Euro, the Belgian Franc circulated in Luxembourg and had the same value as the Luxembourg Franc, which was only used inside the grand duchy. Juncker had given a secret order to print specific Luxemburgish banknotes worth 50 billions francs (more or less 1.24 billion Euros) to be able to leave the monetary union with Belgium without having to face the problems Pierre Werner had known some years earlier"[1217]. "This order was kept as a state secret. Only three people knew about it. If it had been known, a terrible speculation against the Belgium Franc could have been the consequence."[1218]

In a meeting in 1993, Juncker had already threatened to leave the Belgium-Luxembourg monetary union because Germany and the Netherlands wanted to abandon the European monetary system. However, at that time not enough Luxembourg bank notes had been printed. "Luxembourg could have adopted the German Mark for six months. The Germans accepted, but asked us to introduce in a counterpart the withholding tax on bank accounts. Therefore it did not work. Finally however, Germany and the Netherlands did not leave the European monetary system"[1219].

This is to say that joining the eurozone did not mean for Luxembourg the loss of sovereignty, but rather a gain of political and monetary independence. The "Wort" editorialist cannot help but to underline the fact that this new sovereignty is largely a merit of Jean-Claude Juncker, president of the eurogroup since 2005. His influence largely exceeds that of a Prime Minister of a 400,000 inhabitant member state of the EU.

The Euro has managed to face up to the almighty US Dollar.[1220] The US Dollar only replaced the British pound after the Second World War as the leading currency of the world. European Central Bank (ECB) does not want Russia or China to restructure their currency reserves, because if they do, the US Dollar will even lose more ground to the Euro, and exports will become even more difficult. The goal of the ECB is to not replace the dollar as world's leading currency.

The fight against inflation is ECB's paramount goal. In Luxembourg the indexation of wages protects the lowest incomes from inflation, but

[1215] Tageblatt: Vor zehn Jahren wurde die Einführung der Gemeinschaftswährung beschlossen, 2.5.2008.
Original: "Die Sitzung, die wir am 2.Mai hatten war eine einzige Katastrophe. Sie hat sich einzig und alleine um die Frage gedreht, wer der erste und wer der zweite Präsident der Europäischen Zentralbank werden sollte. Es war von allen Entscheidungen, trotz des miserablen Verlaufs der Sitzung der Regierungschefs vom 2. Mai , was einzig und allein auf die totale Unkenntnis des britischen Premiers Blair über die europäischen Verhältnisse zurückzuführen ist, einer der bewegendsten Momente in die eingebunden war." Translation by the author.

[1216] Pierre Werner: Itinéraires luxembourgeois et européens, Luxembourg 1991, p. 278.

[1217] Luxemburger Wort: Ein Souveränitätssprung für Luxemburg, 2.5.2008.

[1218] Tageblatt: Vor zehn Jahren wurde die Einführung der Gemeinschaftswährung beschlossen, 2.5.2008.

[1219] Ibid.

[1220] Le Jeudi: J.C.Juncker D. Fonck."L'euro un projet politique", 8.5.2008.

companies pay the price.[1221] The fight against inflation is an important social task. Euro detractors in most eurozone states, as in Luxembourg, do not believe that the fight against inflation has been a successful one.

Discourse on Euro

Luxembourg companies exporting into the US Dollar zone explain their economic difficulties with the steady rise of the Euro versus the US Dollar. Up until now this evolution has not really harmed Luxembourg's steady economic growth. "Without the overvaluation of the Euro, fuel prices would even be higher than they are now" is Jean-Claude Juncker's 'ceterum censeo'.

The Luxembourg Central Bank director, Yves Mersch, member of the Socialist Party, has become a strong protagonist of fighting inflation and rigorous cuts in public spending. The editorialist of the pro Green Party weekly "Woxx" calls him the "ideologue of the employers' association"[1222] when he warns against the inflation risks closely linked to the automatic indexation of wages. Socialist and Christian-Democrat union leaders don't want to continue the moderate wage policy of the previous years. In a joint meeting of the government, the unions, and the employer's association had agreed that the full automatic indexation of wages would be temporarily faded out until 2010 to allow for an economic recovery. "ECB's Jean-Claude Trichet and Yves Mersch are convinced that the real causes of inflation are the automatisms. The automatic wage index only exists in Luxembourg whereas other countries have even higher inflation rates than Luxembourg without this automatic adaptation mechanism", claims Christian-Democrat Union leader Robert Weber.[1223] "Fighting inflation is in the interest of the working class", declares J.C. Juncker at his party's congress in Hesperange.[1224]

The rise of interest rates recently decided by the ECB will have serious consequences for many Luxembourg families who had to buy their homes on a very specific market with very high real-estate prices. Luxembourg banks already foresee a great number of house owners unable to cope with high energy prices and higher interest rates. They have abandoned their liberal credit policy of the last years and have severely restricted new credits. The number of homes for sale was never as high as it is now.

Luxembourg's Green MEP Claude Turmes wants Jean-Claude Juncker and the eurogroup to fight inflation and speculation "not only by words but by deeds".[1225]

[1221] Ibid.
[1222] Woxx: Index statt Reformen, 2.5.2008.
[1223] Soziale Fortschrett, Pressekonferenz, 13.3.2008
[1224] Luxemburger Wort: Die Partei des kleinen Mannes, 17.8.2008.
[1225] Luxemburger Wort: Sorge um Reformvertrag und Ölpreis, 19.6.2008.

Malta*

A 'young' member of the eurozone

There is a general consensus that as the smallest member state in the European Union, Malta, primarily stands to gain from adoption of the Euro. In fact, although there was a very divisive debate on whether Malta should join the EU or not between 1995 and 2004, there was no such a debate about adopting the Euro once Malta became a member state in 2004. While the population and the elite recognized that the transition phase of meeting the necessary criteria would not be a simple one, there was a general understanding that adoption of the Euro would boost Malta's economic and financial credibility and also enhance international perceptions of Malta's investment climate.

Adoption of the Euro in January 2008 has been coupled with an alarming increase in inflation in Malta, of course very much mirroring international trends. This has also been coupled with an explosion in energy costs that also reflect international price fluctuations. While people in general recognize that the adoption of the Euro has exposed Malta's economy more to international realities, there is also a basic understanding that the days of protectionism and state subsidies are over.

It is also evident that the introduction of the Euro has resulted in a more diverse selection of commodities being available to consumers at a more attractive price. Thus top brand consumer items are now available at many more outlets than before with price competition also more readily available. It is however

* **Mediterranean Academy of Diplomatic Studies, University of Malta.**

hoped that in the coming months and years Malta moves up the gross domestic product table of EU member states as an increase in salaries and a more liberalized competitive market gain momentum.

Netherlands*

Discussion on Euro inflation influenced 2005 referendum

The Dutch were very proud of their national coin, the Guilder, which was one of the oldest and most stable currencies. In the run-up to the European Economic and Monetary Union (EMU) and the introduction of the Euro, Dutch politicians repeatedly informed the sceptical[1226] Dutch public about the benefits of a single European currency for the Netherlands.[1227] However, in the first six years of the Euro, the Dutch perceived the direct consequences of the introduction of the Euro negatively. The national debate focussed on the increased prices in, especially, the bars and restaurants sector. With 79 percent of the Dutch believing that the introduction of the Euro has resulted in higher prices,[1228] this negative general opinion urged the government to conduct several studies on the topic. These concluded that the introduction of the Euro had only limited impact on Dutch prices,[1229] and that it was rather Dutch cafés and restaurants that maltreated the introduction of the Euro to introduce higher prices on their menus.[1230] It has been argued that this experience, together with the continuous depoliticised enlargements of the EU, were two of the main factors supporting the Dutch 'Nee' vote in the 2005 constitutional referendum.[1231]

After 2005, whilst support for the Euro is increasing,[1232] the strong Euro on the world financial markets has lowered the competitive position of European exporters. With the Netherlands traditionally being a large net exporter, complaints from exporting companies are now increasingly dominating the Dutch Euro/EMU-debate. Contrary to the earlier described price and export debates, the lifting of monetary policy decisions to the European level was only marginally a factor in the Dutch debate.[1233] Only amongst economic scholars and monetary specialists did this debate play a role. The main tone of the public debate was one of admiration for the European Central Bank decisions, especially when it was presided by a fellow countryman, the late Wim Duisenberg.

Poland*

Date of introduction not yet scheduled

Poland has not yet set the official target date for introduction of the Euro. However, there are some propositions stated. On 5th May 2008, Polish Prime Minister Donald Tusk has said that Poland could be ready to enter the eurozone by 2011, one year before the Poland/Ukraine "UEFA" football championships. In a TV interview he said, "I would like Poland to be able to meet all the

* **Netherlands Institute of International Relations 'Clingendael'.**

[1226] In 2001, the Dutch still feared the negative consequences of the introduction of the Euro, and asked for a backup plan to re-introduce the Guilder, in case the Euro would fail. TNS-Nipo: poll 1,47, November 2001.

[1227] E.g. with the launch of a national campaign "De Euro wordt van ons allemaal" ("The Euro will be of us all") in 1998.

[1228] Nationaal Instituut voor Budgetvoorlichting: Eindejaarsenquête 2006, December 2006.

[1229] See e.g. Centraal Plan Bureau: Geen uitverkoop van de gulden, CPM memorandum No. 118, 19 May 2005, available under: http://www.cpb.nl/nl/pub/cpbreeksen/memorandum/118/memo118.pdf (26 August 2008); C.K. Folkertsma/C. van Renselaar/A.C.J. Stokman: Smooth Euro Changeover, Higher Prices? Results of a Survey among Dutch Retailers, DNB Research Memorandum No. 682, available under: http://www.dnb.nl/dnb/home/file/wo0682_eng_tcm47-145979.pdf (last access: 26 August 2008).

[1230] Centraal Plan Bureau: Hogere winstmarges in horeca na introductie euro, 11 November 2002.

[1231] E.g. Rob Boudewijn/Mendeltje van Keulen: Op zoek naar de wortels van NEEderland, in: Openbaar Bestuur, August 2005, pp. 24-28, available under: http://www.clingendael.nl/publications/2005/20050800_cesp_art_boudewijn_keulen.pdf (last access: 26 August 2008); E. R. Engelen: How to solve the riddle of belated Euro Contestation in the Netherlands?, in: WRR Scientific Council for Government Policy, Web publication No. 26, June 2007, available under: http://www.wrr.nl/dsc?c=getobject&s=obj&!sessionid=1uYyWRZ1zySvobBaqys3l14uVxDU@t5G7cL9!zmQ!2AD1FIodrhoUhCp3M4aGxJh&objectid=4043&!dsname=default&isapidir=/gvisapi/ (last access: 26 August 2008).

[1232] In 2006, about half of the populace still wants to have the guilder back, but the number is decreasing. See Nationaal Instituut voor Budgetvoorlichting: Eindejaarsenquête 2006, December 2006.

[1233] See P. K. JagersmaH. A. Ebbers: Internationale bedrijfskunde: van exporteren naar globaliseren, Amsterdam, p. 334.

* **Foundation for European Studies - European Institute.**

requirements set by the European Union with regards to the common currency".[1234] He added that a decision on adopting the Euro would be taken by the parliament and the president.[1235] Two days later, Radosław Sikorski, Ministry of Foreign Affairs, during his statement in the Parliament, declared "the long-term aim of Poland is to introduce the Euro. The precise date will be fixed after taking into consideration the requirements of the Polish economic development and public readiness"[1236].

On 9th of April 2008, the President of Poland, Lech Kaczyński, in an interview given to "Reuters", said the introduction of the Euro "cannot influence Poland's political position within the European Union", he added that he is cautious because he is aware of the effects of introducing the Euro in the poorest EU member states like "rapid rise in prices". He also stressed that monetary policy is an extremely strong tool for conducting national policies and it is too soon to stipulate any dates for entering the eurozone.[1237]

In the discussion on whether or not to introduce the Euro, there are a few arguments. Generally, Poles are afraid of the rise in prices. According to a Eurobarometer report, only 49 percent of Poles accept the idea of entering the eurozone. Elżbieta Skotnicka-Illasiewicz, a sociologist from "Collegium Civitas" in Warsaw, says that such a low support may be the result of Poles' ignorance concerning the EU currency.[1238] According to the "National Bank of Poland's" report: "The effects of rounding the prices after introducing the Euro into cash circulation" the highest growth of prices will apply to basic goods, or those most commonly acquired (half of domestic budget).[1239]

Some arguments for introducing the Euro are: the reduction of the currency risk in international trade, the predictability of investment profit simulation, minimising currency crisis danger and interest rate decreases. According to Dariusz Rosati,[1240] former Polish Minister of Finances, in the long term the gain from introducing the Euro may reach 1 percent of Polish GDP per year. Polish entrepreneurs support the perspective of Polish membership in the European Economic and Monetary Union. Over 50.4 percent are in support of joining the eurozone.[1241]

There are two main obstacles in Poland to the eurozone. First is considered with the meeting of the Maastricht convergence criteria, and secondly with constitutional issues.

Although Poland's overall government deficit decreased to 2.0 percent of GDP, there are problems concerning the inflation rate fluctuation and the time needed to join European Rate Mechanism II (ERM II). In April 2008, the Polish rate of inflation exceeded 4 percent. Jan Vincent-Rostowski, Polish Minister of Finances, claims there is no risk that Poland would fulfil the inflation rate criterion before joining the eurozone.[1242] On the other hand, economists suggest that the inflation rate at the end of the year may be at the level of 5.5-6 percent.[1243] Vincent-Rostowski reproaches Sławomir Skrzypek, head of the "National Bank of Poland" appointed by the former government, for such a situation.[1244]

According to Polish constitutionalists, in order to join the eurozone, Poland would have to change constitutional law that does not provide the possibility of depriving the "National Bank of Poland" of the ability to conduct monetary policy. The Ministry of Finances said that Poland should join the eurozone as fast as possible, so Poland needs some discussion on it now. Consultation should begin in the second

[1234] TV 1 interview of 05.05.2008.
[1235] See: http://www.polskieradio.pl/zagranica/news/artykul81632.html (last access: 05.05.2008).
[1236] See: http://euro.pap.com.pl/palio/html.run?_Instance=cms_euro.pap.pl&_PageID=1&s=szablon.depesza&dz=szablon.depesza&dep=76566&data=&lang=PL&_CheckSum=839888158 (last access: 07.05.2008).
[1237] See: http://www.prezydent.pl/x.node?id=16043138, 09.04.2008 (last access: 07.05.2008).
[1238] See: http://www.money.pl/pieniadze/wiadomosci/artykul/ponad;polowa;polakow;nie;chce;placic;w;euro,88,0,317528.html (last access: 31.01.2008).
[1239] See: http://biznes.gazetaprawna.pl/artykuly/25105,nbp_po_wprowadzeniu_euro_najwiekszy_wzrost_w_grupie_cen_niskich.html (last access: 04.09.2008).
[1240] Dariusz Rosati/Dziennik Finansowy: The Wall Street Journal Dlaczego Polska powinna przyjąć euro, 02.06.2008.
[1241] See: http://gospodarka.gazeta.pl/gospodarka/1,69866,5015024.html (last access: 12.03.2008).
[1242] See: http://www.money.pl/gospodarka/wiadomosci/artykul/rostowski;inflacja;bedzie;malec,224,0,318944.html (last access: 06.02.2008).
[1243] Gazeta Finansowa, 08.07.2008.
[1244] See: http://waluty.wp.pl/kat,67876,wid,10076934,raportwiadomosc.html (last access: 20.06.2008).

half of 2008.[1245] Delaying this means that Poland's entry into eurozone will be postponed.[1246] On 27th June 2008, Jakub Szulc, economics expert for the "Civic Platform" governing party, declared that Poland should join ERM II as soon as possible. "There is neither a need nor a possibility for changing the Constitution now […]. It is not currently a vital decision and does not have to limit us in preparations for entering the eurozone"[1247]. He also predicted that Poland would join the eurozone in 2012 and stressed that the decision to enter the ERM II belongs to government.

Portugal*

Euro accepted as given so far

The anniversary in itself did not have a very high profile in the public arena. There were, still, however, some references, especially, by the economic press, or specialized programs.[1248] At the same time while the strong Euro is seen in abstract as a sign of success, there has been a growing concern, among trade unions as well as business organizations, with the very negative impact of this in an export-driven economy as is the case of Portugal. The role of the European Central Bank (ECB), and its inflation targets and the impact of it in terms of the Portuguese economy, not only in terms of exports, but also of the impact on credit is a major concern. And there seems to be a growing consensus that in order to avoid stagflation more needs to be done in terms of the ECB action so as to achieve greater balance between fighting inflation and ensuring healthy economic growth. At the same time, most economists point to the even greater importance of structural reforms of the Portuguese economy, above all aimed at increasing productivity, that while painful are unavoidable and would have be done with or without the Euro.[1249]

Probably part of the reason why the anniversary of the Euro was not more of an event, is because it has been accepted as a given. The idea of Portugal getting out of the Euro has been seen as simply unthinkable, a synonym of catastrophic problems. What is interesting, however, is that very recently a professor of Economics, Ferreira do Amaral, argued that the catastrophic times might indeed be nigh. In a counterfactual paper he argued that not only Portugal would have probably have fared economically better if it had stayed out of the Euro, but above all that the constraints of being in the Euro simply do not allow Portugal to make the structural changes needed to adjust productivity and labour costs at an acceptable cost to a mainly export-driven economy. Therefore, he concludes, a mechanism for a temporary suspension of Portugal and other countries from the Euro should be worked out, arguing that other and much bigger economies like Italy are also going through major adjustment problems.[1250] This is, of course, very much a contrarian view to the mainstream one. But it may be indicative of a change of tone in Portugal regarding the Euro and the EU driven by the consequences of the economic crisis.

Romania*

No discussion so far about pros and cons of the Euro

Since Romania is a country which has only very recently joined the EU and is still years away from adopting the Euro as its currency, the 10th anniversary of the launch of the European Economic and Monetary Union has not sparked domestic debate or analyses. Still, the event was marked in a symbolic way by the

[1245] See: http://euro.pap.com.pl/palio/html.run?_Instance=cms_euro.pap.pl&_PageID=1&s=szablon.depesza&dz=szablon.depesza&dep=77690&data=&lang=PL&_CheckSum=1773401351 (last access: 20.06.2008).

[1246] See: http://www.wirtualnemedia.pl/article/2361241_Strefa_euro_konieczna_moze_byc_zmiana_polskiej_konstytucji.htm (last access: 18.06.2008).

[1247] See: http://euro.pap.com.pl/palio/html.run?_Instance=cms_euro.pap.pl&_PageID=1&s=szablon.depesza&dz=szablon.depesza&dep=77840&data=&lang=PL&_CheckSum=-289467264 (last access: 27.06.2008).

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

[1248] E.g.: Dez anos de Euro, on TSF Radio, available under: http://www.tsf.pt/programas/programa.aspx?content_id=916535. (last access: 25.08.2008).

[1249] See e.g. from the 'center right' Tavares Moreira, a former Governor of the Bank of Portugal: 10 Anos de Euro: que futuro vamos escolher?, available under: http://quartarepublica.blogspot.com (last access: 28.05.2008); from 'center left' Teodora Cardoso: EURO@10, Jornal de Notícias, 13.05.2008.

[1250] João Ferreira do Amaral: O que é teria acontecido se Portugal não tivesse aderido ao Euro?, draft paper presented at ICS/CIDEUS Seminar, 26.06.2008.

* **European Institute of Romania.**

issuance of a stamp meant to celebrate the 10 years since the establishment of the European Central Bank (ECB).

Two Romanian MEPs have also submitted written interventions on the occasion of the plenum meeting of the European Parliament, on May 7th 2008, dedicated to the anniversary of the EMU. Cătălin-Ioan Nechifor (PES group) emphasised not only various domestic economic benefits brought by the common currency to the EU member states which have adopted it (low inflation, reduction of exchange rate risks, enhanced responsibility in the management of public finances), but also its contribution to ensuring a more prominent political influence of the EU in the international arena. The intervention of Iuliu Winkler (PPE group) praised the supremacy of economic considerations reached in the activity of the ECB and the elimination of political influences in its decision-making process.[1251]

Finally, Daniel Dăianu (MEP, ALDE group, former Finance Minister) signed an editorial dedicated to the EMU's anniversary in one of the leading Romanian dailies.[1252] While noting that the performance of the eurozone in its first ten years of existence has not validated the gloomy scenarios imagined by its early critics, the article focused on the challenges to come:

- the progressive incorporation of the new EU member states (which, unlike some of the 'old' ones, do not enjoy the option of opt-outs);
- the exogenous shocks stemming from the generalized price rises for energy and food, which may trigger the need for a revision of ECB's definition of 'price stability', since the interest rate policy required for sticking to the current one might come to put too heavy a burden on the real economy;
- the risk of higher-profile disagreements becoming apparent between the ECB and at least some members of ECOFIN.

Dăianu also pleaded in favour of reviewing the eligibility criteria applicable to the EMU entry of the new member states, the dynamic growth of which is difficult to reconcile with very low inflation rates.

Given that Romania's monetary policy is still a national prerogative, albeit qualified by the EC Treaty's provisions designating it as a matter of 'common concern' for all EU members, the independence of the ECB is not a hot topic for domestic debate. This said, some Romanian MEPs have occasionally made statements relevant for this subject.

As mentioned above, Iuliu Winkler (MEP, PPE group) singled out ECB's liberation of political influences as a prominent virtue of the EMU. More recently, on the occasion of the debate by the European Parliament of the ECB's annual report (July 9th 2008), other Romanian MEPs made relevant statements, although it is only fair to say that these views have gone largely unnoticed in Romania. Thus, Theodor Stolojan (MEP, PPE group, former Prime Minister 1991-92), praised the "competence and integrity of ECB's monetary policy decisions", as well as its president's "determination to defend the inflation target", and expressed his trust in "ECB's good judgment, independence and integrity, as well as in the restraint of politicians in interfering with its decisions". Another Romanian PPE Group member, Sebastian Bodu, went as far as "welcoming" and "congratulating" ECB's early-July decision to raise its leading interest rate by 25 basis points[1253], although assessing (be it favourably) the technical details of a central bank decision is not exactly a mark of deference towards its independence.

So far, the viewpoints expressed domestically with respect to Romania's accession to the eurozone did not contain dissenting judgments concerning the desirability of such a move. This is explainable in view of two considerations: the fact that adopting the common currency is a contractual obligation, once the convergence criteria are met; as well as the fact that the planned moment for this event is far from being imminent. Hence, so far at least, no confrontation of pros and cons relative to the transition to the Euro has taken place in Romania.

Diverging views regarding the adoption of a common currency have, thus, been expressed

[1251] See: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20080507+ITEM-011+DOC+XML+V0//RO&language=RO&query=INTERV&detail=3-048 (last access: 22 August 2008).
[1252] Jurnalul Național, 14 May 2008.
[1253] See: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+CRE+20080709+ITEM-002+DOC+XML+V0//RO&language=RO&query=INTERV&detail=3-043 (last access: 22 August 2008).

only with respect to its timetable. On the one hand, there is a (albeit receding) tendency of the Romanian media to shed a negative light on the performance of the economic decision-makers based on the fact that the target date for entry into the eurozone (2014) is more distant than that of other new member states. On the other hand, and probably as a reaction to these criticisms, some prominent government members used to evoke earlier dates. The unwelcome developments of domestic inflation since the last quarter of 2007 have induced more sober judgments in both above-mentioned circles.

The timetable for Romania's accession to the EMU has been devised by the country's central bank. It foresees the entry into the exchange rate mechanism in 2012 and the adoption of the common currency in 2014. This schedule may indeed appear as less ambitious than that of other new member states but has the merit of being precise, realistic (at least if taken at face value) and aware of the importance of technical details.[1254]

According to National Bank deputy governor Cristian Popa,[1255] choosing an apparently non-ambitious date for joining the eurozone was justified not only in terms of the need for meeting the Maastricht nominal convergence criteria, but also because of the need to allow a longer period for progress towards real convergence to occur.

The National Bank has time and again emphasized that its scenario for the adoption of the Euro is only indicative, and that there is a need for the relevant authorities to internalize it. This seems to have been achieved in the last week of May 2008, when the country's President, Traian Băsescu, and the Finance Minister, Varujan Vosganian, acknowledged the need for explicit political support concerning the adoption of the Euro.[1256]

[1254] Three new member states (Poland, Czech Republic and Hungary) do not have clear target dates either for adopting the euro, or for joining the European Exchange Rate Mechanism I.I.

[1255] See: http://www.conso.ro/citeste-comentariu/23/sgen/Trecerea-la-euro-prioritate-postaderare.html (last access: 22 August 2008).

[1256] See: http://www.zf.ro/articol_173541/hei_rup_politic_pentru_trecerea_la_euro_in_2014.html (last access: 22 August 2008).

Slovakia*

Entering the eurozone

The goal of adopting the Euro on 1 January 2009 represents Slovakia's most important topic of domestic EU discourse. Nevertheless there was no public debate about joining the eurozone since accepting new currency is the finalization of our accession process. Prime Minister Fico's pre-election and first after election statements in 2006 raised some doubts about fulfilling this goal but after meeting with Ivan Šramko, governor of the Slovak National Bank, in July 2006 the Prime Minister declared that is government obliged to fulfil the Maastricht criteria and schedule to enter eurozone in January 2009. Although the governor officially informed the Prime Minister and Finance Minister, Ján Počiatek, only about the impact of the Euro adoption on the Slovak economy and measures undertaken against at that time weakening Slovak koruna, it brought significant change in the political debate. Namely, according to finance analyses,[1257] was the previous weakening of koruna a consequence of the political situation in the country, especially of the uncertainty about managing to fulfil the Maastricht criteria.

As with the other European policies there is no big and influential political party or interest group against the Euro. The companies in car, electro technical and engineering industry that constitute the majority of Slovak export are regularly stressing that the strengthening Slovak currency disadvantages them. Therefore they are among the biggest supporters of entering the eurozone as fast as possible. Adjustment of policies to fulfil the Maastricht criteria started in the previous government and opposition parties are in favour of the Euro. Only the head of the oppositional Christian Democratic Movement, Pavol Hrušovský, proposed to postpone entering the eurozone in January 2009 because "it is not necessary, can be even bad for economics and for the majority of citizens and (we) understand it more as issue of political prestige and tool of political centralization of Europe"[1258]. But the rest of

* **Slovak Foreign Policy Association.**

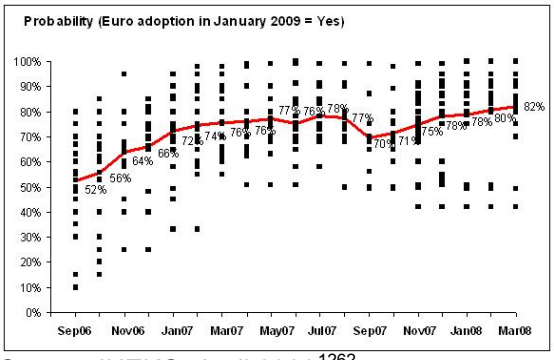
[1257] R. Fico sa prihlásil k euru v roku 2009, Trend, 13.7.2006, available under: http://www.etrend.sk/ekonomika/slovensko/r-fico-sa-prihlasil-k-euru-v-roku-2009/71885.html (last access: September 30, 2008).

[1258] KDH chce euro neskôr - Barát tvrdí, že nie je dôvod, Dnes.sk, 17.1.2008, available under:

political debates rather focus on the actual implementation of policy measures especially when it comes to sustain the inflation rate. Exception in the coalition was the proposal by Ján Slota, head of the Slovak National Party, to discuss the possibility not to enter the eurozone in January 2009. His arguments relied on the public opinion that were not in favour of the Euro even though as he admitted the economy was doing well[1259]. Slota did not suggest this proposal directly to the coalition partners but only through media and therefore gained critics from the coalition. After a meeting at the coalition board he explained that his statements were aimed at the slow communication campaign that should serve the citizens. As the public discourse focuses on the actual accession process there is no debate about the autonomy of European Central Bank.

In April 2008 Eurostat confirmed that Slovakia is fulfilling the Maastricht criteria. But last convergence report by the European Central Bank warns that factors (as strengthening koruna, lower wages, and unregulated energy prices) that have temporarily dampened the inflation rate in the past are likely to vanish.[1260] Even though the discussion about sustainability of inflation rate continued, Prime Minister Fico declared that only political decision in the EU could suspend Slovakia's accession into the eurozone.[1261] The final decision by the European Commission on recommending Slovakia's entry into the eurozone was taken on May 7, 2008. Member states confirmed our entry on June 19, 2008.

Interesting picture of the development of the accession process into eurozone from domestic view provides a survey on assessments of meeting the Maastricht criteria by Slovakia done by the Institute for Economic and Social Reforms and The Slovak Association of Economic Analysts. Business community as well as domestic experts and analysts participate on regular surveys reflecting key government measures (such as the approval of the state budget, etc.) and how they change the probability of adopting the Euro in a given time frame.



Source: INEKO, April 2008[1262]

The most important domestic issue after May 2008 has been the final conversion rate. Finance Minister Ján Počiatek and Prime Minister Fico admitted several times that the government had hoped to have the conversion rate rounded to Sk30.00 per Euro.[1263] Government's argument was to make it as much advantageous as possible for people but at the same time not to threaten the entrepreneurs. Finance ministers decided at ECOFIN meeting on 8 July to set the final conversion rate at Sk30.126 per Euro. Before this final decision the Slovak currency was strengthening very rapidly and the national bank asked the ECB to change the central parity in late May. Slovak newspapers informed that shortly before this Finance Minister Počiatek met Ivan Jakabovič, a partner in the J&T financial group, at his yacht in Monte Carlo. Suspicions of leaked information about the revaluation of koruna against Euro reinforced former Finance Minister Ivan Mikloš by declaring that the switch to the Euro in Slovakia "already has its victors," naming the financial groups J&T and Istrokapitál and saying that they made hundreds of millions of crown by buying the Slovak currency at the right time.[1264] National bank denied the information leak, but an

http://dnes.atlas.sk/ekonomika/162807/kdh-chce-euro-neskor-barat-tvrdi-ze-nie-je-dovod (last access: September 30, 2008).

[1259] Šéf SNS Ján Slota chce ešte diskutovať o prijatí eura, Aktualne.sk, 6.3.2008, available under: http://aktualne.centrum.sk/ekonomika/slovensko-a-ekonomika/clanek.phtml?id=1153789 (last access: September 30, 2008).

[1260] Convergence Report, European Central Bank, May 2008.

[1261] Fico: Cestu za eurom môže zhatiť len politické rozhodnutie, SME, 21.4.2008, available under: http://ekonomika.sme.sk/c/3839554/Fico-Cestu-za-eurom-moze-zhatit-len-politicke-rozhodnutie.html (last access: September 30, 2008).

[1262] See: http://www.ineko.sk/projekty/maastricht (last access: September 30, 2008).

[1263] Fico: Konverzný kurz má byť výhodný pre ľudí, nesmie ohroziť firmy, SME, 5.6.2008, available under: http://ekonomika.sme.sk/c/3913269/Fico-Konverzny-kurz-ma-byt-vyhodny-pre-ludi-nesmie-ohrozit-firmy.html (last access: September 30, 2008).

[1264] Fico rebukes minister, but keeps him on, Slovak Spectator, 23.6.2008, available under: http://www.spectator.sk/articles/view/32125/2/fico_rebukes_minister_but_keeps_him_on.html (last access: September 30, 2008).

investigation of the situation was opened. Prime Minister Fico condemned the Finance Minister especially because of his negative attitude towards financial groups but did not accept Počiatek's offer to resign.[1265]

Public is rather sceptical towards the Euro in case of their private situation. In June 2008 publicized opinion polls done by the Statistical office of the Slovak republic show that 56 percent of people see the Euro as subjective disadvantage.[1266] In autumn 2007 only 40 percent of people declared this opinion.16 percent of people declared that the Euro will be advantageous for them and citizens anticipate simplifying travelling abroad (two fifths of quizzed) and doing foreign business (more than one third). Euro as stronger and more stable currency in comparison to Slovak koruna is important for less than one third of citizens. With the continuing information campaign the proportion of people declaring to be satisfied with information is increasing from 39 percent in May to 70 percent in June 2008. According to an opinion poll done by the Focus agency in May 2008 a majority of people declare as the main reason of their negative attitude towards the Euro the rise in prices and inflation.[1267]

Slovenia•

Overwhelmingly positive attitude, but 'prices have risen because of Euro'

Slovenian attitudes towards the Euro need to be looked at against the background of adoption of the Euro as the first of the new member state in January 2007.

The official process of the adoption of the Euro began on June 28th 2004, when Slovenia alongside Lithuania and Estonia, entered the European Exchange Rate Mechanism, and finished with the actual introduction of the currency on January 1st, 2007. Evaluation of the process of the adoption of the Euro in Slovenia in general terms leads to the conclusion that the preparations for the introduction of the new currency ran relatively smoothly.

Commenting on a positive report on the fulfilment of the convergence criteria by the European Commission and the European Central Bank (ECB) just two weeks before the introduction of the Euro, the Slovenian Minister of Finance, Andrej Bajuk, and at the time governor of the Bank of Slovenia, Mitja Gaspari, announced that the preparations were successfully carried out. They explained that Slovenia had very few problems related to its public debt but had to carry out some financial restructuring to curb inflation in order to set it within the allowed margins.[1268] In a previous statement Bajuk said that at all times the preparations were evolving within the provisional time framework. He explicitly stressed that the success of the preparation period was most notable in the stability of the exchange rate of the Tolar,[1269] and identified the latter as the stimulus of the Slovenian accession procedure into the eurozone.[1270]

It is very clear that the discourse on the Euro in the period before January 1st 2007 was rather bipolar. On the one hand, there was the opinion of the government and the political elites claiming that the Euro is a significant step towards a deeper and more intense integration of Slovenia into the European economy. In this context the debate on the Euro focused on the opportunities the new currency would bring, and on a smaller scale on the threats it posed to national identity. On the other hand, the media and the civil society organisations (one of the most active was the Consumer Association of Slovenia – "Zveza potrošnikov Slovenije") often exposed fears of a serious increase in prices and a possible consequent rise in the rate of inflation. The following subchapters represent an actor-specific analysis of the debate on the Euro before its adoption.

[1265] Condemned, debated: but Počiatek survives, Slovak Spectator, 30.6.2008, available under: http://www.spectator.sk/articles/view/32256/2/condemned_debated_but_pociatek_survives.html (last access: September 30, 2008).
[1266] Názory občanov na zavedenie spoločnej meny euro, Ústav pre výskum verejnej mienky pri štatistickom Úrade SR, June 2008.
[1267] Názory na zavedenie meny EURO na Slovensku, FOCUS, May 2008, available under: http://www.focus-research.sk/files/87_Nazory%20na%20zavedenie%20EURO%20na%20Slovensku%2005-2008.pdf (last access: September 30, 2008).
• **Centre of International Relations.**

[1268] Delo: Kako potekajo priprave na uvedbo evra? (How are the preparations for the adoption of the Euro progressing?), 18 May 2006, available at: http://www.delo.si/clanek/25672 (last access: 5 July 2008).
[1269] Before the introduction of the Euro, the Tolar was the Slovenian national currency and at the same time the only legal tender in the country.
[1270] Delo: Slovenija na dobri poti do evra (Slovenia on a good path towards the Euro), available at: http://www.delo.si/clanek/22946 (last access: 5 July 2008).

Political elites welcomed the Euro

As mentioned above, the government and the political elites in general had a very positive attitude towards the introduction of the new currency. Members of the government coalition and also of the opposition in the national Parliament shared the opinion that adopting the Euro is an accepted move for Slovenia, especially since the country wanted to profit from all possible opportunities available within the European Union. Moreover, the Minister for Environment and Spatial Planning, Janez Podobnik, emphasised that the adoption of the Euro was a clear sign of excellent Slovenian organizational abilities. The only parliamentary party opposing the adoption of the Euro was the Slovenian National Party ("Slovenska nacionalna stranka") with President Zmago Jelinčič at its forefront, who claimed that he was not at all looking forward to the introduction of the new currency, because it symbolised the beginning of a decline of Slovenian identity in the European public space.[1271] His argument was predominantly based on the outcome of negotiations in COREPER in October 2004, regarding the pronunciation/writing of the name of the single European currency – the Euro. While Slovenia at first advocated the national pronunciation/writing 'Evro' it later had to agree that compromise that determined that the name 'Euro' would be used in primary and secondary legislation of the European Union, but the form 'Evro' and its declinations would be permitted in everyday use.[1272]

The coalition admitted that they understand the changing of currency might be stressful to consumers, but emphasized that government analyses showed there would be no significant increase in prices after January 1st 2007. In addition, the relevant ministries made an informal commitment that the government will not allow an increase in prices over which it has direct or indirect control.[1273]

Attitude of public opinion

With regards to the public opinion about the Euro just before its actual introduction, there is not a lot of official data at one's disposal. In this period, aside from the "Politbarometer" polls from November 2006[1274] that only measured trust of the public in specific institutions (among those also the Euro), there was only one comprehensive poll measuring public opinion on the introduction of the new currency. The latter was commissioned by the Bank of Slovenia and conducted by a private research agency "Ninamedia".[1275]

The "Politbarometer"[1276] results showed a very positive attitude of the Slovenian public towards the Euro. It was ranked the third most trusted institution in the country earning the trust of more than half of the interviewed (52 percent) and distrust of only few (11 percent). The results of the more comprehensive poll conducted by "Ninamedia"[1277] show a more detailed picture of the attitude of the public towards the introduction of the Euro. Most of the interviewed (95.1 percent) held the opinion that they were well informed about the Euro, but wanted to get additional information on measures that could be taken against unjustified increases in prices (61.2 percent) and rules on the rounding-up of prices (21.1 percent). The poll results showed that there were four major concerns held by the interviewed regarding the introduction of the new currency. The far leading concern was the possible increase in prices (39.4 percent) followed by incorrect rounding-up of prices (14.8 percent), problems with calculating from former to the new currency (11.8 percent) and the loss of national identity (3.5 percent). A bigger portion of the interviewed (36.5 percent) held the opinion that the introduction of the Euro would have positive rather than negative (26.2 percent) consequences for them personally.

[1271] Ana Jurišič, Pohvale s priokusom nostalgije (Commendations with a twist of nostalgia, RTV Slovenija, 21 December 2006, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=35&c_id=128883 (last access: 5 July 2008).
[1272] STA: Evro odslej euro (Evro from now on euro), 12 October 2004.
[1273] RTV Slovenija: Vlada: Evro ne bo prinesel podražitev (The Government: the Euro will not bring an increase in prices), 7 December 2006, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=127803 (last access: 5 July 2008).
[1274] 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), Politbarometer 11/2006, p. 19-21, available at: http://www.cjm.si/sites/cjm.si/files/File/raziskava_pb/pb11_06.pdf (last access: 5 July 2008).
[1275] Ninamedia: Odnos državljank in državljanov do uvedbe evra v Sloveniji (Attitude of citizens towards the introduction of the Euro in Slovenia , December 2006, available at: http://www.evro.si/za-novinarje/javno-mnenje/slovenske-raziskave/odnos-do-evra-december-2006.pdf (last access: 5 July 2008).
[1276] The number of respondents was 816.
[1277] The number of respondents was 1,000.

Pressure groups and the business community

Apart from the above-mentioned Consumer Association of Slovenia,[1278] which issued constant warnings about price increases, the reactions from major pressure groups did not show much fear regarding the implementation of the new currency. In December 2006 the Chamber of Commerce and Industry of Slovenia ("Gospodarska zbornica Slovenija") had announced that Slovenian companies were prepared for the Euro and that they did not expect any technical problems with the transfer to the new currency. The Chamber also provided for a special agreement by which Slovenian companies voluntarily bound themselves not to speculatively raise prices due to the transfer to the Euro.[1279] On the other hand, the consumer association was not convinced by the promises of the chamber of commerce and industry and the business community. The association observed that the approaching Euro caused a significant increase in prices of basic goods and services already in December 2006, and had reason to believe this would also be the trend after the actual introduction of the Euro.[1280]

Within the business community itself there was little concern and fear from the new currency. The daily financial and business newspaper "Finance" wrote that the Euro would facilitate an easier access of all Slovenian companies to European and international financial markets, which would eventually increase their competitiveness.[1281] Especially confident were larger trading companies,[1282] which claimed they have no fear from increased international competition that the Euro might bring. They said that the success of a trading company depends on its marketing strategy and reasonable investments and not on a specific currency.[1283]

Current debate

As for the current debate, it has to be said that the predominant discourse on the Euro did not change significantly since its introduction in January 2007. While the main topics of the debate within political elites remained focused on the positive economic effects of monetary integration, the civil society's fear from bad consequences that the Euro might bring proved to be absolutely legitimate. Accordingly, the debate on the Euro within civil society focuses on the linkage between the adoption of the new currency and the rise in prices and the rate of inflation. The following subchapters represent an actor-specific analysis of the current debate on the Euro.

Political elites

The government and the political elites in general, unsurprisingly, claim that Slovenia has a uniquely positive experience with the Euro. Three months after its introduction, the governor of the Bank of Slovenia Mitja Gaspari stated that the adoption of the new currency did not cause a decline in economic activity and that the transfer to the Euro was well organized and caused no unnecessary negative effects. Minister of Finance, Andrej Bajuk, emphasized that the smooth transfer was allayed by the cooperation with civil society, the help of double pricing and the widespread use of 'eurocalculators'. The Ministry of Finance had also stressed that it collaborated closely with the Bank of Slovenia and the fact that other countries, which still intend to adopt the Euro, now seek Slovenian advice is a sign of great success.[1284] A columnist for the daily newspaper "Dnevnik", Rasto Ovin, wrote that the speed and the efficiency of the adoption of the Euro in Slovenia represent an example that belongs in economic textbooks.[1285]

[1278] See chapter 3 of this issue of EU-27 Watch.
[1279] STA: GZS o zadnjih pripravah podjetij na uvedbo evra (Chamber of Commerce and Industry on the last preparations of companies for the adoption of the Euro), 1 December 2006.
[1280] STA: ZPS: cene začeli zviševati tudi trgovci (Consumers Association: prices raised also by retailers), 5 December 2006.
[1281] Polona Poznič: Uvedba evra bo olajšala dostop slovenskih podjetij do finančnih trgov (Introduction of the Euro will allay the access to financial markets to Slovenian companies), Finance, 21 December 2006, available at: http://www.finance.si/171096 (last access: 5 July 2008).
[1282] With the term 'trading companies' we mainly identify large stores and supermarket chains in Slovenia, such as "Spar", "Mercator", "Tuš", "Big Bang" and so forth.
[1283] STA: Trgovci naj ne bi zviševali cen zaradi prehoda na evro (Retailers are not expected to raise prices due to the transfer to the Euro), 11 December 2006.
[1284] RTV Slovenija: Bo Slovenija delila nasvete? (Will Slovenia be giving advice?), 5 May 2007, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=16&c_id=140968 (last access: 5 July 2008).
[1285] Rasto Ovin: Cesarjeva nova oblačila (Emperor's new clothes), Dnevnik, 15 May 2007, available at: http://www.dnevnik.si/debate/kolumne/245659 (last access: 5 July 2008).

Since the decline of economic growth and significant increase in the rate of inflation, which started in March 2007, the government faced a series of accusations asserting that the Euro was responsible for an unfavourable economic situation in the country. The Ministry of Finance explained that the inflation rates had nothing to do with the Euro but were rather a consequence of growing prices of oil and food on global markets.[1286]

Attitude of public opinion

It needs to be pointed out that comprehensive public opinion polls related to the question of the Euro remain very rare after its introduction. Nevertheless the results of the poll commissioned by the national television station ("RTV Slovenija") and conducted by a private research agency "Ninamedia" showed a very high support for the Euro in the beginning of 2007.[1287] A vast majority of the interviewed (85 percent) believed that the adoption of the Euro was a smart idea and were very comfortable with the transfer to the new currency. On the other hand, fears from an unjustified increase in prices after the transfer to the Euro proved to be legitimate to most of the interviewed (86 percent).

The above-mentioned situation has also been reflected in the results of the "Politbarometer" that measures the trust in public institutions.[1288] However, these results portray a slightly negative trend in the public's trust in the Euro. While the trust was high at the very beginning (61 percent in March 2007) it eventually started to slowly fade away (50 percent in February 2008). In June 2008 the public's trust in the Euro fell just bellow 50 percent for the first time. This negative trend can clearly be attributed to a significant increase in prices and the inflation rate and a general public opinion that the standard of living in the country declined in the last 18 months. It is also worth noting that the support for the government ran parallel with the trust in the Euro. While the government still had decent support of the public in March 2007 (45 percent), those numbers declined to mere 32 percent in June 2008.[1289]

Pressure groups and the business community

The perception of the effects and the consequences of the adoption of the Euro stayed almost exactly the same within the sphere of interest representation and the business community. The Consumers Association of Slovenia remained the most active pressure group in the domain of the Euro that could be explained by the fact that the consumers were the largest 'euro-stricken' segment of society.

Within the framework of the 'Price-Watch' project the Consumers Association of Slovenia composed a blacklist of companies, stores and retailers which used the transfer to the new currency for an unjustified increase in prices of their products and services. The association came up with three main conclusions: a) every time new information on prices arrived the blacklist extended, b) providers of services abused the transfer to the Euro more often than stores and retailers and c) consumers' demands for a prolonged period of double pricing were rife and ought to be respected.[1290]

On the other hand, the introduction of the Euro had hardly any negative effects on the operation of Slovenian companies. As the economist Stanislav Kovač observed, there were almost only positive ones, since more options for easier international investment and cooperation opened to many entrepreneurs

[1286] RTV Slovenija/STA: Inflacija vezana na cene hrane (Inflation tied to the prices of food), 4 January 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=161697 (5 July 2008).

[1287] RTV Slovenija: Zaupanje v evro in Gasparija (Trust the Euro and Gaspari), 14 February 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=4&c_id=133917 (last access: 5 July 2008).

[1288] 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), Politbarometer 3/2007, pp. 14-19, available at: http://www.cjm.si/sites/cjm.si/files/File/raziskava_pb/pb3_07.pdf (last access: 5 July 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), Politbarometer 2/2008, pp. 17-20, available at: http://www.cjm.si/sites/cjm.si/files/File/raziskava_pb/pb2_08.pdf (last access: 5 July 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), Politbarometer 6/2008, pp. 11-13, available at: http://www.cjm.si/sites/cjm.si/files/File/raziskava_pb/pb6_08.pdf (last access: 5 July 2008).

[1289] The number of respondents was 845 in March 2007, 955 in February 2008 and 804 in June 2008.

[1290] ZPS – Zveza potrošnikov Slovenije: Evro – med percepcijo ljudi in uradnimi podatki (The Euro – between the perception of the people and official data), 10 September 2007, available at: http://www.zps.si/sl/trg-in-cene/trzni-pregled-in-cene/evro-med-percepcijo-ljudi-in-uradnimi-podatki.html (last access: 5 July 2008).

and small and medium enterprises. The only business sector that had to seriously step up to the challenge was the catering industry, because the prices of food and drinks started to grow rapidly after the arrival of the Euro.[1291]

Domestic inflation dominates debates around Euro/ECB

The loss of autonomy in the field of monetary policy was received quite well when Slovenia was just about to introduce the Euro. At the time governor of the Bank of Slovenia Mitja Gaspari said that, in spite of the absence of its own monetary policy, Slovenia would still be able to influence economic fluctuations through various mechanisms such as fiscal policy, price control policy, financial control and structural reform.[1292] Yet it seems the autonomy of the ECB was underrated and the power of domestic mechanisms for financial control overestimated. As Miha Jenko, an economist writing for the daily newspaper "Delo" observes, Slovenia should more pertinently follow the directions given by the ECB. Since March 2007 the inflation rate in Slovenia has been steadily raising, despite the fact that the ECB issued several warnings to Minister of Finance, Andrej Bajuk, saying that the government ought to reconsider its instruments for the curbing of the inflation rate.[1293] The problem is that the government (namely Bajuk) insisted that the Slovenian fiscal policy is ambitious enough and rejected all criticism, claiming that the ECB analyses were based on outdated information on the estimated development of the Slovenian fiscal situation in 2008.[1294]

The recent growing prices of oil and food causing an international economic and financial crisis caused the ECB to readjust its monetary policy. In this context Bajuk firmly supported the president of the ECB Jean-Claude Trichet stating that the ECB would only protect reasonable and responsible actors on the market and not the ones acting irresponsibly and taking on too big of a risk.[1295] The primary goal of the ECB is to ensure price stability, but also underpin the general economic goals of the European Union and the Ministry of Finance believes that ECB's policies are the most appropriate. In this respect the fact that the ECB's intervention did not result in the reduction of the amount of loans to the non-banking sector, thus allowing banks to continue to give loans to households and the business community, is seen as crucial.[1296]

Nevertheless, the responses to ECB's raise of interest rates in the beginning of July 2008 generally remained quite mellow. According to the opinion of an economist Franci Križanič, the decision of the ECB is definitely going to have an anti-inflation effect but will also cause a slowdown in economic growth and employment. Križanič criticized this decision to be a rather solo-move because it did not represent a significant contribution to the resolution of global economic and financial imbalances.[1297]

Spain*

The experience with the Euro

Ten years after Europe took the decision to launch the Euro, Spanish elites tend to not regret for that move. Of course, the common EU currency has had some negative impact such as a general inflationary effect, which is commonly perceived by the public.[1298] The minister of Economy and Finance, the former EU Commissioner Pedro Solbes, has stressed several times that Spaniards have not internalised what a Euro means and tend mentally to reduce its value, approximately in 40 percent, since one Euro was equivalent to

[1291] Stanislav Kovač: Public enemy: napihovalci inflacije (Public enemy: blowing the inflation out of proportion), Finance, 16 January 2008, available at: http://www.finance.si/201750 (last access: 5 July 2008).
[1292] Delo: Kako potekajo priprave na uvedbo evra? (How are the preparations for the adoption of the Euro progressing?), 18 May 2006, available at: http://www.delo.si/clanek/25672 (last access: 5 July 2008).
[1293] Miha Jenko. Inflacijska enigma (Inflation enigma), Delo, 31 March 2007, available at: http://www.delo.si/clanek/57488 (last access: 5 July 2008).
[1294] Srečko Zimic. Bajuk: ECB napačno ocenjuje položaj Slovenije (Bajuk: ECB has the wrong estimate of the situation in Slovenia), Poslovni Dnevnik, 17 June 2008, available at: http://www.dnevnik.si/tiskane_izdaje/dnevnik/327213 (last access: 5 July 2008).
[1295] Delo: Za povečanje transparentnosti in obnovitve zaupanja (For increased transparency and restoration of trust), 4 April 2008, available at: http://www.delo.si/clanek/57751 (last access: 5 July 2008).
[1296] Written interview with Mr. Mitja Mavko, Senior Adviser at the Ministry of Finance, answers received on 17 July 2008.
[1297] STA: Slovenska podjetja kljub potezi ECB skrbi inflacija (Slovenian companies remain worried about the inflation despite the move of the ECB), 3 July 2008.
* Elcano Royal Institute.
[1298] However, the strong Euro has helped to mitigate the high prices of the oil in international markets since oil is traded in dollars.

166 old pesetas but people rather think in one Euro as equal to just hundred pesetas.

Anyhow, the Euro is not the only responsible of Spanish inflation which is also fuelled by enormous increases in oil price during this decade, a much greater demand of cereals in the world, and specific Spanish factors such as the taxation on energy which is relatively low. Then, Spain has an inflation differential of 1 point in comparison with the average of the eurozone.[1299] Furthermore, in the current context of crisis, the Euro (and the monetary policy decided by the European Central Bank) becomes a straitjacket since it is no longer possible to confront individually unfavourable external environment or trade deficits. It is generally assumed that Spain is losing international competitiveness through price inflation.

However, as the Spanish Commissioner for Economic and Monetary Affairs Joaquín Almunia remarks[1300], the pros are much more relevant than possible cons in terms of stability and the general trust of markets in an independent monetary and exchange rate policy. The EMU and the Euro, which is now a credible rival to the dollar, are a big success and the fight against inflation should be shaped through fiscal policy and further deregulation of markets.

Sweden*

People have to feel comfortable with the Euro and that needs time

There is very little discussion today in Sweden regarding the Swedish adoption of the Euro. Among the political parties there was agreement in 2003 after the referendum, the issue of a new referendum had to wait for some time. At present only one party has brought up this question. The Liberal Party, at their congress in September 2007, decided to act towards a new referendum during the next mandate period (2010-2013).[1301]

As compared to the referendum results (September 2003), the endorsement of the Euro has increased however. 48 percent (2003: 42 percent) are now in support. This has been interpreted as a consequence of the fact that no serious crises have taken place within the monetary union, and that there is also familiarity among Swedes with the new currency.[1302]

The view of Anders Borg, Minister of Finance, is that Sweden, in order to have any influence in financial matters in Europe, has to be active and engage itself in various issues. While participating in the meetings of the European Ministers of Finance (Ecofin), the Finance Minister cannot be present at the dinner the preceding evening among the Eurogroup ministers. The Minister of Finance has conceded that this is somewhat of a disadvantage, since Ecofin issues are also sometimes discussed there. On the other hand, he receives information from others, and in addition, all the important decisions and discussions (as is also with the Eurogroup) take place in the larger group.[1303]

Borg himself is a proponent of Sweden adopting the Euro, but he does not agree with the Liberals that the issue should be brought up again, motivating this by referring to the result of the referendum in 2003. A new referendum cannot be arranged before Sweden has wide support among all groups of society for it. He criticizes the campaign before the previous one as being too commercial. Sweden can only become member when people in general feel comfortable with the Euro, and this will take time he argues. The Swedish views will, however, also be influenced by the decisions taken by others to join, such as Denmark, the UK and Poland.[1304]

The Minister of Finance also refers to possible problems and tensions in the future within the stability pact. This could come about due to the

[1299] See Boris Hofmann and Hermann Remsperger, 2004. Inflation Differentials among the Euro Area Countries: Potential Causes and Consequences. Deutsche Bundesbank, available under: http://www.aeaweb.org/annual_mtg_papers/2005/0108_1430_1403.pdf (last access: September 30, 2008).

[1300] See speeches by Joaquín Almunia celebrating ten year of the Euro in the website: http://ec.europa.eu/commission_barroso/almunia/presscorner/speeches/2008/press_speeches_en.html (last access: September 30, 2008).

[1301] Folkpartiet Liberalerna (The Liberal Party): Beslut i korthet (Decisions in short), available under: http://www.folkpartiet.se/FPTemplates/AreaContentPage____63961.aspx (last access: 19 August 2008).

[1302] Standard Eurobarometer 69, National Report Sweden, Spring 2008, Question IV.c, available under: http://ec.europa.eu/public_opinion/archives/eb/eb69/eb69_se_nat.pdf (last access: 19 August 2008).

[1303] Svenska Dagbladet: Utanför – men ändå med (Outside – but yet present), 14 July 2008.

[1304] Ibid.

* **Stockholm International Peace Research Institute.**

fact that the large countries, in particular France and Italy, have not lived up to the pact and managed their finances as they should in terms of balance or surplus in their budgets.[1305]

Turkey*

Introduction of the well perceived currency has to wait

Admittedly, references to the Euro remain limited to the debates mainly of policy practitioners, financial market actors, professional economists, and journalists. The content of their discussions revolve exclusively around economic and financial issues related to the currency and hence there remain virtually no reference to social and political aspects of the Euro. Thus, the experiences in Turkey with the Euro seem to be limited to its daily use in the foreign exchange markets that is followed by many.

Because Turkey is not a member of the European Union, the country does not participate in the European Economic and Monetary Union (EMU). Turkey will have to abide by the Maastricht convergence criteria and adopt the Euro once she becomes a member, since new member states do not have the option of opting out.

The currency has been enjoying a wide circulation in the country as a hard currency. This process is accelerated by the sliding US Dollar in world markets. In fact, the Euro began at a low parity against the US Dollar at around 1.17 around the time when it was introduced in January 1999. The exchange rate nosedived in 2001 vis-à-vis the US Dollar towards a level of 0.80. Incremental appreciation in the second half of the 2000s resulted in, however, an upsurge with the parity climbing up to over 1.50 against the US Dollar by the end of June 2008 in Turkish foreign exchange markets. As another reflection of confidence in the currency, the share of the Euro as a reserve currency has climbed up from around 18 percent in 1999 to around 26.5 percent in 2007.[1306]

The main topic surrounding the launching of the Euro in 1999 was its potential value. There had been some speculation that the Euro would disintegrate in the event of a crisis when the currency was born. This view has, however, changed immensely in the recent period. Thus there has been virtually no reference in the Turkish public opinion or even the informed economic press to the potential social consequences of the currency such as unemployment, inequality or aspects of social policy.

The European Central Bank is praised

In terms of the perception of the European Central Bank (ECB) during the turmoils of early 2008, many economists kept praising the anti-inflationary stance it had been following.[1307] The ECB's stance on the US Dollar-Euro exchange rate had been seen as crucial in keeping with a strong Euro policy.[1308] With the turmoils in the world markets deepening, other voices have been heard questioning the stance of the ECB. Some economists raised serious doubts on whether the ECB should target growth instead of price stability.[1309] Not only economists, but also economic decision makers have been questioning the pure anti-inflationary policies of the ECB.[1310]

Entering the European Exchange Rate Mechanism is the first step

With respect to the adoption of the Euro, Turkey has to wait until the accession process is completed. Thus it would be too early to judge the parameters of the debate on the Euro. If and when the country becomes a member of the EU, however, it will automatically have to abide by the Maastricht convergence criteria. This also would prompt a more healthy discussion of the issues related to the currency and the EMU. With respect to the criteria, interestingly Turkey would satisfy the criteria related to fiscal deficits (which had been the nightmare of many on the road to membership in the single currency). It has yet to bring down its inflation and interest rates and enter the European Exchange Rate Mechanism. The government, along with the

[1305] Ibid.

* **Center for European Studies / Middle East Technical University.**

[1306] Sabah, 2 June 2008, available at: www.sabah.com.tr (last access: 30 July 2008).

[1307] Hurriyet, 24 January 2008, available at: http://www.hurriyet.com.tr (last access: 30 July 2008).

[1308] Hurriyet, 28 January 2008, available at: http://www.hurriyet.com.tr (last access: 30 July 2008).

[1309] Hurriyet, 19 February 2008, 7 March 2008, available at: http://www.hurriyet.com.tr (last access: 30 July 2008).

[1310] Hurriyet, 3 April 2008, available at: http://www.hurriyet.com.tr (last access: 30 July 2008).

Central Bank and the Treasury, keeps emphasizing its commitment to the single currency in many policy documents. Despite this commitment, however, negotiations in chapter 17 on economic and monetary policy are suspended upon the insistence of the French government.

United Kingdom*

Slowing British economy makes the Euro more popular

At the time of the Euro's launch, there was a good deal of popular scepticism in the British press about its long-term prospects, but, while from time to time pessimistic predictions have surfaced (perhaps the most commonly made that Italy would have no choice but to leave the eurozone), British perceptions of the Euro have in general improved over time. The Euro's status as the world's second reserve currency (now easily outstripping the Pound in this regard) has reassured some at least of those who doubted the Euro's long-term prospects.

Perhaps most important to the discernible softening of hostility towards the Euro is a growing recognition of the fragility of the British economy's good performance over the past decade. It was difficult for British opinion-formers to make the case for the United Kingdom's joining the eurozone when the British economy was apparently outperforming those of the other large Western European countries. Now however, the sense of the eurozone's relative stability is likely to grow as the British economy is predicted to slow further in the medium term. Whether or not the eurozone's more favourable performance is a consequence of its underlying structure and economic management, the impact on popular British attitudes towards joining the Euro will surely be positive.

Autonomy of the ECB hardly debated

The autonomy of the European Central Bank (ECB) is a topic of debate only in elite and specialist circles. At the Bank's inception, the attitude of British policy-makers and commentators towards its autonomy was mixed; some arguing that the bank needed to be insulated from political discourse, some holding the contrary view. An increasing perception of the British economy as having been suffering unduly from 'boom and bust' economic management would surely strengthen the hands of those favouring British entry to the eurozone under the ECB's current regime. In turn, those arguing in the UK for the ECB's reform nonetheless disagree among themselves about whether reform should be a precondition or a rationale for British membership of the eurozone.

Joining the eurozone is a peripheral question

Britain's joining the eurozone is at present a peripheral question in public debate. Since Gordon Brown set out in 1997 his "five economic tests"[1311] for joining the eurozone and the referendum for entry favoured by Tony Blair was shelved, arguments for and against British membership have been put in semi-isolation from wider political debate. A 2 June article in the "Financial Times" by Willem Buiter, a former member of the Bank of England's Monetary Policy Committee, entitled "There is no excuse for Britain not to join the Euro"[1312] generated little political traction, but it may nonetheless be indicative of shifting attitudes in specialist circles towards Britain's joining the Euro in the coming years. If and when the question resurfaces in public debate, it will almost certainly be decided primarily on political terms, the Euro being perhaps the most powerful symbol – and arguably motor – of wider European integration. It is arguable however that for there to be any realistic chance of public political support for Britain's joining, the business community and a majority of economic opinion-formers would first have to announce their overall support. Voices such as Willem Buiter's might in this context be seen as increasingly important in the years to come.

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

[1311] See, eg.: http://www.economicshelp.org/2007/03/gordon-browns-5-economic-test-for.html (last access: 22 September 2008).

[1312] Available at: http://www.cge.org.uk/node/49 (last access: 22 September 2008).

7

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*

Government crisis

Due to Austrian interior policy one of the coalition parties – the SPÖ – had had an internal crisis, which lead to the splitting of the function of party leader and chancellor; until now the chancellor of the Austrian government also used to be the party leader of its party, which in the past was SPÖ or ÖVP. That meant that Alfred Gusenbauer stayed Chancellor, but had to renounce, after being criticised for his too pragmatic and compromising style of ruling and working with the ÖVP, to the SPÖ leadership, which was devolved to one of the SPÖ Ministers Werner Faymann. Shortly after splitting the leadership a change of their EU policy was announced: in an open letter to the editor of Austria's biggest newspaper "Kronenzeitung" (already above mentioned) both announced that in the future if the EU should decide to ratify again a treaty similar to the Lisbon Treaty with important changes, it should not be accepted by the parliament but be subjected to a national referendum. By changing their EU course both wanted to comply with the decreasing popularity of the EU in the Austrian population. In their own words, they wanted to take the objections of the EU critics in Austria serious. This was a shock for the coalition partner, which has always been a strong supporter of the European Union and also for some SPÖ members, since this decision was taken without backing from the rest of the party. In the following days both – Gusenbauer and Faymann – were widely and sharply criticised and had to weaken their statement. Nevertheless, this can be seen as one of the last trigger events that lead to the break up of the coalition from the ÖVP side. So it is left open what kind of EU policy will be carried out by Austria in the future. In September there will be early elections and seen from today the EU critics are gaining ground and could be shaping the EU policy in the coming years. This can be underlined by a comparison done by "Die Presse": regarding the EU friendliness of the Austrian parties represented in the parliament, only two – ÖVP and the Greens – get 5 points out of 5; the SPÖ achieves 3 points out of 5; the BZÖ (a spin off from the FPÖ) gets 1 point and the FPÖ by itself gets 0 points, the main reason being that they want Austria to pull out of the EU.[1313]

* Austrian Institute of International Affairs.

Current issues

Belgium*

Composition of the European Council

The Belgian State Council, an independent and consultative jurisdiction that gives juridical advices to parliaments and governments, emitted a recommendation on the law project of March 2008 concerning the approval of the Lisbon Treaty.[1314] As the European Council becomes an EU institution and as it receives a certain number of competencies, the representation of the Belgian State and the decision making process have to be adapted to the federal reality of the country. A cooperation agreement between the federal state and the federalized entities (Regions and Communities) signed in 1994 regulates the representation of the Belgian State in the Council of Ministers. In this institution, Belgian regions and communities are allowed to represent the whole country. The State Council therefore recommends a change in the Belgian legislation (1980 special law on institutional reforms) in order to allow the participation of sub-national entities in the European Council. This issue is particularly sensitive as it takes place in a context of institutional negotiations towards a reform of the Belgian State.

Nonetheless, one should notice that the composition of the European Council is fixed by the Lisbon Treaty: it is composed of heads of states and governments of member states, sometimes allowed to be assisted by a minister. A cooperation agreement between the federal state and the federalized entities concerning the representation of Belgium in the European Council should therefore respect these rules established by the treaty. But, in practice the determination of the Belgian position in the European Council is already the result of preliminary coordination with the Regions and Communities.

[1313] Wolfgang Böhm/Regina Pöll: Wie europafreundlich sind die Parteien?, in: Die Presse, 12.07.2008.

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

[1314] Law project dealing with the Lisbon Treaty, External Relations and Defence Commission, Chamber and Senate, 04/03/08, doc. 52-955 (Chambre) and 4-568/3 (Sénat).

Current issues

Bulgaria*

Bulgarian government still struggling with internal reforms

Freezing of additional EU funding due to lack of reforms

The major EU-related issue for Bulgaria since the beginning of 2008 has been the unsatisfactory results of Bulgarian reforms in critical sectors such as Justice and Home Affairs, customs and border control, administrative capacity, the fight against organised crime and high levels of corruption, utilisation of EU funding, etc.

At the time of accession in 2007, it was recognised that Bulgaria (and to a similar extend Romania) need to continue reforms in these sectors and a strict monitoring mechanism was installed on behalf of the European Commission in order to ensure compliance and to measure results. The first two progress reports in 2007 and 2008 indicated growing impatience in Brussels towards the slow pace and unsatisfactory results of the reforms in question. Since January 2008 these signals have intensified and were accompanied by gradual closing of funding and openly critical reports, audits and uncharacteristically sharp on-the-record remarks.

The first steps in this process occurred in February 2008 when much of the funding from Instrument for Structural Policies for Pre-Accession was blocked by the EU following revelations of serious conflict of interests, corruption and mismanagement in the "Bulgarian Road Agency". This led to the resignation of the head of the agency Veselin Georgiev, accused of blatant conflict of interests. Series of audits (including one performed by "KPMG") followed, which revealed indications of mismanagement and corruption on a serious scale. Another scandal ensued following an OLAF report on the management of SAPARD[1315] funding. This report was leaked to mainstream Bulgarian media and explicitly implicated high ranking Bulgarian officials in protection of misuse of EU funds. Finally, in July 2008 the European Commission produced a monitoring report and a special report regarding the utilisation of EU funding by Bulgaria. Both reports were highly critical of Bulgarian performance and were accompanied by restrictive measures, including the freezing of additional EU funding, and revoking the accreditation of two Bulgarian agencies handling EU funds (respectively in the Ministry of Finance and the Ministry of Regional Development).

The Bulgarian government has tried to respond to this negative development by various measures, including the introduction in May 2008 of a new position in the government structure – vice-premier responsible for the utilisation of EU funding, additional anticorruption legislation, the transformation of the "Bulgarian Road Agency", etc. However these measures proved to be belated and insufficient, and could not prevent the July crisis.

Throughout the last six months these problems were gradually taking prominence in the internal political debate until they resulted in a full-blown political crisis in June and July 2008 with the prospects for escalation in the autumn. The expectation is of coordinated political, civic and trade union protest actions, with the goal of eventual resignation of the government and preliminary parliamentary elections.

What needs to be pointed out is that these punitive measures by the EU have not led to increased euroscepticism among the public. There were attempts in May and June by the Bulgarian President Georgi Parvanov, the Prime Minister Sergei Stanishev and other high-ranking officials to counter criticisms coming from Brussels and explain partially the negative developments with the EU political dynamics. This discourse has been muted recently and replaced with declarations of political will to deal with the problems at hand and produce immediate positive results so that the EU funding could be restored as soon as possible.

However, the general perception in the media and public opinion is that it would be very difficult for this government to repair the damage inflicted on the image of Bulgaria and restore the good will and confidence of its partners in Europe.

* **Bulgarian European Community Studies Association.**

[1315] Special accession programme for agriculture and rural development.

Crucial developments concerning enlargement

Regarding potential EU enlargement in Western Balkans, there have been important developments in the last six months, including the proclamation of Kosovo's independence and related reactions on behalf of Serbia. Bulgaria recognised Kosovo's independence but acknowledged that the unilateral resolution of the Kosovo issue creates serious risks of regional instability and places additional responsibility on the EU for maintaining the peace and ensuring the sustainable development of the new state.

During the same period there has been a negative development regarding the NATO and EU accession process of the Former Yugoslav Republic of Macedonia. The longstanding issue between Greece and the Former Yugoslav Republic of Macedonia, regarding the name of the Macedonian state escalated, leading to a Greek veto during the NATO Bucharest summit and effectively blocking the Macedonian entry to NATO and negotiation process with the EU. Bulgaria recognises the risks, resulting from this standoff and declares its continued support for the membership of the Former Yugoslav Republic of Macedonia in both organisations. However, in official documents as well as media events, Foreign Minister Ivailo Kalfin has clearly stated that Macedonia is expected to resolve its issues with neighbouring states (implying the need for concessions on the Macedonian side), thus signalling potential activation of Bulgarian diplomacy regarding its own outstanding problems with Macedonia (mainly on cultural issues).

Another enlargement related issue, which may prove to be very important in the immediate future, is the outstanding question of compensations for the Bulgarian Thrace refugees by Turkey. This is a problem created by the Balkan wars (1912-1913) when significant number of ethnic Bulgarians left Eastern Thrace and had their property seized by the Turkish state. The 1925 Angora Treaty legally regulated this problem. According to the Bulgarian position the Angora Treaty obliges Turkey to provide compensation for confiscated Bulgarian refugee property, which amounts to more than 10 billion US Dollar. Turkey has not withdrawn from the treaty, but the actual compensations have not been settled so far and this has been an outstanding issue in the bilateral relations ever since, conveniently attached to other bilateral problems. For the last 15 years, the "Bulgarian Association of Thracean Refugees" (which comprises of descendants of the original refugees from 1912-13) has been very active on the issue, lobbying for support at national and European level. Since the beginning of 2008 there has been development on the Bulgarian side, with signals indicating that the Bulgarian government is willing to position this problem as a conditional issue in the EU accession process of Turkey. In May 2008, a group of Bulgarian MEPs raised the issue during European Parliament debates on the progress of Turkey and achieved the inclusion of related text in Article 37 of the resolution of the European Parliament. It is highly unlikely that Bulgaria would place this problem as a non-negotiable precondition to the Turkish membership in the EU, but rather this is an important signal that Bulgaria intends to be proactive and position itself favourably for eventual discussions on bilateral issues with Turkey in the near future.

Current issues

Croatia*

High prices, progress of accession negotiations, and judiciary reform

High energy and food prices and rising inflationary pressures

As with elsewhere in the Europe and especially in the new EU-member states, the central economic concern in Croatia is the continuous rise of energy and food prices, due to extraordinary high prices of oil at the world markets. The global increases in oil and food prices for the first 6 months of 2008 stood above 60 percent.[1316] Especially troubling are food prices which directly affect citizen's living standards and which contributed substantially to the overall inflation in Croatia, given the large proportion of (about 25-30 percent) in the total consumption basket.[1317] These were also the major causes of the rise in the annual inflation rate in Croatia, which for the period January-May 2008 stood at 6 percent, with 1.1 percent monthly growth in May.[1318] The

* Institute for International Relations.

[1316] World bank: EU10 Regular Economic Report, June 2008, p. 2.

[1317] World Bank: EU10 - Regular Economic Report, Croatia Supplement, June 2008, p.1.

[1318] At the same time the increase of food prices in the EU was at a record 7 percent in March and April this year,

producer prices in Croatia increased even stronger (7.7 percent) in the same period, indicating that inflationary pressures are not easing yet. The trade unionsput pressure on the government to increase the minimum wage and the level of non-taxable income starting from 1st July 2008 as a part of structural support measures directed to the most vulnerable segments of population to offset part of the increase in living costs.[1319] The recent increase in electricity prices for households of 20 percent effective from 1st July 2008 have put additional pressures on the population, and the government also decided to intervene in favour of the most deprived segments of population by introducing different levels of price increases to those with smaller consumption records (who would bare up to 5 percent of the increase in prices). As a consequence of inflationary pressures, the GDP growth in the first quarter of 2008 has decreased to 4.3 percent according to the Croatian Bureau of Statistics.[1320] Economic analysts[1321] expect the further weakening of economic growth as well in the second quarter of 2008, due to the unfavourable situation in the main trading markets such as the EU, characterised by the increase in interest rates and inflation.

Progress of negotiations with the EU and complying with remaining benchmarks

By the end of the Slovenian Presidency only two new chapters (social policy and employment, free movement of workers) were opened for negotiations,[1322] which was inadequate to satisfy both government and the general public's expectations. Currently there are 20 chapters under negotiations and only two temporarily closed.[1323] At the end of May 2008, the Government has delivered proof of complying with benchmarks for eight negotiating chapters, including the one on industrial policy concerning five shipyards' restructuring and privatization[1324], as well as its negotiating positions for the opening of six new chapters,[1325] hoping to open at least four to – five new negotiating chapters by the end of June, thus enabling a pace to reach ambitious goal of completing the negotiations by the end of Barosso's mandate in 2009.[1326] As this did not happen during the Slovenian Presidency, all the hopes are now put into the French Presidency to shift the negotiations into 'fifth gear'. It is also expected that some of the most complex chapters, such as those on the judiciary, fishing, external relations etc. will be opened during that time. Apart from pushing ahead the negotiations with Croatia, analysts also expect that France will push forward the process of institutional reform in the EU.[1327] By the end of June the government succeeded in handing in the benchmarks that will facilitate the opening of all remaining chapters. Prime Minister Sanader still believes that Croatia will be able to complete negotiations and sign the accession agreement by the end of 2009, as announced by the most recent initiative of France, Czech Republic and Sweden (the presiding trio till the end of 2009).[1328] However, as the documents need to be analysed and assessed, it is not yet clear if Croatia actually complied with all the benchmarks.[1329] Chief negotiator Vladimir Drobnjak[1330] stated that the progress of negotiations is not as bad as it seems and that "the other shore is already in sight", but the opposition parties have criticised the government heavily for making insufficient progress in the first half of 2008.[1331]

causing the rise of general inflation at 3.6 percent in the first half of the year. See World Bank: EU10 Regular Economic Report, June 2008.

[1319] As reported by the Ministry of Finance on 21 May 2008, news section, available under: www.mfin.hr (last access: 29 July 2008).

[1320] Croatian Burreau of Statistics: News, available under: http://www.dzs.hr/default_e.htm (last access: 4 July 2008).

[1321] See Goran Šaravanja's, chief economist of Zagrebacka banka, statement. business monthly Banka, 30 June 2008, available under: http://www.bankamagazine.hr/Naslovnica/Vijesti/Hrvatska/tabid/102/View/Details/ItemID/525/Default.aspx (last access: 8 July 2008).

[1322] Chapters on transport policy and energy were opened in April 2008.

[1323] For an overview of the progress of negotiations see the Croatia-EU Negotiations Portal, available under: www.eu-pregovori.hr (last access: 7 July 2008).

[1324] As quoted by Poslovni dnevnik, 6 and 7 June 2008, p. 14.

[1325] Alen Legovic: "Signals on Speeding up Negotiations". Novi list, weekly supplement Europe, 3 June 2008, p. 3.

[1326] Deana Knezevic: "EU will not wait". Obzor, 31 May 2008, pp. 14-15.

[1327] Ines Sabalic: "Paris will push the EU forward". Slobodna Dalmacija, 15 June 2008, p. 20.

[1328] As reported by Jutarnji list, 23 June 2008, p.3.

[1329] Statement of Christina Nagy, spokesman of the European Commission, quoted on Bussiness.hr, 30 June, 2008, available under: http://business.hr/Default2.aspx?ArticleID=6e6d6a82-8747-4a02-b887-fd313b18157a# (last access: 7 July 2008). Most recently Oli Rehn, European Commissioner for enlargement, said that we would know whether Croatia met the benchmarks in the autumn the latest, as quoted in daily Jutranji list, 10 June 2008, p. 4.

[1330] Chief negotiator Drobnjak's statement quoted on Business.hr, available under:http://business.hr/Default2.aspx?ArticleID=2f917f9f-f657-4faa-b7b2-2a8650a38c61# (last access: 7 July 2008).

[1331] Statement of Zoran Milanović, leader of Croatian Social Democratic Party, as quoted at the SDP web site, available under: http://www.sdp.hr/vijesti/(offset)/30 (last access: 29 July 2008).

Judiciary reform, fight against corruption and organized crime

At the end of June, the Ministry of the Judiciary prepared and delivered the remaining benchmarks for negotiations with the EU, which included the preparation of a more concrete action plan for fighting corruption, as well as some additional legislative alignments such as amendments to the criminal act, law on conflict of interests and law on protection of minority rights.[1332] The fight against corruption remained one of the toughest problems of the present administration in the process of the negotiations with the EU. The most recent warning from Brussels on the issue of corruption came in mid June,[1333] and the Government took it seriously in order to comply with the benchmarks and finally unblock the opening of chapter 23 on the judiciary for negotiations. Furthermore, the benchmarks included the time horizon and defined action plan for implementation of strategy for reform of judiciary that aims towards the reduction of a number of courts in order to comply with the EU standards. The Ministry also handed in the action plan for solving the problems of flats and housing for refugees that returned to Croatia. As for the recent concrete actions against the organized crime and corruption, State Office for Prevention of Organized Crime and Corruption (USKOK) has started investigations on the Zagrebački holding[1334], a conglomerate of companies owned by the city of Zagreb, and controlled by the Socialist Democratic Party (SDP) related to the allegations of political corruption.[1335] This is one of the first investigations of political corruption, but also of criminal activities within the large municipal companies that are usually very much influenced by the local political patrons. The new National Council for Monitoring the Implementation of the Programmes for Prevention of Corruption has also finally been re-established in May 2008, after five months of post-elections limbo. The first meeting of the council was initiated after director of Zagrebačke Ceste was brutally physically attacked at the street when he handed in the reports on criminal activities within his company to USKOK. The other case which attracted a lot of public interest was when a reputable journalist Duško Miljuš was brutally beaten because of his investigative articles on organized crime.[1336] The council's task is to especially follow the cases of economic crime and corruption in health sector, public procurement and judiciary.[1337]

[1332] See Croatian Ministry of Judiciary, available under: http://www.pravosudje.hr/default.asp?ru=1&gl=200807020000002&sid=&jezik=1 (last access 29 July 2008).

[1333] The messages from the EU Summit in Brussels on 19th June 2008 as reported by Augustin Palokaj: "The critics from the EU for corruption". Jutarnji list, 20 June 2008, p. 10.

[1334] As reported on Buisness.hr, available under: http://business.hr/Default2.aspx?ArticleID=a740ddf2-757c-4241-94f2-74c9337eca1b&open=sec (last access: 29 July 2008).

[1335] Namely, the State Office for Prevention of Organized Crime and Corruption (USKOK) investigations were initiated by the reports of the Director of Zagrebačke Ceste pointing towards criminal activities within the company, which is a part of Zagrebački holding. These reports also had allegations on political corruption, i.e. that the political campaign of right wing party SIN in the last elections was financed by the holding. Namely, the President of SIN is at the same time the public spokesman of Zagrebački holding.

[1336] Both cases remain unresolved by the police yet, what caused a lot of public concerns and protests. See the Croatian Journalist Association's (HND) reactions summarized in the white book which lists 40 cases of recent attacks on journalists in Croatia. It is available under: http://www.hnd.hr/novost.php?id=2028 (last access: 9 June 2008). The Delegation of European Commission in Zagreb also requested from the Croatian government to protect Duško Miljuš against possible new attacks, as reported in Vjesnik, 11 July 2008.

[1337] Sasa Paparella: "Antcorruption Council: We have to find out urgently who attacked Radjenovic". Business.hr, 21 May 2008, available under: http://business.hr/Default2.aspx?ArticleID=2f68bd7c-a0b5-480c-987f-cf2c8727108f (last access: 9 June 2008).

Cyprus*

Crisis management in agriculture and Turkish-Cyprus relations

Issues which were of cardinal importance in Cyprus during the first half of 2008 include the country's efforts for a smooth transition from the Cypriot Pound to the Euro and the simultaneous increase of prices caused by the massive rise of oil and wheat prices internationally. To alleviate the burden on low-income sections of the population, the Cypriot cabinet increased the government aid received by approximately 23,000 citizens by 12 percent and low-income pensions by 10 percent.[1338]

Water shortage and animal diseases

A crucial issue currently debated in Cyprus is water shortage due to the unprecedented lack of rainfall during winter. Currently, the island's

* Cyprus Institute for Mediterranean, European and International Studies.

[1338] Cabinet Decision, 26/06/2008.

dams' capacity is below 10 percent, three times less than last year.[1339] The government is criticised for not taking sufficient measures to cope with the lack of water and thus resorting to water cuts throughout the island. The transfers of water from Greece, the establishment of more desalination plants, and the digging of land drills to exploit underground reserves are at present the government's choices for mitigating Cyprus' water shortage problem. Meanwhile, animal breeders (who in the past months were affected by Foot and Mouth Disease on their stock and a cancerous substance called "Aflatoxin M1" in cow's milk in certain farms which led to the culling of hundreds of animals) continue to demand compensations from the government and the EU in dealing with the effects of drought.

Needless to say, the Cyprus problem is the dominant issue of all discussions in Cyprus. At the same time, the change of government in February 2008 – when House Speaker and secretary general of AKEL, Demetris Christofias, won the second round of the presidential elections with 53.36 percent of the vote to 46.64precent of conservative candidate MEP Ioannis Kasoulides – has prompted reactivation of the negotiation process. Since February, the leaders of the Island's Greek and Turkish communities, President Christofias and Turkish Cypriot leader Mehmet Ali Talat, initiated a series of meetings to pave the way for direct negotiations for a comprehensive solution. The establishment of 13 bi-communal groups (six working groups and seven technical committees) to prepare the ground for the negotiations has been agreed by the two leaders. These groups began discussions on everyday issues and matters of substance, which will facilitate the solution of the Republic's problem. The establishment of these bi-communal groups was well received throughout the island, as it was considered a stepping-stone towards the attainment of a comprehensive solution of the Cyprus problem.

Opening of Ledra Street

The opening of a crossing point at Ledra Street in April was perceived as an additional positive sign towards the improvement of relations between the two communities. The opening of Ledra Street was achieved as the Turkish occupation regime agreed to the de-mining of the area and the withdrawal of the Turkish troops from the vicinity. The opening was welcomed by numerous EU and UN officials, mainly for 'psychological' reasons, as Ledra Street is located at the heart of the Cypriot capital, Nicosia, still the only divided capital in the European Union and Europe at large. It must be noted that this development was celebrated by the international community as a measure that will build confidence between the two sides.[1340]

On July 25th, Christofias and Talat came to an historic agreement to the effect that they will begin direct negotiations on the 3rd of September 2008 for the comprehensive settlement of the country's problem. Nearly enthusiastic statements have been issued primarily by the Turkish Cypriot side, predicting even the positive conclusion of the process before the end of this year. However, many serious analysts, both in Cyprus and abroad, are cautious or sceptical concerning the final outcome of this process, since fundamental positions in the Turkish and Turkish Cypriot side remain intransigent and unacceptable by the Greek Cypriot side. Such positions include: (a) re-imposing Turkey as a guarantor power with (military) intervention rights; (b) the continuation of a Turkish military presence; (c) the insistence on recognizing the tens of thousands of illegal settlers from Turkey as citizens of the envisaged Federal Republic of Cyprus; and (d) the notion of establishing an *ab initio* new state ('parthenogenesis'), through the cancellation of the universally recognized Republic of Cyprus and the legitimation of the breakaway, illicit, and therefore unrecognized, 'Turkish Republic of Northern Cyprus'.

Czech Republic*

The debate about the US radar base is culminating

The public and political debate in the first half of 2008 has been dominated by the declaration of independence in Kosovo[1341] and the

[1339] Data released by the Cyprus Water Board in May 2008.

[1340] Statements released by UN Secretary-General Ban Ki Moon, UN Assistant Secretary-General for Political Affairs Lynn Pascoe, UN Special Representative Elizabeth Spehar, Enlargement Commissioner Olli Rehn, Deputy Director General of the DG for Enlargement Jan Truszczynski, the Slovenian EU-Presidency, President of the European Parliament Hans-Gert Pöttering and the Ambassadors of Greece, UK, USA and Russia to Cyprus, 03/04/2008.

* Institute of International Relations.

[1341] This topic was comprehensively analysed in the previous issue of EU-27 Watch No. 6, pp. 75-76.

subsequent debate over its recognition, and by the question of the US radar base. The topic of a US radar base is still highly salient in the Czech Republic, sparking political debates as well as the creation of citizens' initiatives both in favour and against the radar base. The salience reached its climax on 8 July 2008, when the US Secretary of State Condoleezza Rice came to Prague to sign the treaty for the radar base with her Czech counterpart.

Even though there was some resentment from parts of the Green Party, the US radar was accepted as a goal of the government, apparently in exchange for the conclusion and ratification of the Lisbon Treaty. The US radar base, the Lisbon Treaty as well as the energy policy and the Czech EU-Presidency are the main components of the Czech domestic power and political interest. These issues begin the bargaining between political parties, and often are objects of delicate deals and fragile balances. One of these deals is 'radar for the treaty'. When entering the coalition with the eurosceptical Civic Democratic Party (ODS), the Greens conditioned their support for the US radar base by taking the more pro-European position of the government. Also the Civic Democrats recently made clear that there would be no Lisbon Treaty without the ratification of the freshly signed treaty on the radar base.[1342] Thus, we may also say that any major external shock in one of these topic (such as the Irish referendum on the Lisbon Treaty) may threaten this delicate balance and result in political instability. Currently the scales are tilting against the Green Party: the treaty on the US radar base (problematic for left-leaning wing in the party) has been signed, the fate of the Lisbon Treaty is uncertain and the coalition deal prohibiting new nuclear power stations is shattering.

Sanctions against Cuba

We would also like to mention the lifting of EU sanctions against Cuba. Not because this topic was salient in the Czech Republic, but for its surprisingly calm reception on Czech political scene. On June 19th, the European Union agreed to lift its diplomatic sanctions against Cuba. But as a concession towards the Czech Republic (which threatened to veto the deal) and a few other 'dissenting' countries, the EU will continue to monitor human rights conditions in Cuba. Czech diplomacy and the governing coalition seem content with the deal that allows monitoring of human rights conditions in Cuba and its reassessment every year. Even though the lift of sanctions as such is a defeat for the Czech Republic's long-lasting policy towards Cuba (fight for human right has been one of profiling topics of Czech diplomacy), the Czech foreign minister accepts this new reality. He even claims "we are in a better position by adopting an active policy towards Cuba, with a strong emphasis on human rights observance and its control".[1343] But if this policy does not bring concrete results, it will end. Also, other statements suggest that we actually witnessed genuine change in the Czech policy towards Cuba. Czech diplomats admit that the existing EU policy towards Cuba is not working and that measures taken by Cuba under Raúl Castro are "almost better than could have been expected."[1344]

Even though the question of human rights in Cuba regularly receives a lot of attention from Czech politicians (including Václav Havel), we witnessed hardly any reactions or commentaries this time. The only criticism came from the Czech NGO "People in Need," which argues that the Cuban regime still violates human rights and the EU ought to have waited with such a major change in its policy towards Cuba.[1345]

[1342] Radar za Lisabon: U ODS těžko projde Lisabonská smluva bez schválení smlouvy o radaru (Radar for Lisbon: ODS will hardly accept the Lisbon Treaty if the treaty on radar base is not ratified), ČT24, 9. July 2008, available at: http://www.ct24.cz/domaci/21432-radar-za-lisabon-u-ods-tezko-projde-lisabonska-smluva-bez-schvaleni-smlouvy-o-radaru/ (last access: 14 July2008).

[1343] EU se rozhodla zrušit sankce vůči komunistické Kubě (EU decided to lift sanctions against communist Cuba), Czech News Agency, 20 June 2008, available at: http://www.ceskenoviny.cz/svet/index_view.php?id=319147 (last access_ 14 July 2008).

[1344] "Řekl bych, že ty kroky, které Kuba udělala, jsou skoro lepší, než se dalo čekat," Alexander Vondra: Česko připouští kompromis v otázce sankcí vůči Kubě (Czech Republic admits compromise on the issue of sanctions against Cuba), E15, 6. June 2008 available at: http://www.e15.cz/udalosti/cesko-pripousti-kompromis-v-otazce-sankci-vuci-kube-30149/ (last access: 14 July 2008).

[1345] NGO slams EU for lifting sanctions on Cuba, Prague Daily Monitor, 23 June 2008, available at: http://www.praguemonitor.com/en/362/czech_national_news/24478/ (last acces: 14 July 2008).

Current issues

Denmark*

Strike in public sector, cartoon crisis, and opt-out investigation

Strike in the Danish public sector

In early 2008, new collective agreements were signed by the social partners in the public sector at state, municipal and regional level. The renewal of the agreements took place amid unprecedented turbulence as the negotiations deadlocked, resulting in weeks of strikes among public sector employees. Nurses, care workers for elderly people, and teachers announced early on that they lagged behind significantly in terms of pay increases compared with the private sector, and that they therefore expected a substantial pay raise. The strike went on for eight weeks and resulted in over 370,000 hospital treatments and examinations being cancelled during the strike. On the 13th June 2008 – after eight tough weeks – the employers side agreed to acceptable wage increases for public sector workers.[1346]

Continuation of the Danish 'Muhammed cartoon crisis'

On the 12th of February 2008, Danish police arrested three men (two Tunisians and one Danish national originally from Morocco) suspected of planning to murder Kurt Westergaard, the cartoonist who drew the 'Bomb in the Turban' cartoon published first time in the Danish newspaper "Jyllands Posten" on the 30th of September 2005. Shortly after the 12th of February 2008, the Dane was released without charge, while the two Tunisians were not charged either, but expelled to Tunisia resulting in major criticism from Danish politicians, lawyers and Danish people in general because the Tunisians were expelled without a trial.

On the 13th of February 2008, "Jyllands Posten", and many other Danish newspapers including "Politiken" and "Berlingske Tidende", reprinted Westergaard's 'Bomb in the Turban' cartoon, as a statement of commitment to the freedom of speech. In Denmark some public disturbances with burnt-out cars and a school set ablaze followed these events, but the police are unsure if it was directly related to the cartoons controversy or the fact that the two Tunisians were subsequently sentenced to deportation without trial. These events culminated on the 2nd of June 2008, with an attempt to blow up the Danish embassy in Islamabad, although it has not been proven whether or not the incident is connected to the cartoon drawings. At least eight people were reported dead and dozens wounded after the explosion outside Denmark's embassy.[1347]

The Danish opt-out investigation

On the 30th of June 2008, the "Danish Institute for International Studies" (DIIS) published an investigation on the development of the four Danish EU opt-out areas (justice and home affairs, defence policy, European Economic and Monetary Union and European Union citizenship) since 2000 until today, including the developments included in the Lisbon Treaty. The Danish parliament commissioned DIIS in November 2007 to conduct the investigation. Initially, the report was to serve as background information for a referendum to be held on one or more opt-outs in autumn 2008. However, the Irish voters' rejection of the Lisbon Treaty has most likely taken a possible referendum on the opt-outs in autumn 2008 off the agenda.[1348]

Current issues

Estonia*

A cooling economy, continued tensions with Russia

After years of very strong economic growth (10.2 percent in 2005, 11.2 percent in 2006, 7.1 percent in 2007), rapidly growing wages (up to 20 percent in one year), and a real estate boom, the news that economic growth in the first quarter of 2008 was only 0.1 percent came as a cold shower. The deceleration of growth coincides with the cooling of the global economy and rising prices of oil and foodstuffs. The increasing uncertainty and high inflation have reduced domestic demand. Tax revenues

* **Danish Institute for International Studies.**

[1346] Jyllands-Posten: Public sector strike can cost more lives, available at: http://jp.dk/uknews/article1343534.ece (last access: 10 September 2008).

[1347] Wikepedia: Jyllands-Posten Muhammad cartoons controversy, available at: http://en.wikipedia.org/wiki/Jyllands-Posten_Muhammad_cartoons_controversy (last access: 2 July 2008).

[1348] For further information on the conclusions made in the investigation please see: http://www.diis.dk/sw62534.asp (last access: 2 July 2008).

* **University of Tartu.**

have decreased. The parliament passed a supplementary negative budget for 2008, cutting this year's budget revenues by EEK[1349] 6.1 billion and expenses by EEK 3.2 billion. Despite the cuts, the budget is likely to record a small deficit – for the first time in nine years. The government is struggling very hard to reduce spending commitments for 2009 in order to retain a balanced budget. While the depth and duration of the recession is hard to predict, the realization that 'the party is over' has gradually sunk in.

Focus on Siberia

Recently, news from Khanty-Mansiysk, Siberia, has featured prominently in the Estonian media. In the end of June, three events of great importance to Estonia took place in this West Siberian city: the EU-Russia summit, the World Congress of Finno-Ugric peoples, and the meeting of the Estonian President Toomas Hendrik Ilves with the Russian President Dmitry Medvedev. Positions regarding the new EU-Russia agreement reveal important differences in the policies of the three Baltic states. While Estonia's grievances about Russia are certainly no lesser than those of Lithuania, it has not supported the Lithuanian policy of blocking the talks on the new treaty. Instead, Estonia has emphasised the importance of a unified EU stance on Russia and the necessity of a new legal basis for the EU-Russia relationship.

The meeting between the Estonian and Russian presidents passed in a generally friendly atmosphere. The Russian side emphasised the importance of concluding the border treaty (in 2005, Russian President Vladimir Putin had revoked his signature from the treaty after the Estonian parliament included a reference to the legal continuity of the Estonian state in its ratification bill). Russia's renewed interest in concluding the treaty has been linked to its aspiration to establish visa-free relations with the EU. Upon his return home, Ilves reiterated his pragmatic position on the issue, suggesting that the contentious preamble should be dropped. His position, however, will not determine the course of events because the content of the ratification bill remains a sovereign decision of the parliament.

The World Congress of Finno-Ugric peoples, held immediately after the EU summit, did not end well. Estonian President Ilves' speech was interpreted by Russian officials and the Russian media as being a call for the separation of Finno-Ugric groups from the Russian Federation. Offended feelings, however, were reciprocal. Ilves walked out of the conference in the middle of a speech by Konstantin Kosachyov in which the chairman of the Foreign Affairs Committee of the Russian "Duma" accused Estonian authorities of human rights violations and unfair ethnic policies. For weeks after the Estonian President's visit to Khanty-Mansiysk, media commentators debated the appropriateness of Ilves' behaviour as well as the prospects of solving the border treaty impasse.

[1349] Estonian Kroon.

Finland*

A new Foreign Minister and the changing status of the President of the Republic

The main newspaper described the first six months of 2008 as "the spring season in politics that went from one sensation to another." The Foreign Minister resigned after the fuss caused by risqué text messages he had sent to an exotic dancer. As a result, Alexander Stubb, MEP, was chosen as the new Foreign Minister. In June an election funding scandal dominated the media's agenda, in a country that is often listed as the least corrupt in the world.[1350] What started as a throwaway comment on a Finnish talk show has turned into a political scandal that tarnished Finland's reputation as one of the world's most transparent societies.[1351] As a consequence, the law regarding the funding of elections was changed to become more transparent.

The debate on the President of the Republic's powers has restarted in Finland. France and Finland are the only semi-presidential systems in Western Europe. The MP Kimmo Sasi (National Coalition Party) started the debate by saying that the president's power should be reduced and his/her duties limited to representative duties.[1352] Former Prime

* **EUR Programme/Finnish Institute of International Affairs.**

[1350] Helsingin Sanomat: Politiikan kevätkausi kulki kohusta toiseen, Pääkirjoitus, 29th of June 2008.

[1351] Financial Times: Finland's image sullied, 10th of June 2008.

[1352] Ilta-Sanomat, 3rd of March 2008.

Minister Paavo Lipponen has echoed these thoughts by saying that the president should be a moral leader. Problems may arise if the people choose a president who acts in a populist way in the field of foreign policy.[1353] Other prominent politicians have concurred with these opinions.

NATO membership and timber tariffs – Russia is always there…

Finland is still struggling with increased timber tariffs imposed by Russia on logs coming into Finland from Russia. Russia made a decision in 2007 that they will increase the tariffs on timber exports annually, in order to encourage foreign investment in the timber industry infrastructure inside Russia. This topic seems to be in media weekly and always involves a EU dimension, where Peter Mandelson's name is often mentioned. The latest idea on the problem was presented by the Minister of Foreign Trade and Development, Paavo Väyrynen. He proposed that the financial losses of the Finish forest industry would be covered by some government subsidies. Later, Finnish Foreign Ministry stated that it would not be subsidies, but some kind of compensation to cover these fees.[1354]

The debate on possible Finnish NATO membership is still going on as strongly as it was over the winter. More fuel was added to the fire in April when the Russian NATO Ambassador warned Finland that NATO membership would be a wrong path to take and would militarize Northern Europe.[1355] The media has also been covering the relations between the EU and NATO, as well as the EU battle groups in which Finland is taking part.[1356] In addition to the strong warnings from the Russian side, it has been stated that the Finnish NATO membership would be just a disappointment for Russia, compared to Ukrainian membership, which would be a total shock. All this discussion can be seen in the light of the ongoing drafting of the next security and defence white paper by the government that is due in the autumn.[1357]

[1353] Suomen kuvalehti: Nato-haukan yllätysisku, 7th of March 2008, pp. 24-25; Suomen Kuvalehti: Presidentti sivistys- ja arvojohtajaksi, 7th March 2008. pp. 66-67.
[1354] Helsingin Sanomat: UM selvittää puutullien korvaamista, 28th of June 2008.
[1355] Suomen Kuvalehti: Nato-jäsenyys on väärä polku, 4th of April 2008, p. 12.
[1356] E.g. Suomen Kuvalehti: Kahdet Mausteet, 16th of May 2008, pp. 24-27; Suomen Kuvalehti: Pohjoismainen taisteluosasto kerää kehuja, 18th of April 2008, pp. 14-15.
[1357] Suomen Kuvalehti: Venäjä ei halua Natoa iholle, 6th of June 2008, pp. 16-17.

France*

Stormy debates on EU external relations

Relations with China and Olympic games

The upcoming Olympic Games definitely put the question of French and EU relations with China at the top of media priorities. Observing that the occasion was not seized to get an improvement in terms of democratisation and human rights protection, French intellectual Jacques Julliard supported the idea of boycotting the Olympic Games. He appealed to French and international public opinion to speak out and put pressure on politicians.[1358] According to his colleague, Bernard-Henri Lévy, this decision could be taken at the European level, which would give it more power.[1359] Nicolas Sarkozy had always claimed he was waiting for a European consultation before deciding to attend the inaugural ceremony or not, whereas the Minister of Foreign Affairs, Bernard Kouchner, and the State Secretary for Human Rights, Rama Yade, are expected to boycott this ceremony.[1360] However, the French President recently decided to go to this ceremony declaring he had the agreement of all member states.[1361] The media has largely covered his altercation with Daniel Cohn-Bendit in the European Parliament. The Franco-German MEP qualified Nicolas Sarkozy's decision as "a disgrace", even though he had the opportunity to "defend European values of democracy and freedom".[1362]

A more general issue concerns the capacity of the European Union to behave collectively and define a common strategy. François Hauter ("Le Figaro") argues in favour of this perspective: "European policies towards the 'Middle Kingdom' can not be decided in Paris, Rome or Berlin anymore, but in Brussels within the framework of a global policy, assembling the 27 EU member states into a common strategy".[1363] According to Valérie Niquet ("Institut Français des Relations Internationales"), China tries to make the EU understand that adopting a critical common

* Centre européen de Sciences Po.
[1358] Jacques Julliard: Oui, le boycott, Le Nouvel Observateur, 27/03/2008.
[1359] Bernard-Henri Lévy: Le Tibet, la Chine et l'arme du boycott, Le Point, 29/03/2008.
[1360] Le Parisien, 23/04/2008.
[1361] Reuters, 10/07/2008.
[1362] Le Monde, 11/07/2008.
[1363] Le Figaro, 11/07/2008.

position would be a bad strategy. Françoise Mengin ("Centre d'Etudes et de Recherches Internationales"/Sciences Po) adds that if the EU could manage to act collectively, it would prevent China from playing some states against the others.[1364] For the moment, such a common strategy remains unclear, considering that neither Angela Merkel nor Gordon Brown will attend the inaugural ceremony, but, according to the French President, they both gave him their agreement to represent the European Union.[1365] Unsurprisingly, an opinion poll commissioned in June 2008 by "BVA-Opinion" shows that the EU lacks credibility for solving problems with China. For only 25 percent of the population, the EU "has the capacity of solving the tensions with China about Tibet in the context of Olympic Games".[1366]

Immigration policy – about 'Fortress Europe' and 'the directive of shame'

Following the analyses of many observers, the French Presidency opens a window of opportunity for deepening European cooperation on immigration policy. This topic has been very important during Nicolas Sarkozy's electoral campaign and he wanted to give it a high priority for the French EU Presidency. In July 2008, a European Pact on Immigration and Asylum was presented and was finally adopted unanimously by the 27 member states. According to the French media, this pact invites the member states to reinforce their cooperation against illegal immigration.[1367] In other terms, "the era of massive regularisations is over […] giving way to residence permits delivered on a case-by-case basis and for humanitarian or economic reasons"[1368]. However, it should also be noted that the French government had to modify its proposal in order to reach an agreement on immigration policy.[1369] In particular, it had to take account of Spain's reservations. Observers notice anyway that the final proposition only gives guidelines to the member states, which remain free to implement those guidelines.

The French media observed that Brussels profits from French activism on this issue to promote its own action plan for the upcoming months.[1370] Among these negotiations at the European level, the initiative most debated in France remains the directive fixing minimum requirements for the expulsion of legal immigrants, which has already been labelled by a number of French human rights organisations as "the directive of shame". During the decision process, these organisations have tried to influence the MEPs and to appeal to public opinion.[1371] These organisations, but also experts, fear that the European Union, through such a directive, will send a clear message to the world: "immigrants are not welcome". Sami Naïr, professor of political science at the University of Paris VIII, regrets that each piece of legislation on asylum or immigration, even at the European level, is always adopted against the individual's rights.[1372]

Political figures reacted to this text. French Socialist Harlem Désir denounced "the most liberticidal directive of the whole EU history"[1373] whereas leftist leader, Olivier Besancenot appealed to block this project which "opens the door for a general hardening" of immigration laws.[1374] Jacques Delors and Michel Rocard also wrote a rather critical article, assuming that this text could be dangerous for human rights. They appealed to the European Parliament not to vote on the directive and rather to let the Commission write a new draft, which would give more certitudes regarding people's dignity.[1375] Facing all these criticisms, Immigration Minister, Brice Hortefeux, repeated that this directive would not change anything for France.[1376] However, the media have insisted on its symbolic dimension. They covered the indignation raised by the directive in many Latin American countries, in order to illustrate their own criticisms of this agreement.[1377] French journalist Edwy Plenel asks what kind of relations with Southern countries the EU will have by posing the question: "What common world this 'Power

[1364] Quoted in Libération, 22/04/2008.
[1365] Le Figaro, 11/07/2008.
[1366] Opinion poll "BVA-Opinion" pour Touteleurope.fr.
[1367] Le Monde: La France appelle à l'union contre l'immigration illégale, 08/07/2008.
[1368] Le Figaro, 08/07/2008.
[1369] Libération: Madrid rabroue le Pacte Hortefeux, 08/07/2008.
[1370] Les Echos: Bruxelles surfe sur l'effet Sarkozy, 17/06/2008.
[1371] See: www.directivedelahonte.org (last access: 29/08/2008).
[1372] Sami Naïr: Non à l'Europe des expulsions et de la rétention, Libération, 18/06/2008.
[1373] Harlem Desir: La directive la plus liberticide de l'histoire européenne, Communiqué de Presse, 19/06/2008.
[1374] AFP, 13/06/2008.
[1375] Jacques Delors/Michel Rocard: L'Europe doit respecter la dignité des sans-papiers, Le Monde, 18/06/2008.
[1376] Le Figaro, 19/06/2008.
[1377] Le Monde: La 'directive retour' provoque l'indignation en Amérique latine, 20/06/2008.

Europe' can build, if it considers itself a fortress?"[1378]

Current issues

Germany*

Elections, elections, elections

The following issues were highly salient in the political discourse and/or public debate:

- The upcoming elections at the Länder level.[1379] They are all analysed and discussed in light of their impact on and meaning for the general elections on 27 September 2009.
- The troublesome selection process inside the Social Democratic Party for the position of candidate for chancellorship (now Foreign Minister and Vice Chancellor Steinmeier) which triggered complete refiguration of the party leadership (now the post is held again by Franz Müntefering, former Vice-Chancellor).
- Coming to terms with a five party system and its implications for coalition building with a special eye on the rise of the party "The Left" also in West German Länder parliaments.
- 'Reform' of health care system and extra measures to support families are permanently discussed.
- Concerns over rising prices, fear of inflation, catching up of wages.
- There was close media coverage of the proceedings to close down the AKP party in Turkey.

[1378] Edwy Plenel: Cette Europe qui nous fait honte, Le Soir, 20/06/2008.

* **Institute for European Politics.**

[1379] In the year 2008: in Hesse and Lower Saxony 27.01.08; in Hamburg 24.02.08; in Bavaria 28.09.08. In 2009, after the EP elections on 07.06.09 combined with local elections on the same day, follow Saarland 30.08.09; Saxony 30.08.09; Thuringia 30.08.09; and Brandenburg 27.09.09, on the same day the general elections for the German Parliament ("Bundestag") will take place.

Current issues

Greece*

Pessimistic discourses

A rather pessimistic discourse over both the perspectives of Europe, and Greece's role in Europe, seems to take shape in the aftermath of the Irish 'No', and reflects a growing general 'malaise', mainly due to the deterioration of the financial perspectives of a substantial portion of households all over the country. The Irish 'No' will not be easily forgotten, and it would be a huge mistake to ignore it or to gloss over it with legal tricks. The European common denominator is by now extremely low.[1380] Meanwhile, Greece is approaching a low point: it seems that Greeks, taken over by their Community commitments and responsibilities, forgot how to work independently and have lost their imagination. The country seems to be led by an automatic pilot.[1381]

Current issues

Hungary*

Political and economic problems / seat for new European Technology Institute

In Hungary both the internal political life and economic performance are critical. The governing coalition – initially formed by the Hungarian Socialist Party and the Alliance of Free Democrats – broke up this spring and the latter (smaller) party, the Liberals, left the government. This means a minority government that is half-heartedly supported by the breakaway party. The crucial momentum will be the voting on the 2009 budget in autumn. If it is not supported by the Liberals this might lead to pre-scheduled elections – urged for a long time by the opposition parties ("Fidesz" – Hungarian Civic Alliance, the Popular Party of Christen Democrats and the Hungarian Democratic Forum). In fact, the popularity of the Socialists and the Liberals is extremely low due both to the inability to govern together and also to inconsequent, unpredictable and hasty austerity measures seriously felt by the majority of the population. At the same time, economic growth has been

* **Greek Centre of European Studies and Research.**

[1380] L. Tsoukalis, in the newspaper KATHIMERINI, 22 June 2008.

[1381] A. Trifyllis, in the newspaper TO VIMA, 26 July 2008.

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

very modest (especially if compared to the other new member states), inflation and unemployment are increasing, and due to the unfriendly environment for small and medium sized businesses, the tendency for them to terminate their activities (or to leave the country and to transfer their headquarters to a neighbouring country) is getting stronger.
In the midst of these general problems, recently it has been extremely encouraging news for Hungary to win the seat of the "European Institute for Innovation and Technology". Parts of the official statement issued at this occasion are cited below:

"The Foreign Ministry regards Budapest's successful bid to provide the headquarters for the European Institute of Innovation and Technology (EIT) as a serious achievement for Hungary, considering that stiff competition generally prevails among member states to house European Union institutions owing to the prestige and advantages attached.

The aim of the creation of European Institute of Innovation and Technology serves education, research and the Union's promotion of innovation in the interest of improving competition and nourishing opportunities in the economy for the most outstanding academic research and development.

The Foreign Ministry anticipates that the operation of the Budapest EIT headquarters will bring advantages and greater recognition for Hungary's domestic science, R+D and innovation activities within the Union. In this way the whole country is expected to become a more attractive destination for investments in innovation. Besides operating the centre efficiently, to fully utilise its advantages the Hungarian research network should be fully engaged in the realisation of the Institute's goals, as well as successfully participating in the so-called Knowledge and Innovation Communities (KIC's) which are the executive branches of the European Innovation and Technology Institute."[1382]

[1382] See: http://www.mfa.gov.hu/kum/en/bal/european_union/Latest+news/EIT_statement_eng_080619.htm (last access: 28 August 2008).

Current issues

Ireland*

The Lisbon Treaty referendum dominates the agenda

As a result of the referendum in Ireland and the negative outcome, Ireland has entered a period of reflection, during which time the government has undertaken to produce an analysis of the referendum result. This study will be presented to members of the European Council, meeting in October.

Current issues

Italy*

Immigration, immunity, and the 'garbage question'

- Immigration, in particular the 'Roma people question'. Recently, the Minister for Internal Affairs Roberto Maroni promoted a new law regarding immigrants, which, among other things, includes the possibility of classifying illegal immigration as a crime. This proposal received criticism not only from Italian opposition parties, but also from representatives of other EU countries and from the EU institutions.

- The new law known as "Lodo Alfano", which provides for the immunity from judicial trials during their mandates of the four highest officials of the Italian Republic, the President, the prime minister, the speakers of the two houses.

- The 'garbage question' in Naples, which is tightly linked to the broader problem of organised crime in Southern Italy. The problem, which arose during the mandate of the previous government led by Romano Prodi, was one of the most controversial issues in the 2008 electoral campaign and solving it was one of the first commitments taken on by the current government led by Silvio Berlusconi.

- The last G8 summit in Hokkaido (Japan).

- Negotiations in the WTO framework.

* Institute of International and European Affairs.
* Istituto Affari Internazionali.

- The Beijing Olympic games and human rights issues in China.
- Presidential elections in the United States.
- Economic crisis and price increases.
- Developments in the Middle East peace process.
- Arrest and extradition of Radovan Karadžić.
- The decision of the Constitutional Court in Turkey not to ban the AKP party.

Latvia*

Current Concerns of the Population of Latvia

Economy

In order to stop the spiralling inflation, the government of Prime Minister Ivars Godmanis has proposed an austerity budget for 2009 and recommended the government institutions to economise spending, reduce expenses and freeze the salaries. These proposals are meeting resistance within the government, the parliament, and persons with fixed incomes, such as pensioners, teachers, and doctors and nurses. Some economists also argue that the way out of the current dilemma is through increased spending rather than striving for a balanced budget. This situation may also lead to the fall of the current government, which, compared with the previous government of Prime Minister Aigars Kalvītis, has been seriously trying to resolve the economic problems of Latvia. Regardless of the fate of this government, the populace is anticipating a hard winter, all the more so because of a 30 percent hike in gas prices.[1383]

Plummeting confidence in the Parliament and the national government

Owing to the arrogance of the previous government of Aigars Kalvītis ("People's Party") and the political parties comprising the ruling coalition in the parliament which have gained the reputation of acting as a dictatorship of the majority and a rubber stamp for the proposals of the "People's Party", public confidence in the legislators and the government has been profoundly undermined. Consequently, three referendums and several mass demonstrations were held in 2007 and 2008: The first dealt with amendments to the law on state security which would have given the government unwarranted control; the second – with a proposal to amend the constitution so as to allow the electorate to dismiss the parliament; and the third – with guarantees of adequate pensions. Although none of the referenda gained the required number of votes in order to come into force, the number of voters who supported each one of them was more than the number of votes garnered by the candidates of the parties of the ruling coalition in the last parliamentary elections.[1384] They led to the resignation of the government of Aigars Kalvītis, the rejection of the previously endorsed version of the law on state security, and promises by the lawmakers and the government to deal with the other two controversial matters. Nonetheless, public confidence in the elected officials remains very low in Latvia.

Russia's invasion of Georgia.

When the military conflict broke out in Georgia and Russian forces invaded that country, this became immediately the top foreign policy issue for the population of Latvia.[1385] Georgia

* **Latvian Institute of International Affairs.**

[1383] „Bargs rudens" (Severe autumn), Diena, 3 September 2008, available under: http://www.leta.lv/archive_item.php?id=42A5DF5D-D459-46AF-95F3-E20913E1AB79&phase=g%C4%81zes+cenas&sd=1&sm=8&sy=2008&ed=26&em=9&ey=2008&t[]=t0&t[]=t3&t[]=t5&t[]=t4&more=true&moreid=4 (last access: 23 September 2008).

[1384] More information about the referendums is available from the Central Election Commission. under: http://web.cvk.lv/pub/public/28333.html (last access: 23 September 2008).

[1385] See the speech of the Minister of Foreign Affairs Māris Riekstņš to the Saiema on 14 August 2008, available under: http://www.mfa.gov.lv/lv/Jaunumi/Runas/2008/augusts/14-1/ (last access: 23 September 2008); the Saeima's position statement of 14 August 2008 deploring Russia's invasion of Georgia is available under: http://www.mfa.gov.lv/lv/Jaunumi/Latvijas-arlietas/2008/augusts/15-1/ (last access: 23 September 2008);the statement to LETA of President Valtdis Zatlers on 15 August 2008 is available under: http://www.delfi.lv/archive/index.php?id=21689444 (last access: 23 September 2008); his subsequent statement of 26 August 2008 is available under: http://www.mfa.gov.lv/lv/Jaunumi/Latvijas-

is one of the focal countries of Latvia in terms of the European Neighbourhood Policy and Latvia has been providing assistance so that successful reforms can be carried out there.[1386] In recent years, most ethnic Latvians felt fairly confident that Russian troops would not invade their country and did not regard Russia as a threat to their country, after the hostilities started in Georgia, about one-half of ethnic Latvians considered Russia as a threat to Latvia, whereas the sentiments of Latvia's ethnic Russian and Russian-speaking Slavic population changed only slightly; the majority supported Moscow's policies in Georgia and did not feel that Latvia's security had been affected.[1387] Thus, the population of Latvia is divided on Georgia. For the Latvians, the events in Georgia recalled the Soviet military invasion of Latvia during Second World War and the subsequent occupation which lasted for nearly half a century. Other concerns stem directly from Moscow's recent policies and actions in Georgia: the increasing efforts of the Russian government to manipulate the sentiments of ethnic Russians and Russian-speaking Slavs in favour of Moscow and against the government of the country where they reside: the distribution of Russian passports to residents of Abkhazia and Ossetia so as to ensure Russia the option to exercise its self-imposed duty of protecting its nationals abroad; the gathering of Soviet forces in and near those territories; and Moscow's support for the territorial break-up of Georgia and the willingness of the Russian parliament ("Duma") to recognise the Abkhazia and Ossetia as independent states. Here Latvia expects the EU to act in accordance with the values that it upholds and respond firmly to show Russia that such behaviour is unacceptable in the civilised world and must end promptly.

arlietas/2008/augusts/26-1/ (last access: 23 September 2008).

[1386] See the policy statement on Georgia of 28 July 2008 of Latvia's Ministry of Foreign of Affairs, available under: http://www.mfa.gov.lv/lv/Arpolitika/divpusejas-attiecibas/Gruzija/ (last access: 23 September 2008).

[1387] The results of the SKDS study of public opinion in Latvia in August 2008 about Russia are summarised by Delfi on 1 September 2008, available under: http://www.delfi.lv/archive/index.php?id=21848935 (last access: 23 September 2008). See also the comments of political observer Pēteris Viņķelis, Delfi, 11 August 2008.

Lithuania*

Unsatisfying mandate for the negotiations with Russia

This April, Lithuania blocked the start of the EU negotiations with Russia. During the meeting of the General Affairs and External Relations Council, Lithuania used its veto, wishing to have the issues important to Lithuania included into the mandate for negotiations with Russia. As the Lithuanian Foreign Affairs Minister, Petras Vaitiekūnas explained: "We say 'Yes' to the negotiations with Russia, but 'no' to the current mandate. Our essential goal is to have Russia closer to Europe; the isolation of Russia is not in our interest. Russia is too important for Europe and Europe is too important for Russia, that we should not isolate it."[1388]

Lithuania wanted four declarations added to the mandate for negotiations. The object of these declarations was energy security and the halted supply of petrol from the pipeline „Družba", the legal cooperation with Russia in examining the case of the January 13th events, 'Medininkai killings' and the disappeared businessman in Kaliningrad region, the solution to frozen conflicts in Georgia and Moldova and providing help for the deportees returning to the three Baltic states.[1389]

After the Slovenian Foreign Affairs Minister's visit to Lithuania, Lithuania was able to achieve the inclusion of the above-mentioned issues into the mandate for negotiations with Russia.[1390] After the text of the mandate had been changed, Lithuanian Foreign Affairs Minister Petras Vaitiekūnas declared that he did not see any other impediments for the

* **Institute of International Relations and Political Science, Vilnius University.**

[1388] Internet news site Delfi: P. Vaitiekūnas: Europos dilema – vertybės ar vamzdynai (P. Vaitiekunas: the European dilemma: values or pipelines), May 1st, 2008, available under: http://www.delfi.lt/news/daily/lithuania/article.php?id=16881535 (last access: August 28th, 2008).

[1389] Daily Vilniaus diena: Briuselis išgirdo Vilnių (Brussels has heard Vilnius), May 22nd, 2008, available under: http://www.urm.lt/index.php?2019458097 (last access: August 28th, 2008).

[1390] Internet news site Delfi: P. Vaitiekūnas: pasiekta tai, ką buvo galima pasiekti (P. Vaitiekūnas: what was possible to achieve, has been achieved), May 27th, 2008, available under: http://www.urm.lt/index.php?-1340599942 (last access: August 28th, 2008).

negotiations.[1391] Lithuanian President Valdas Adamkus claimed that the text of the mandate now meets Lithuanian expectations and also said he was proud that the Lithuanian requirements were taken into consideration.[1392]

Continued discussions about the closure of the "Ignalina nuclear power plant"

As the date of the closure of the "Ignalina nuclear power plant" is approaching (this power plant is the main provider of electricity in Lithuania, but by signing an accession to the EU treaty Lithuania has undertaken an obligation to close the "Ignalina nuclear power plant" by 2009), the intensive discussions on the energy insecurity of Lithuania and the possibilities of prolonging the operation of this power plant continue. The Lithuanian government has nominated a negotiator who will participate in the negotiations[1393] with the European Commission upon the extension of the functioning of the "Ignalina nuclear power plant". Despite these attempts made by the Lithuanian government, the European Commission says that there are no possibilities to prolonging the operation of the "Ignalina nuclear power plant" and Lithuania has to fulfil its obligations.[1394]

Frightening Inflation

As one of the best-known economists in Lithuania Jonas Čičinskas states, inflation is becoming a serious problem for both the Lithuanian economy and its political processes.[1395] According to the Lithuanian department of statistics, this June the annual inflation reached 12.5 percent[1396]. A part of the society partly blames membership in the EU for such increased inflation. As the results of the Eurobarometer demonstrate, inflation and taxes are the only two fields in which the membership in the EU has a bad influence, according to the Lithuanian society.[1397]

[1391] Daily Vakarų ekpresas: Lietuva su partneriais ES galutinai suderino pozicijas dėl ES ir Rusijos derybų (Lithuania has finally matched the positions upon the EU and Russian negotiations), May 21st, 2008, available under: http://www.ve.lt/?data=2008-05-21&rub=1065924810&id=1211371654 (last access: August 28th, 2008).

[1392] News agency ELTA: V. Adamkus: ES ir Maskvos derybos parodys naujos Rusijos vadovybės požiūrį (V.Adamkus: EU and Russia negotiations will reveal the attitude of the new Russian leaders), May 27th, 2008, available under: http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/3411/ (last access: August 28th, 2008).

[1393] Nevertheless, the European Commission does not call this process "the negotiations", but "discussions and consultations".

[1394] News agency Baltic News Service: EK neįvertina po IAE uždarymo kilsiančių problemų (EC does not evaluate the problems which will emerge after the closure of the Ignalina nuclear power plant), April 11th, 2008, available under: http://www.euro.lt/lt/naujienos/apie-lietuvos-naryste-europos-sajungoje/naujienos/3060/ (last access: August 28th, 2008).

[1395] Jonas Čičinskas: Infliacija – kaip su ja atsisveikinti (Inflation – how to say goodbye to it), Internet news site Balsas, April 10th, 2008, available under: http://www.balsas.lt/naujiena/190816 (last access: August 28th, 2008).

[1396] Internet news site Zebra: Birželį metinė infliacija - jau 12,5 proc. (In June the annual inflation already is 12,5 %), July 9th, 2008, available under: http://www.zebra.lt/naujienos/verslas/Birzeli-metine-infliacija-jau-12-5-proc-2008-07-09.html (last access: August 28th, 2008).

[1397] Standard Eurobarometer No. 68, National Report Lithuania, available under: http://ec.europa.eu/public_opinion/archives/eb/eb68/eb68_lt_nat.pdf (last access: August 28th, 2008).

Luxembourg*

Current domestic issues in Luxemburg: double nationality, security and euthanasia

Double Nationality

More than 40percent of Luxembourg's resident population do not have Luxembourg nationality. Although conditions to obtain a naturalisation have been eased in the past, very few foreigners take advantage of this opportunity because they don't want to renounce to their nationality of birth. Moreover, most foreign residents living in Luxembourg come from EU member states and hence enjoy almost the same rights as native-born Luxembourgers. In any case, the Luxembourg government decided on the following proposals by the associations of immigrants to introduce a new legislation on double nationality. One of the most controversial criteria in obtaining the double citizenship was the knowledge of the Luxembourg language. Minister of Justice Luc Frieden has recently defined the requirements. Frieden said candidates would need to be able to understand radio and TV news bulletins in Luxembourgish but that their spoken proficiency should run to just being able to give personal details.[1398] Some immigrants associations find this level too high for ordinary working class people living in a French or even

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

[1398] Luxembourg News 252: Frieden sets out dual nationality criteria, 21.2.2008.

Portuguese speaking everyday environment.[1399] An exception would be made for people arriving before Luxembourgish was made an official language in 1984 and for those having completed a local secondary education. In addition, residence requirements and needs to assist civic courses were announced.

The political and public opinion has diverged mainly on the language issue. Some see Luxembourgish as a key aspect of national identity whereas others fear that this language requirement will hamper efforts at integration. The Green Party and some representatives of immigrants' association see potential for social and political dislocation if no greater effort is made to favour integration, and that the language requirement will deter most from seeking joint nationality. Green Party MP with Portuguese origins Felix Braz and other representatives of immigrants' associations argue that the knowledge of one of the three official languages (French, German and Luxemburgish) should be sufficient. The argument that Luxemburgish courses offered to foreigners do not match high quality standards is accepted by the Ministry of Education. Only very recently in June 2008, an academic grade of Luxembourgish teachers was created by the "Language Learning Centre" in cooperation with the University of Luxembourg. A recent poll published by the "Luxemburger Wort" contradicts some left-wing editorialists' statements arguing that the request that joint nationality candidates should know how to speak Luxemburgish was an extreme right populists' dream.[1400] According to the poll about 94 percent of the Luxembourg population feel that the knowledge of the Luxembourgish language is a non-negotiable condition to obtain Luxembourgish nationality.[1401] In his most recent speech at the CSV[1402] party congress, Jean-Claude. Juncker declared that his party will not accept to be put in extreme right corner when it defends the Luxembourgish language condition[1403].

Internal security

In February 2008 Luxembourg's Minister of Justice, Luc Frieden, dismissed the top commanding officer of the Luxembourg police and his deputy. This decision followed a letter by the state prosecutor in which the police investigation of the so-called "Bommeleeër" (perpetrator of explosions) case was described as 'scandalous'. The two police officers had been in charge of investigating the case of criminal explosions in the 1980s. Their dismissal seemed to cause a loss of confidence in the security organs in public opinion. Some tabloid newspapers reacted with mock outrage. Others have been more analytical in their approach.[1404] Fern Morbach of the "Luxemburger Wort" online edition, for instance, said that by dismissing the two officers Luc Frieden had given the government "breathing room". Morbach argues that the media fascination with the role of the police and the legal complexities surrounding the original bomb posing investigation had shifted focus away from finding the perpetrators of the expositions.[1405] In the mean time the public outrage has somewhat calmed down but the investigation has not yet been concluded.

Euthanasia

In February 2008 the Luxembourg parliament voted in favour of the so-called "Err-Huss addendum" to the government bill on palliative medicine. Lydie Err is a socialist MP whereas Jean Huss is a Green Party MP. This proposition decriminalizes euthanasia or assisted suicide. Earlier the day the deputies had voted unanimously in favour of the government's bill which will grant universal accession to palliative care and legalize the prescription of medicines whose side-effect may be the shortening of life.

The "Err-Huss addendum" looks like a copy and paste of the Belgian and Dutch legislation. The outcome of the vote was unsure until the very last moment. The "Err-Huss addendum" finally received 30 deputies' votes out of 60 possible, only one of them being a Christian-Democrat. The other CSV MPs and a few populist ADR[1406] members voted against the addendum, some Socialists abstained. Only the Liberal and the Green Party unanimously supported the euthanasia bill. "This bill is no licence to kill!" maintained Lydie Err "it's not a law for the parents or the doctors but for the patient alone to decide if he wants to put an

[1399] Letzebuerger Land: Wéi vill Lëtzbuergesch fir d'Nationalitéit?, 18.7.2008
[1400] Radio100komma7: Jay Schiltz, Commentaire, 8.7.2008
[1401] Luxemburger Wort: Politbarometer, 30.6.2008.
[1402] Chrëschtlech Sozial Vollékspartei.
[1403] Luxemburger Wort: Die Partei des kleinen Mannes, 17.8.2008.
[1404] Luxembourg News 252: Police chief dismissed, 7.2.2008.
[1405] Fern Morbach: Justizminister setzt Polizeispitze ab, 6.2.2008, available under: www.wort.lu (last access: 28.8.2008).
[1406] Alternativ Demokratesch Reformpartei.

end to his suffering"[1407]. The adversaries of euthanasia were taken short by the result of the vote. As expected the passing of euthanasia bill has drawn stinging criticism from some Christian and pro-life groups all over the world.[1408] As the euthanasia bill was not part of the coalition government program of CSV and LSAP[1409], it is no surprise that CSV, which has close links with the Catholic Church has long been opposed to euthanasia or assisted suicide.[1410] But CSV Prime Minister Jean-Claude Juncker caused much trouble within his party when he said last autumn that parliamentarians should be allowed a free vote on the "Err-Huss bill". Last October, CSV parliamentary spokesperson Marie-Josée Frank was even forced to step down after she said that any CSV deputy who voted in favour of the bill did not deserve to be a member of the party. In the debate Marie-Josée Frank, violently opposed to the euthansia bill, said that she feared the bill would be used instead of palliative care rather than as a final option. Her fellow CSV deputy, Dr. med. Martine Stein-Mergen, said that she would not buy Huss' assertion that the bills would complement each other and also feared that the euthanasia law could be abused. In accord with a majority of the Luxembourg doctors' association's members opposed to the bill she is convinced that the bill does not fit with doctors' Hippocratic oath which commits them to saving lives at all costs.

The vote of the bill launched a massive public opinion campaign of both partisans and detractors of euthanasia. Petition lists flourished on the internet. The largest Luxembourgish newspaper, the catholic "Luxemburger Wort" massively fuelled the pro-life campaign of the detractors whereas the socialist "Tageblatt" largely opened its pages for the euthanasia supporters. Finally the petition lists supporting euthanasia got slightly more signatures than the pro-life ones. Luxembourg opinion polls also showed a majority in favour of euthanasia. The manner in which pollsters ask a question can influence the number of supporters. But generally speaking, surveys around Europe have shown that the majority of people in many countries also support assisted suicide in the appropriate circumstances.

[1407] Chambre des députés: Compte rendu des séances de la Chambre des députés N° 28 20.2.2008
[1408] Luxembourg News 252: Parliament passes euthanasia bill, 28.2.2008.
[1409] Lëtzebuerger Sozialistesch Arbechterpartei.
[1410] J. Asselborn: Euthanasie: "Eng Majoritéit ass eng Majoritéit", in Journal, 12.4.2008.

The vote of euthanasia could have longstanding political consequences. The victory of a "laic coalition" inspired some political foes of Christian-Democrat Party CSV to dream of a tricolour red-yellow-green – meaning socialist-liberal-green – coalition government after the next elections.[1411] But recent surveys showed that the Luxembourg electorate has no sympathies for this new political construction as only 5 percent of the electorate favour this "new majority".[1412]

Current issues

Malta*

Mixed agenda in Malta

The issue of the need for the EU to adopt a more comprehensive illegal immigration policy is a dominant theme debated in Malta. There is a general consensus at a governmental and non-governmental level that a permanent patrol fleet under the control of FRONTEX should be set up to start addressing in a more direct manner the trafficking of illegal migrants in the central Mediterranean.

Another issue that dominated debate in Malta during the first half of 2008 was whether spring hunting[1413] should take place or not. There was no consensus on what decision should be taken but it was interesting to see that all parties concerned, both governmental and non-governmental, agreed to respect the decision that the EU would take. The EU ultimately ruled that no spring hunting should take place and all parties concerned, including the Federation of Hunters, respected the decision taken.

An issue that has been in the headlines throughout 2008 is that of the car tax and levies. The EU has ruled that Malta needs to remove the very high car taxes in place and to remove discrimination against cars produced in the EU. The government has agreed to phase in a new car tax system by the end of the year, a period of time that both car dealers and consumers regard as too long, with the negative outcome that cars sales have

[1411] Alain Frast: (ADR) Träume von der Ampel, Letzebuerger Land, 9.5.2008.
[1412] Luxemburger Wort: Politbarometer, 30.6.2008.
* **Mediterranean Academy of Diplomatic Studies, University of Malta.**
[1413] Hunting and trapping of wild birds in spring.

dropped significantly in 2008 while consumers wait for the car tax system to be revised.

Malta has also welcomed the EU's Maritime Policy White Paper that is seeking to improve the current nature of the sea. Malta is particularly interested in the introduction of a more effective counter-pollution policy in the Mediterranean, and the introduction of more serious planning when it comes to maritime affairs linked to tourism, and the management of fishing.

Current issues

Netherlands*

Discussion on pre-membership deal with Serbia

In April, the EU featured news columns in the Netherlands in the context of the European Council meeting discussing a pre-membership deal with Serbia. With International Criminal Tribunal judgments that the Serbs would have been lax about rounding up their indicted war criminals and delivering them to justice, The Hague, where the tribunal is based, together with Belgium, took rather firm positions on the prospect of signing the proposed stabilisation and association agreement. After considerable diplomatic pressure,[1414] a last minute opening was found in the political impasse that followed. The compromise being that, although the agreement was effectively signed by the heads of state and government, it will not be ratified, nor will its benefits become available to Serbia until the country fully co-operates with the war crimes tribunal.

Current issues

Poland*

Most discussed issues

American anti-missile shields

One of the still important issues discussed in Poland remains the question of negotiations concerning the location in Poland of part of the installation of the anti-missile shield.

While the Polish-US negotiations are still under way, the public opinion poll[1415] conducted in April 2008 showed that the total of 54 percent of respondents declare being against the installation (29 percent 'definitely against' and 25 percent 'rather against'). 32 percent of the respondents declare support for the anti-missile shield in Poland (10 percent 'definitely for', 22 percent 'rather for'), while the number of 'hard to tell' answers amounted to 14 percent.

EU-Russia relations with special focus on energy security

Vivid interest was attached to Russian affairs, including EU-Russia relations. This concerns primarily the issues related to EU energy policy and Poland's and the European Union's energy security. According to Polish commentators, Russia wants to secure for itself the position of the monopolist in the field of energy. Energy is itself a very efficient weapon used by the Russians in competing with the US in Europe. Berlin and Paris, wishing to secures the interest and contracts for their own companies, alongside Russian interests block the Ukraine's and Georgia's accession to NATO.[1416] The US in Europe can count on only the Baltic States, Albania and the UK.[1417]

Of particular interest to the Polish public opinion, politicians and experts has also been the question raised regarding the gas pipe construction under the Baltic Sea. According to politicians and experts, the investment is another political project by Russian authorities aimed at – alongside subsequent initiatives by "GAZPROM" (via south stream by the Black Sea) – to confine the European Union in the orbit of Russia-dependence in energy supply, along with the help of some countries breaking European solidarity. During the discussion at the conference organized on the 26th of June by the "Batory Foundation" entitled "Russian

* **Netherlands Institute of International Relations 'Clingendael'.**

[1414] EurActiv: Dutch urged to clear path for Serbia EU agreement, 24 April 2008.

* **Foundation for European Studies - European Institute.**

[1415] CBOS ("Public Opinion Research Centre"): Polish Public Opinion, Opinia społeczna o tarczy antyrakietowej w Polsce (Public Opinion about the Anti-missile shield in Poland), Research Communiqué BS/69/2008, May 2008, p. 2, available under: www.cbos.pl. (last access: 04.09.2008).

[1416] Jakub Mielnik: Miedwiediew przyjmie szefów UE na Syberii, in: Polska, 26.06.2008.

[1417] Jakub Mielnik: Rosja zażarcie walczy o wpływy na Starym Kontynencie, in: Polska, 26.06.2008; Rafał Wos: Unia i Rosja kłócą się o gaz, in: Dziennik, 26.06.2008.

Gas in Europe", the participants paid particular attention to the fact that "GAZPROM" is a Russian state enterprise with the majority of shares in the "Nord Stream AG", which is to build the gas pipe via the Baltic Sea, and as a consequence it is difficult to convince anyone (especially after the politically motivated threats and measures directed towards Belarus and Ukraine) that Russia's decisions are motivated merely by business reasons. Additionally, the budget for building up and exploitation of the investment alongside the hazards for maritime environment make it difficult to see this investment as a 'good business'.

CO_2 allocation allowances

This issue became a very vital subject after the European Commission in March 2007 announced reductions of allocations in emission of carbon dioxide. Allocations for Poland were reduced for years 2008-2012 from 284.6 million tons of CO_2 a year to 208.5 million tons a year. Already in 2007 Polish government did not agree with such share of greenhouse gases emission for Poland and took legal proceedings to the European Court of Justice, justifying that limits levelling CO_2 emissions are substantially lower than needed for the purposes of the Polish economy, which compared evidence to former emission levels and its increases in the years 2005-2007.

In Polish newspapers during the first six months of 2008, readers could see following headlines: "Ecology ala Brussels will ruin us", "The European Commission allocation plan will cost Poland a fortune" and carbon dioxide gained a name of "dioxide of misfortune".

Poland was among the countries that manifested their disagreement with announced reductions and the 'climatic package' of the European Commission. Under the 'climate package', a very ambitious plan is put in front of the European Union member countries, which by 2020 will lead to strict reductions of greenhouse gas emissions.

According to the EU Emission Treading Scheme each country has been given different aims to achieve. In Poland, by the year 2020 as much as 15 percent of total use energy has to be produced with the use of green sources.

In the EU Emission Treading Scheme, the European Commission suggested that starting in 2013, all power plants in EU territory would buy all allocation limits of CO_2 emissions at auctions, paying for each tonne (now countries have allowances free of charge). This strategy in the experts opinion will reduce pollution resolving from emission and force power plants to invest in new, ecological and environment more friendly technologies.

The Polish government was not very favourable to this idea by the European Commission. The idea of allocations in 2013 and need for buying limits at auctions was met in Poland with disapproval by the Polish government as well as Polish companies. The buying shares at auctions would lead to increases of energy prices and prices as a whole as well. According to the Ministry of the Environment data, the obligation of buying allowances at auctions would need, in case of Poland, 5 billion Euro of additional spending in the electrical sector, and as a result would be transferred on energy consumers – people.[1418]

At the beginning of 2008, the Polish government holds the position that new member states (like Poland) should be treated in a less strict fashion – at least for some time. Mikołaj Dowgielewicz, Secretary of the Committee for European Integration, Secretary of State at the Office of the Committee for European Integration and Deputy Chairman of the European Committee of the council of ministers, said to the daily "Gazeta Wyborcza": "the proposition of the European Commission does not take into account development differences among member states – we [Poland] are a country that still is 'starting in life' – we are not able afford the fulfilment of all of the requirements – 'not yet'"[1419].

In March 2008, the EU summit in Brussels, a plan was accepted with 'climate package' requirements to be put in force as soon as possible. In Polish newspapers this decision brought some lack of optimism. However, Polish Prime Minister Donald Tusk was able to negotiate a kind of emergency gate"[1420]. As assured by Brussels in the process of the initiation of the reform, the specifics of the Polish economy will be taken into account, for example the fact that in Poland, 90 percent of electricity is obtained from burning coal. Poland is not a country that does not care

[1418] Gazeta Wyborcza: Ekologia a la Bruksela nas zrujnuje, 03.03.2008, available under: www.gazeta.pl (last access: 04.09.2008).
[1419] Ibid.
[1420] Gazeta Wyborcza: Unijny plan emisji CO_2 będzie Polskę sporo kosztować, 14.03.2008, available under: www.gazeta.pl (last access: 04.09.2008).

about the environment, however it is very important to underline here that starting form 1989 Poland reduced CO_2 emission about 30 percent already. As underlined by the Polish Prime Minister, it is important not to pay too high a price for reducing energy consuming production.

According to Polish experts, allocation of emission allowances will reflect on Polish economic growth. As experts from "Ernest&Young"[1421] underlined, an unclear and unfair system of CO_2 allowance allocations will lead to snatching of Poland from the economic growth path. Lower emission limits might have a visible influence on the increase in the price of energy, but also on building materials: cement, steel, etc.

As the result of reductions in emission limits for Poland, local allowances also had to be changed and reduced for each trade. The biggest loser of new limits is the engineering trade, where emission limits were reduced about 12 percent. As the director of the Economic Society of Polish Power Plants stressed: "such allowance allocation does not take into account economic consequences. Of course the best way to solve problems of the Polish power plant sector are investments in new technologies, however it takes time. At present, in Poland two new power plants are under construction, the first will be finished in 2009 and second in 2010."[1422]

Power plants had taken away allowances of 12 million tonnes of emissions of CO_2. It is highly possible that they will be forced to buy an extra 14 to 15 million tonnes a year on the allowances market, while each year in Poland the volume of used energy increases a few percentage points. Additional allowances for 12 million tonnes might costs starting from 30 million Euros, depending on prices on auctions. "Money for additional emission will be taken from the pockets of energy consumers", says director of the "Economic Society of Polish Power Plants".[1423]

The steel sector is also sceptical about the new allocation limits. In the opinion of the chairman of "Polish Steel Association", reducing allowance limits for the steel sector from 14.4 to 11.8 million tonnes dooms the Polish steel sector to the worst position in comparison to foreign producers. In a letter to the Polish Prime Minister, steel producers underlined that: "at present, CO_2 emission limits for the steel industry almost equal suggested allowances for the sector for years 2008-2012. This option makes it impossible as a result, to further economically increase in production and makes the industry unable to fulfil the needs of the steel market"[1424].

On the 1st of July 2008 the Council of Ministers[1425] issued an ordinance on the adoption of the national plan for the division of authorisations to carbon dioxide emission in the years 2008-2012. The plan envisages that Polish enterprises will be able to emit 208.5 million tonnes of CO_2 a year.

As stated by the Minister of the Environment, Maciej Nowicki, the reduction of allocation will affect about 1,000 enterprises. According to the minister, the limits for the years 2008-2012 have been determined according to the experiences from previous years. Suggested limits in the power-engineering sector, in the minister's opinion, will cause a four percent growth of energy prices and will force power engineering plants to rationalise the emission of carbon dioxide.

The government agrees that because of reduced emission limits, many companies will have to buy additional limits sold within the frame of the EU Emission Trading Scheme, and this might result in prices going up. However, this aims at pro-ecological actions.

The response to the Council of Ministers ordinance on adoption of the national plan for the division of authorisations from the most interested and involved sectors was immediate. Director of "Polskiej Izby Przemysłowo-Handlowej Budownictwa" ("Polish Chamber of Industry and Commerce of Construction") commented that the situation was catastrophic. In his opinion, given limits can guarantee cement production on level of 12-14 million tonnes a year. To build motorways Poland needs around 20-24 million tonnes of cement. With given allowances Poland will be forced or to import a significant amount of building materials or buy allowances on auctions, what in both cases will lead as he

[1421] Podział limitów CO2 zahamuje wzrost gospodarczy, 19.06.2008, available under: www.finanse.wp.pl (last access: 04.09.2008).
[1422] TV1 Interview of 12.05.2008.
[1423] D. Ciepiela/R. Dudała: Gospodarka limitowana CO_2, 05.04.2008, availabe under: www.wnp.pl (last access: 05.04.2008).
[1424] See: www.rp.pl (last access: 04.09.2008).
Huty za „sprawiedliwą równowagą" przy podziale limitów CO2; 21.04.2008
[1425] See: www.premier.gov.pl (last access: 04.09.2008).

estimates, to an increase in building materials' prices by about 15 percent.[1426]

In the energy sector situation it is estimated that it is even more complicated. Engineering plants according to the new plan need to reduce emission of carbon dioxide by 11 percent. In the case of Polish energy plants, new investments are needed and purchasing of additional limits in the allowances market. In both cases it might mean a significant prices increase.
Similar voices of disagreement with the government's decision are expressed by most sectors involved in CO_2 allocation.

According to the Polish "Confederation of Private Employers" "Lewiatan", the new allowance allocation plans for Poland are 'difficult to accept'. "Accepted amendments signify promotions of those trades in which CO_2 emissions are the highest, and those trades did not take any steps to reduce the impact of its production on environment"[1427].

The European Institute of Innovation and Technology

The European Institute of Innovation and Technology (EIT) was a new initiative, which should integrate fully the three sides of the 'knowledge triangle' (higher education, research and innovation), and it is perceived that it is a very important objective for the EU to face the challenges of globalisation. Poland was competing as the location of this institute in Wrocław. Despite the very intensive Polish lobbying, on the 18th of June 2008 representatives of the EU member states governments' from the ministries of higher education agreed on Budapest as the location of the EIT governing board.

Poland agrees, that in the context of the informal agreement between EU member states, the candidature of Wrocław was rejected, because new European institutions should be located in member states where no other European institution is already placed. In the Polish case, one of the EU institutions has its seat already, – Frontex in Warsaw.

Taking into account the Wrocław engagement in the process and the wide support of Polish public opinion for the EIT initiative,[1428] it is expected that one of the "Knowledge and Innovation Communities" will be located in Wrocław. According to Professor Andrey Wiszniewski, one of the 'communities' should be established in Wrocław, where research and science work will be carried out and Polish science will be able to better benefit from it.[1429]
In the opinion of representatives of Polish government and Wrocław local authorities, such "communities' of co-operation between scientists from different member states of the EU could result in being even more valuable for the city of Wrocław. The existing 'community' will bring together significant numbers of scientists, what will create new opportunities for business.[1430]

Rafat Dutkiewicz, the Mayor of the city of Wrocław also strongly believes that in Wrocław one of the knowledge and innovation communities will be established.[1431] To support Wrocław as a potential place for "Knowledge and Innovation Communities", representatives of the Ministry of Science and Higher Education declare their full participation.[1432]

EU regional and structural policy and absorption of the European funds in Poland

The issue of the use and the future of the EU structural and cohesion instruments was one of the most discussed topics during the last six months. The basic reason for it could be the importance of these funds for local societies. As such, it became a crucial axe of internal debates – especially in the light of approaching elections of self-government bodies in 2009. As far as the perception of EU regional policy by Polish citizens is concerned, it seems that during the first six months of 2008 no national survey in this field was conducted. According to the survey conducted by Gallup Poland with Eurobarometer,[1433] 65 percent of Poles were aware that their cities or regions received support in the frames of the EU regional policy, while almost 82 percent of respondents felt that their regions or cities benefited from this

[1426] Zapłacimy za rządowy podział limitów. Prad i cement pójda w górę, 02.07.2008, available under: www.tvn24.pl (last access: 04.09.2008).
[1427] See: www.wnp.pl (last acces: 04.09.2008).
PKPP Lewiatan krytykuje rozdział limitów CO2; 08.07.2008

[1428] In the less then one month around one quarter of million Poles undersigned the intention letter to support Wrocław as a localisation for the EIT. See: Rzeczpospolita, 30.05.2008.
[1429] Polska, 30.05.2008.
[1430] Gazeta Wyborcza, 30.05.2008.
[1431] Gazeta Wyborcza, 18.06.2008.
[1432] Ibid.
[1433] Flash Eurobarometer 234: Citizens' perceptions of EU Regional Policy, Analytical Report, February 2008, available under: http://ec.europa.eu/public_opinion/flash/fl_234_en.pdf (last access: 04.09.2008).

support. The predominant majority of Polish citizens (almost 93 percent) appreciated the fact that EU regional policy is concentrated on the poorest regions in order to help them to catch up faster with the better developed member states. Respondents considered the following priorities of EU regional policy among the more important ones: better transport facilities (almost 77 percent), infrastructure in the field of energy supply (almost 58 percent), research and innovation (51 percent), ICT (slightly over 58 percent), environmental protection and risk prevention (84.5 percent), support for small firms (over 72 percent), employment training (almost 66 percent), as well as education, health and social infrastructure (86 percent).[1434]

Almost 86 percent of Polish citizens positively appreciated the principle of subsidiarity, that is to say, the fact that EU regional policy gives the right to select strategies and projects directly to the member states and regions. Moreover, over 78 percent of respondents were in favour of the involvement of different local actors (NGOs, trade unions, institutions which take care of equal opportunities and environment protection organisations, etc.) in the process of selection of EU-funded projects. Finally, when it comes to the future priorities of EU regional policy, over 70 percent of Polish citizens indicated globalisation, climate and demographic changes as key fields of intervention. In the views of over 56 percent of respondents, climate change was the most important domain.[1435]

As far as the public debate on current state of absorption of EU funds is concerned, the general discourse on this issue was reflected in the mass media by statistical data on the current state and the hitherto results of the implementation of the structural programmes,[1436] information on successful EU-funded projects as well as information on the structural programmes which would be available in the years 2007-2013.[1437] Certainly, this information positively influenced the increase in awareness of the Polish society about the financial contribution of the European Union to the social and economic development of Polish regions.[1438]

Certainly different political parties put pressure on the current government to increase the level of EU funds' absorption. According to Prime Minister Donald Tusk, effective absorption of EU funds was one of the priorities of his government. In the opinion of the ministry of regional development, Elżbieta Bieńkowska, the increase in the level of absorption of the Cohesion Fund, signing of

[1434] Ibid., pp. 30, 32, 38, 42, 44, 46, 48, 50, 52, 54, 56.
[1435] Ibid., pp. 58, 60, 62, 64.
[1436] 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 May 2008, over 25.4 bln Zlotys have already been spent. As a result, the payments/commitments ratio amounts to 85.6 percent. 5.6 bln Euro from the Structural Funds (over 65 percent of the allocation of these funds for Poland in the programming period 2004-2006) and 2.41 bln Euro from the Cohesion Fund (almost 43 percent of the allocation of this fund 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 start of these programmes till the end of May 2008, the level of qualified expenses indicated by beneficiaries of payments (in the part concerning EU funds) amounted to almost 26 mln Zlotys. See: http://www.funduszestrukturalne.gov.pl, (last access: 25.06.2007).
[1437] For example, there appeared radio and TV spots that informed about the possibilities of supporting social and economic development of Poland in the years 2004-2006 (for instance within the Community Initiative "EQUAL") as well as in the programming period 2007-2013 within the national strategic reference framework (national cohesion strategy). In particular, there appeared information concerning perspectives of supporting Polish firms in the years 2007-2013 within the 'operational programmes innovative economy' and 'operationnal programme Human Capital'. These information campaigns were also co-financed by EU funds. TV spots concerning national cohesion strategy 2007-2013 were issued mainly in the commercial TV stations belonging to the "ITI Group" ("TVN", "TVN 7" and "TVN 24"). It is worth mentioning that this fact was the subject of political attack of the oppositional party the "Law and Justice" on the present government. "Law and Justice", which constituted the previous government, accused the present Minister of Regional Development of waste of money, propaganda and supporting politically the governmental side with the help of the commercial TV stations of "ITI Group" which were politically friendly to the governing party "Civic Platform". Moreover, according to "Law and Justice", information campaign should have been addressed to citizens who had a low level of knowledge on EU funds and were rather eurosceptic. Therefore information campaigns should have been issued in the media which were not as pro-European as the "ITI group". In response to these accusations, the ministry claimed that the strategy of promotion of EU funds available in the years 2007-2013 was created under the previous government. The aim of the ministry was to reach as many Polish citizens as it was possible. According to the ministry, TV stations belonging to the "ITI group" were the most suitable to reach this aim. Agnieszka Majchrzak: PiS: Rząd daje zarobić TVN, Rzeczpospolita, 07.05.2008, available under: http://www.rp.pl (last access: 04.09.2008).
[1438] According to the data of the Ministry of Regional Development from March 2008 the results of EU funds interventions in Poland were the following: 1,5000 new roads, over 300 thousand new jobs, GDP growth in 2007 over 1.7 percentage points higher in comparison with the situation of lack of EU funds' support. Konrad Niklewicz: Ładnie nas Unia po(d)budowała, available under: http://gospodarka.gazeta.pl (last access: 27.03.2008).

the so-called 'voivodeship contracts',[1439] verification of the key projects, termination of the negotiations of the 'operational programme infrastructure and environment' with the European Commission, start-up of the 'operational programme innovative economy' as well as 100 percent of EU funds' absorption in the year 2007 were the main achievements of her ministry during the first hundred days of the functioning of the present government.[1440]

During the debate on the EU funds' absorption which took place in the lower chamber of Polish parliament ("Sejm") in February 2008, Bieńkowska assured the MPs that there was no danger that Poland would lose financial means within the EU Structural and Cohesion Funds allocated for the programming period 2004-2006, although the were serious problems with the absorption within the sectoral 'perational programme 'Fisheries'.[1441]

Politicians of the government coalition ("Civic Platform" and "Polish Popular Party") emphasised that the previous government left a lot of delays in the field of EU funds' absorption. Representatives of the "Civic Platform" indicated that the present Minister of Regional Development started to conduct a transparent, honest policy in the field of EU funds. In their opinions, in the last quarter of the government of the party "Law and Justice", the dynamics of the payments concerning EU-funded projects has decreased. MPs of the "Civic Platform" indicated that the government of Donald Tusk eliminated the last barriers in the implementation of EU funds. In addition to this, politicians of the "Polish Popular Party" also positively appreciated the achievements of Bieńkowska in the field of absorption of EU funds, although they perceived certain threats to the effective absorption of funds related to fisheries.[1442]

However, politicians of the opposition parties criticised the government for an unsatisfactory level of EU funds' absorption. In particular, Grażyna Gęsicka, Minister of Regional Development in the former government, at present deputy chair of the party "Law and Justice", accused Bieńkowska of delays in signing of the 'voivodeship contracts'. Furthermore, she accused the present Minister of Regional Development for a lack of actions that could accelerate EU funds' absorption, in particular action concerning railway transport and concessions in the construction sector. Moreover, Gęsicka criticised Bieńkowska for low levels of payments within EU structural funds both in the years 2004-2006 and 2007-2013. In addition to this, the former Minister of Regional Development indicated that – contrary to her – Bieńkowska did not have a sufficiently strong political support of both the Prime Minister Donald Tusk and the governing party.[1443]

According to the position of the oppositional "Left and Democrats Party", the maximum level of absorption of EU funds allocated for Poland in the years 2004-2006 would be very difficult to be achieved in practice. In the view of this party, the government did not inform public opinion about steps that had as their aim to ensure the concordance of the projects with the environment protection rules.[1444]

As far as the opinions of other actors of Polish public life on current state of absorption of EU funds are concerned, experts from the Confederation of Polish Employers as well as Jerzy Kwieciński, former undersecretary of state in the Ministry of Regional Development criticised the government for low dynamics in EU funds' absorption. According to the experts of the "Polish Confederation of Private Employers" "Lewiatan", delays in the start-up of the EU structural programmes allocated for

[1439] 'Voivodeship contracts' are agreements between the government and voivodeship self-governments bodies that enable Polish regions to apply for EU structural funds in the years 2007-2013 within the so-called 'regional operational programmes' which are managed by the Polish regions.

[1440] Polish Press Agency: Bieńkowska: lepsze wykorzystanie środków unijnych, 21.02.2008; Gazeta Wyborcza: Wyścig po 67 miliardów euro, interviews with Grażyna Gęsicka, former Minister of Regional Development and Elżbieta Bieńkowska, present Minister of Regional Development, 27.05.2008, p. 21.

[1441] According to Bieńkowska, the reason for this situation was that this programme was inappropriately elaborated. Moreover, in the period when "Law and Justice" was the governing party, due to an instable political situation and institutional changes, the competences related to fishery were shifted between the Ministry of Agriculture and Rural Development and the Ministry of Marine Economy.

[1442] W Sejmie o wykorzystaniu funduszy unijnych, 08.02.2008, available under: http://euro.pap.com.pl (last access: 04.09.2008); Rząd: Nie stracimy eurofunduszy; 08.02.2008, available under: http://gospodarka.gazeta.pl (last access: 04.09.2008).

[1443] Bernadetta Waszkielewicz/Eliza Olczyk: Śpimy na pieniądzach, interview with Grażyna Gęsicka, former Minister of Regional Development, Rzeczpospolita, 26.05.2008; Anna Cieślak-Wróblewska: Dotacje z Unii wydajemy coraz wolniej, Rzeczpospolita, 26.02.2008, available under: http://www.rp.pl (last access: 04.09.2008).

[1444] LiD: wykorzystanie funduszy w całości będzie trudne, 08.02.2008, available under: http://wiadomosci.gazeta.pl (last access: 04.09.2008).

entrepreneurs in the programming period 2007-2013 seemed to be a bigger problem than the low payments related to these funds. "Lewiatan" criticised excessive formal requirements concerning the application procedures within the regional operational programmes 2007-2013.[1445]

Polish entrepreneurs and consulting firms (for example "DGA S.A." and "Ernst & Young") expressed their negative opinions about the operational system of EU funds both in the periods 2004-2006 and 2007-2013. In particular they complained of delays in payments, lack of clear definitions related to investments in the programming documents, complicated application procedures, as well as rendered access to information on the possibilities of supporting their development with the help of EU funds. In the opinions of experts, both the previous and the present government were responsible for the weak preparation and delays in the start-up of the structural programmes in 2007-2013.[1446]

As far as the debate concerning the verification the indicative list of the so-called key projects is concerned,[1447] Prime Minister Donald Tusk was in favour of the verification. He indicated that his government would not apply any political or territorial criteria in the process of selection of the EU-funded projects. According to him, it was important to prepare high-quality EU-funded projects. Therefore, he obliged his ministers to work as solidly and impartially as possible in order to increase the level of EU funds' absorption.[1448]

In the opinion of the Minister of Regional Development, Elżbieta Bieńkowska, the original list of the key projects was too long: a lot of them did not have a strategic and key character for the development of Poland. According to her, if so many projects were indicated as key and strategic, it meant that the previous government did not have a clear or precise strategy of development for Poland. Moreover, a lot of projects were not prepared to be carried out, in some cases the values of projects were higher than the amount of EU funds that were allocated for those kinds of projects. In addition, in the opinion of Bieńkowska, in the case of many of the projects located on the original list, documents related to environment protection issues were incompatible with EU directives. Therefore, there was a need to verify – with the use of criteria included in the special guidelines prepared by the Ministry of Regional Development – whether or not different projects were strategic and key.[1449]

The party "Law and Justice" criticised the verification of the list. The author of the original version of this list, Grażyna Gęsicka accused Bieńkowska of lack of social consultations on key projects.[1450] Gęsicka emphasised that the verification would lead to an incredible quarrel between regions and the present government, as some of them took for granted that projects, which were placed on this list, would obtain EU funds although the fact that a project was on the list did not automatically mean that it would obtain EU funds. Moreover, it would cause delays in EU funds' spending as preparation of the competition procedures takes time. In her

[1445] According to Minister Bieńkowska, however, the Ministry of Regional Development did its best to verify formal procedures of applying for EU funds 2007-2013 in order to reduce redundant formalities in this field and make it easier for applicants to apply for EU funds.

[1446] Anna Cieślak-Wróblewska: Fatalne skutki poślizgu, Rzeczpospolita, 24.03.2008; Anna Cieślak-Wróblewska: Stracony rok wsparcia dla biznesu z funduszy UE, Rzeczpospolita, 06.06.2008, available under: http://www.rp.pl (last access: 04.09.2008).

[1447] 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 ones 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 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) will be removed from the list.

[1448] Tusk: rząd będzie rzetelny w sprawie projektów europejskich, 06.02.2008, available under: http://euro.pap.com.pl (last access: 04.09.2008).

[1449] Resort rozwoju chce zmniejszać liczbę projektów kluczowych, 07.01.2008, available under: http://euro.pap.com.pl (last access: 07.01.2008).

[1450] In the opinion of the Ministry of Regional Development, however, public consultations of these projects already took place and – at that time – there was only place for consultations of these projects with experts.

opinion, projects, which were removed from the list, were properly elaborated and indispensable for the development of Poland.

In addition, the former Prime Minister Jarosław Kaczyński accused the present government of abuses and taking into account political criteria in the process of verification of the list of key projects. According to Kaczyński, the present government favoured investments located in Western Poland where the "Civic Platform" won the last parliamentary elections and removed from the list projects coming from the regions of Eastern Poland in which Law and Justice was the winner.

Certain scientific fields also negatively appreciated verification of the list of the key projects. In particular, the president of the "Conference of Rectors of Academic Schools" in Poland, Tadeusz Luty, appealed to the Minister of Science and Higher Education, Barbara Kudrycka, not to remove key projects from the indicative list concerning the infrastructure of higher education within the operational programme 'Infrastructure and Environment''. According to the opinion of Luty, a lot of projects, which were removed from the list, were in the process of preparation or execution. However, in the opinion of Minister Kudrycka, competitive procedures enabled choosing EU-funded projects in a more transparent and honest way than by creating the indicative list. Kudrycka emphasised that removal of certain projects from the list did not mean that they could not be financed within EU funds at all.

Additionally, this verification met with immense protests from the side of Tadeusz Rydzyk, the director of the controversial, radical and xenophobic catholic broadcasting "Radio Maryja" and the founder of the "Higher School of Social and Media Culture" whose project concerning the building of the informatics workroom in this school was removed from the indicative list of key projects. This protest was met with great support from listeners of this radio station.

As far as the problem of incompatibilities of the Polish Act on Environmental Protection with the EU directives in the field of environmental protection[1451] is concerned, Minister Bieńkowska considered this situation as a real obstacle for carrying out infrastructural projects, which could delay accomplishment of EU-funded investments and cause a waste of EU funds allocated for Poland in the years 2007-2013. She criticised the previous government for not preparing necessary legal adjustments in this field although the European Commission has been presenting its objections to Poland in this field for two years. In her opinion, the government of Jarosław Kaczyński should have made adjustments in this field before the end of negotiations of operational programmes 2007-2013 with the European Commission.

Aforementioned incompatibilities caused confusion among self-governments. Some of them decided to suspend competition procedures within the regional operational programmes till the Polish Act on Environmental Protection would be compatible with EU law. They were afraid that the European Commission would not clear these funds as spent in conflict with acquis communautaire, and that they would have to give them back to Brussels.[1452] The Ministry of Regional Development persuaded those self-governments to return to competition procedures in order to avoid further delays and wastes of time.

As far as the state of public discourse on the design of the cohesion policy post-2013 is concerned, the official position of the Polish government in this field was passed by the European Committee of the council of ministers in January 2008.[1453] It is worth mentioning that this was the first official position of the Polish government towards cohesion policy concerning the programming period 2014-2020. It contained answers to the

[1451] Incompatibilities concern among others: the necessity to demarcate biotopic areas belonging to the European Ecological "Natura 2000" Network, the need to present different variants of road investments as well as to conduct procedure of social consultations of these projects. All aforementioned actions are necessary to assess the impact of investments on natural environment. Adjustments to the EU law in these fields will enable to spend EU funds 2007-2013 on investment projects.

[1452] However, according to the assurances of Danuta Hubner, European Commissioner for Regional Policy, Polish self-government bodies should continue the competition procedures related to EU funds available in the years 2007-2013 on the basis of the special guidelines prepared by the Ministry of Regional Development and accepted by the European Commission, until the Polish 'Act on the Environment Protection', which is incompatible with the EU directives, will be amended. KE zachęca do konkursów o dotacje UE, 20.05.2008, available under: http://samorzad.pap.com.pl (last access: 04.09.2008).

[1453] Stanowisko Rządu Rzeczypospolitej Polskiej w sprawie przyszłości Polityki Spójności Unii Europejskiej po 2013 r. przyjęte w dniu 30 stycznia 2008 r (Polish Standpoint on the future of the European Cohesion Policy, Government Monitor).

questions that were raised by the European Commission in the "Fourth Report on Social and Economic Cohesion" published in May 2007.[1454] The position of the government took into account the results of the social consultations in this field that took place in Poland in the period December 2007-January 2008. These consultations were an occasion for different partners such as experts, representatives of central and regional institutions engaged in the implementation of EU structural policy in Poland as well as representatives of socio-economic partners and non-governmental organisations, to present their critical remarks on the design of the cohesion policy post-2013.[1455]

In its position the Polish government underlined the high added value of the EU cohesion policy as it contributes to reducing socio-economic disparities between different regions, member states, and the EU as a whole, as well as to the so-called 'institutional convergence', especially in the new member states such as Poland. The Council of Ministers emphasised that due to the economic, social and territorial changes that were taking place in the world, objectives, principles and instruments as well as the system of implementation of EU cohesion policy should be subject to change. In the opinion of the Polish government, a starting point in the debate on the future of cohesion policy should be the discussion of the political goals and development priorities of the EU. The Council of Ministers was against re-nationalisation of the cohesion policy. The government stressed that EU regional policy, as a key instrument for the attainment of the long-term strategic goals and new challenges of the EU related to globalisation among others, should be equipped with an adequate amount of financial resources, at least at the present level. According to the position of the government, EU regional policy should concentrate on a limited number of development goals.[1456] The horizontal and integrated character of this policy, understood as a policy combining social, economic and territorial dimensions, should be used to attain development goals of the EU. Furthermore, the Polish government stressed the need for an in-depth analysis of the principles and instruments that support rural areas due to the overlapping of similar kinds of interventions under the Common Agricultural Policy and the cohesion policy. Such overlap leads to the weakening of the integrated approach of the EU to the development of rural areas. The Council of Ministers favoured an introduction of solutions that serve both an increase in efficiency of the instruments for the cohesion policy delivery, as well as an enhancement of its effectiveness in the context of meeting the objectives of this policy. Moreover, in its position the Polish government supported the further development of the initiatives undertaken in the framework of the European Territorial Cooperation and European Neighbourhood Policy, in particular with reference to its Eastern dimension.

In addition to this, the Council of Ministers emphasised the need for complex defining of development indicators that should take into account not only economic aspects which are traditionally measured with the help of Gross Domestic Product (GDP per capita), but also complementary indicators which take into consideration such factors as: demographic, social, educational, environmental and territorial issues. Finally, the Polish government declared to make adequate updates of its position on the future cohesion policy while actively participating in the further process of shaping future cohesion policy both at the European and national level.[1457]

Other than Polish government's positions on the design of the future EU regional policy are concerned, for example in the opinion of Jan Olbrycht, vice-chairman of the Committee on Regional Development of the European Parliament, traditional indicators that are used to measure impact of EU interventions on development of regions (such as GDP) are

[1454] The answers concerned the following problem areas: 1) the adequacy of the 2007-2013 cohesion policy to the new community challenges; 2) the possibility to elaborate an integrated and more flexible approach to the development and growth in the framework of EU cohesion policy; 3) the potential improvement of the EU cohesion policy delivery system.

[1455] The working document entitled "Cohesion policy post-2013 – desired directions of reform" published by the Ministry of Regional Development in December 2007 was the basis for social consultations on the future EU regional policy.

[1456] Stanowisko Rządu Rzeczypospolitej Polskiej w sprawie przyszłości Polityki Spójności Unii Europejskiej po 2013 r. przyjęte w dniu 30 stycznia 2008 r (Polish Standpoint on the future of the European Cohesion Policy, Government Monitor), p. 3.

[1457] Stanowisko Rządu Rzeczypospolitej Polskiej w sprawie przyszłości Polityki Spójności Unii Europejskiej po 2013 r. przyjęte w dniu 30 stycznia 2008 r (Polish Standpoint on the future of the European Cohesion Policy, Government Monitor), pp. 4-6. In June 2008 the Ministry of Regional Development presented a report on the progress of actions related to the elaboration of the position of the Polish government on the design of the cohesion policy post-2013.

inadequate. This is the reason why opponents of the cohesion policy claim that it is inefficient. Therefore, in his opinion, complementary development indicators should be used to evaluate of EU regional policy in the future. Moreover, Olbrycht emphasised that one should remember that EU cohesion policy contributes to the Lisbon Agenda goals but this policy is not a part of the Lisbon Strategy. In his opinion, future EU regional policy should focus both on convergence objectives as well competitiveness objectives related to the Lisbon Strategy. Therefore, in his view, the budget of the future European regional policy should be increased.[1458]

As far as the position of the Polish "Confederation of Private Employers" "Lewiatan" in this field is concerned, this organisation positively appreciated the fact that the Ministry of Regional Development initiated public debate on the EU cohesion policy post-2013. According to "Lewiatan", an early inclusion of Poland in the discussion in this field at the EU level is an opportunity to influence the design and budget of this policy in the years 2014-2020. Moreover, it will enable our country to build a coalition of the member states that will support our vision of the European regional policy.[1459]

Current issues

Slovakia*

Current issues in Slovakia

Dispute over the media law proposal continued and became an issue in European Parliament as well. European Socialist group regard the law as Hannes Swoboda, Austrian MEP, expressed "satisfactory and acceptable"[1460] and they will wait for its implementation. The Euro-socialist position is seen as decisive for ending the leading coalition party Smer's isolation that started after forming the ruling coalition with the Slovak National Party. The group of the European People's Party and the Organization for Security and Co-operation in Europe again voiced their reservations regarding the impact of the law on the freedom of speech in Slovakia.[1461]

After finishing the ratification process of the Lisbon Treaty in Slovak Parliament Prime Minister Fico focused again on his strategic issue energy. Government's long-term interest is to regulate prices for households and also to finish the nuclear power plant Mochovce. Building power plant two blocks required the approval by Brussels and the Prime Minister declared at the beginning of June that Slovakia would undertake countermeasures[1462] in case of negative response from Brussels. European Commission agrees with building-up if the used technologies are secure.[1463] Commission also ordered Slovakia to publish privatization contracts of companies distributing electric energy. Ministry of economy is the main share-holder.[1464] Regulation of energy prices is often mentioned as a tool for citizens' compensation but their actual form and impact have not been presented yet.

Another salient issue was the situation of the Slovak minority in the Hungarian village Mlynky. The initial dispute was about moving the Slovak minority associations out of their cultural house by the Hungarian self-governance and other possibilities for practicing minority rights (e.g. publishing bilingual magazine, getting extra money for Slovak teachers). High rank politicians from both countries interfered and again worsened very sensitive bilateral relations. Although this issue was raised in the European Parliament, the final solution brought some reconciliation.

[1458] Opinion presented during the conference "Cohesion Policy post-2013" on 17 January 2008. This conference summed up the process of social consultations on the position of the Polish government on the shape of the future EU regional policy. See: http://www.mrr.gov.pl/Polityka+spojnosci, (last access: 25.01.2008).

[1459] 100 dni koalicji PO i PSL, available under: http://www.pkpplewiatan.pl (last access: 21.02.2008).

* **Slovak Foreign Policy Association.**

[1460] Eurosocialisti: tlačový zákon je v norme, Pravda, 23.4.2008, available under: http://spravy.pravda.sk/eurosocialisti-tlacovy-zakon-je-v-norme-fda-/sk_svet.asp?c=A080423_102337_sk_svet_p23 (last access: September 30, 2008).

[1461] Euro-socialists back Press Code, Slovak Spectator, 24.4.2008, available under: http://www.spectator.sk/articles/view/31548/2/euro_socialists_back_press_code.html (last access: September 30, 2008).

[1462] Premiér: Mochovce postavíme aj za cenu konfliktu, Aktualne.sk, 6.3.2008, available under: http://aktualne.centrum.sk/ekonomika/svet-a-ekonomika/clanek.phtml?id=1159550 (last access: September 30, 2008).

[1463] Eurokomisia odklepla dobudovanie Mochoviec, 15.7.2008, available under: http://aktualne.centrum.sk/ekonomika/slovensko-a-ekonomika/clanek.phtml?id=1161510 (last access: September 30, 2008).

[1464] Energetika: Slovensko má zverejniť privatizačné zmluvy, EurActiv.sk, 3.4.2008, available under: http://www.euractiv.sk/energetika/clanok/energetika-slovensko-ma-zverejnit-privatizacne-zmluvy (last access: September 30, 2008).

New building for the Slovak minority equally funded by the Slovak and Hungarian government shall be build.

Current issues

Slovenia•

Elections, inflation and relations to Croatia

Presidency of the Council of the European Union

Slovenia took over the EU-Presidency as the first among the 'new European countries'. The official governmental estimation of the presidency is positive, stating that Slovenia has fulfilled all of the goals outlined before the task was assumed. While there is an extensive agreement that the technical side of the presidency was carried out well, there are some considerations about the extent to which Slovenia has used this favourable position for its own national interests. Government officials[1465] stress that Slovenia has fulfilled all of its set goals, emphasising the important steps forward made in the energy-environmental sector, the start of a new cycle of the Lisbon Strategy, the confirmation of a European future for states of the Western Balkans and also promotion of intercultural dialogue. Minister for Foreign Affairs, Dimitrij Rupel, stated that Slovenia during its presidency managed to put itself on the European and World map. He especially exposed results in the context of EU relations with Western Balkans, as this is also one of the national foreign policy priority fields of interest. The positive impacts were stated as: stabilisation of the region, liberalisation of the visa regime, finalisation of stabilisation-association agreements with Serbia and Bosnia and Herzegovina and resolution of issues surrounding the recognition of Kosovo. He rejected a reproach that Slovenia obstructed the accession negotiations of Croatia and affirmed that Slovenia firmly supports fast Croatian accession to the EU. For example, despite the French President's recent statement that Croatia could not adhere to the EU without the ratification of the Lisbon Treaty, Rupel affirmed that it can.[1466] Rupel also exposed the presidency's success in the Mediterranean and Eastern neighbourhoods and globally conflict-resolution activities in the Near East.[1467] The largest "lasting" concrete result Slovenia produced during its EU-Presidency has been shown to be the establishment of the "Euro-Mediterranean University" headquartered in Piran, Slovenia.[1468]

Considering the complexity and novelty of the presidency which Slovenia was facing, especially the number of events in the European and international scene with which to deal with (such as the Kosovo declaration of independence, EU-Russia Summit, finalisation of the initiative on the Mediterranean Union, the Greek-Macedonian name-of-the-state dispute, new conflicts in Gaza),[1469] the Slovenian diplomats stated that during this time the activity of organized meetings and special sessions had been around three times larger compared to the previous German Presidency[1470] domestic experts also assess the presidency as successful. The estimation of the endeavour by domestic experts is mixed, ranging between the mark 3.5/5, for lacking initiatives and smoothness in diplomacy[1471] and a Brussels' diplomat uttered assessment of Slovenia turning into the 16th EU member state not being the best, but like the others, an active member state.[1472] The same positive stance could be observed in the domestic public opinion polls published in the end of June 2008.[1473]

• **Centre of International Relations.**

[1465] RTV Slovenija: Mnenja o predsedovanju doma deljena (Domestic opinions on the presidency divided), 29 June 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=38&c_id=177176 (last eccess: 1 July 2008).

[1466] STA/Dnevnik: Sarkozy meni, da Hrvaška ne more v EU brez Lizbonske pogodbe, Rupel pravi, da lahko (Sarkozy belives Croatia can not enter the EU without the Lisbon treaty, Rupel says it can), 17 June 2008.

[1467] STA/Delo: Rupel: Slovenija na evropskem in svetovnem zemljevidu (Rupel: Slovenia on the European and World map), 2 July 2008, available at: http://www.delo.si/clanek/63074 (last access: 5 July 2008).

[1468] Interview with Ms. Veronika Stabej, Ambassador of the Republic of Slovenia to the EMP, in Ljubljana, 2 July 2008.

[1469] Marjan Svetličič, First Assessment of the Slovenian Presidency: research report presented at the TEPSA Conference on the French Presidency of the European Union: La France en Europe: Un acteur pas comme les autres, 12 June 2008, Sciences Po, Paris.

[1470] Interview with Ms. Veronika Stabej, Ambassador of the Republic of Slovenia to the EMP, in Ljubljana, 2 July 2008.

[1471] Assessment by Irena Brinar, expert on the EU affairs, expressed in a number of interviews.

[1472] Sabina Kajnč: Odlična priložnost, da postane 16. država članica (An excellent opportunity to become the 16th member state), Dnevnik – Saturday supplement, 28 June 2008, pp. 14-5.

[1473] According to the monthly public-opinion poll commissioned by national radio-television network "RTV Slovenija" conducted by the opinion poll agency "Interstat" 66.7 percent of 604 inquired think that the presidency was carried out well, while 21.4 percent think that Slovenia did

On the other side there are, naturally, but not necessarily well grounded, more critical voices found among the journalists and opposition. There have been criticisms pointing out that Slovenia did not succeed in presenting itself as *the* specialist on the Balkans. Lacking knowledge, expertise and credibility in this area, it could not produce the wanted results. Haunted by the decision between Kosovo and Serbia it failed to come through where it was needed: in the conflict between Macedonia and Greece. There were even critics arguing that Slovenia spent half of its EUPresidency dealing with bilateral issue of Croatian implementation of the Ecological and Fisheries Protection Zone (see below under Relations with Croatia) and was still unable to take full advantage of its favourable position within the EU to achieve better results in bilateral relations with Croatia. They assess that Slovenia left the majority of these issue-related inter-state negotiations to Italy.[1474]

The biggest difference in opinion on the success of Slovenia's Presidency is divided between the coalition and opposition parliamentary parties in Slovenia.[1475] The evaluation of the presidency is widely positive among coalition parties[1476] emphasizing the successful, benevolent, quality and honourable effort of Slovenia, in the context of its foreign policy capabilities originating from its small size. The biggest opposition party, the Social Democrats, also assess the presidency as successful, not having expected any greater results for Slovenia itself anyway. Members of the Liberal Democratic Party of Slovenia are convinced that the government of Slovenia used the EU-Presidency for fortifying its position in internal political affairs, especially numbing-out the parliament. Recognizing the possible benefits for the presiding country they feel that Slovenia did not take full advantage of its position but nevertheless performed its official presidential tasks well. Members of the delegate group "Zares" feel that the presidency was limited to performing only technical, organisational matters. They stress that Slovenia was not able to prepare a declaration concerning the inclusion of countries of the Western Balkans into the EU and that it did not do enough to convince the Irish of the necessity of the Lisbon Treaty. Even harsher is the opinion of the Slovenian National Party pointing out that the government has not achieved anything positive for Slovenian society during its presidency and thereby missed a unique opportunity. The opinion of the delegate group "Lipa" focuses on domestic issues exposing the government's disregard of the important, 'real' problems, such as poverty, inflation, dissatisfaction of people and diminution of social programmes. In their opinion the government failed to recognize the opportunities to start solving these issues.[1477]

Upcoming parliamentary elections

With the upcoming parliamentary elections Slovenia's political sphere is starting to focus its attention more and more on the battle between political groups. The President of Slovenia, Danilo Türk, has determined the date of the fifth Slovenian Parliamentary elections to be on September 21st 2008. The earliest date in the history of Slovenian elections does raise some concerns among experts, for the elections were usually carried out in the second half of October. They predict a short and intensive political campaign but have some doubts about the date getting to be set closer and closer into the summer time each election year which might affect participation. The opinion prevails that parties did foresee an early date and are ready for a rapid start of the campaign.[1478] Although it may not seem so, a broader campaign is already underway and the main focus is oriented on the political battle between the current ruling Slovenian Democratic Party and their biggest opponents the Social Democrats.[1479] Both of these parties have about the same amount of public support

a poor job. The survey's results are available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=177169&rss=1 (last access: 2 July 2008).

[1474] Saša Vidmarjer: Torta brez smetane (A cake with no cream), on-line edition of daily Delo, 1 July 2008, available at: http://www.delo.si/clanek/62997 (last access: 3 July 2008).

[1475] STA/Delo: Opozicija o izgubljenih priložnostih predsedovanja (The opposition on lost opportunities of the presidency), 29 June 2008, available at: http://www.delo.si/clanek/62884 (last access: 5 July 2008).

[1476] Slovenian Democratic Party, New Slovenia – Christian People's Party, Slovenian People's Party and Democratic Party of Pensioners of Slovenia.

[1477] STA/Delo: Opozicija o izgubljenih priložnostih predsedovanja (The opposition on lost opportunities of the presidency), 29 June 2008, available at: http://www.delo.si/clanek/62884 (last access: 5 July 2008).

[1478] RTV Slovenija: Kampanja že poteka, bo pa še ostrejša (The campaign has already started and it will get even fiercer), 17 June 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=176316&rss=1 (last access: 2 July 2008).

[1479] One of the biggest scenes of confrontation between right and left parties was the below described referendum on the regionalisation of the state.

(currently around 14 percent)[1480] among voters[1481] and are favourites to win in September.

The other focal point of the battle will be directed at the smaller, but for the creation of a new government, crucial political parties among which "Zares", the Liberal Democratic Party, the Slovenian National Party and the Democratic Party of Pensioners of Slovenia are the strongest ones (all currently holding from 5 to 10 percent of support). The Slovenian People's Party, the New Slovenia – Christian People's Party and "Lipa" are less well off – if nothing changes in the 3 months left they will probably not reach the needed 4 percent threshold for entry into the parliament.[1482] All in all, we may claim that currently in Slovenia the Left is stronger than the Right with the Social Democrats, "Zares" and the Liberal Democratic Party planning to form a strong left-centre coalition (now together having support of around 50 percent of voters).

The upcoming elections do bring about some novelties: for the first time the so called women-quota[1483] will be carried into effect; legitimate costs of the pre-election campaigns more broadly defined, the organizers of the electoral campaigns must be identified; voters will be also able to vote outside of their usual voting district. There is a debate underway about the voters abroad. The proposal is that all the registered voters abroad will be sent an empty voting paper with a voting chart. This envisaged solution is being disputed: the Liberal Democratic Party, the Social Democrats, "Zares" and the Slovenia Nationalist Party are disputing solutions in front of the constitutional court. The electoral campaign will officially start during summer holidays on August 22nd 2008, 30 days before the election. The deadline for applying for candidacy is August 27th 2008.[1484]

Domestic inflation

According to the European Commission,[1485] after reaching unprecedented levels the rate of inflation has become the greatest concern of Europeans, especially Slovenians. In Slovenia the yearly rate of inflation has reached 7 percent in June (3.6 percent in June 2007), the 12-month average inflation growth reaching 5.6 percent (2.5 percent for the same period last year) and the monthly rate of inflation reaching 0.9 percent in June.[1486] The prices in groups like recreation and culture, residence and transport have risen most notably in June, while the prices of food and non-alcoholic beverages have, as traditionally, dropped. Slovenian Minister of Finance, Andrej Bajuk, has annotated the high rate of inflation to external shocks and lack of competition. According to Bajuk the monthly rate of inflation is a result of external shocks affecting all EU member states – 80 percent of inflation can be attributed to the rise of oil and oil derivative prices.[1487] The experts in the field of economics share this opinion. Economists like France Križanic or Igor Masten are annotating the high rate of inflation to the circumstances on the oil market and the high rate of economic growth. The "Institute of Macroeconomic Analysis and Development" also stresses the importance of high oil prices as a global problem. As an adequate explanation of the governments' efforts, Slovenian Minister of Economy, Andrej Vizjak, emphasised that the government is trying to limit the growth of inflation rates but is thereby confined to measures and instruments under its

[1480] Based on current opinion polls. As a commentary of the results see Marko Pečauer: Boj za zmago bo med SD in SDS (The struggle for victory will be between SD and SDS), online edition of daily Delo, 1 July 2008, available at: http://www.delo.si/clanek/62970 (last access: 2 July 2008).
[1481] The Slovenian Democratic Party has improved its status in the last months gaining approximately 8 percent of support and thus not lagging behind the Social Democrats anymore.
[1482] Marko Pečauer:) Boj za zmago bo med SD in SDS (The struggle for victory will be between SD and SDS), online edition of daily Delo, 1 July 2008, available at: http://www.delo.si/clanek/62970 (last access: 2 July 2008).
[1483] A list of candidates is invalid unless gender representation does not meet the 25 percent quota for each of the genders. This is a transitional solution; the quota for the next parliamentary elections will be set at 35 percent.
[1484] STA/RTV Slovenija: Skorajšnji začetek parlamentarne tekme (The imminent start of the parliamentary race), 29 June 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=177206&tokens=parlamentarne (last access: 5 July 2008).
[1485] European Commission: Standard Eurobarometer 69, Spring: Inflation and unemployment are mayor concerns of European citizens, press release PI/08/996, 24 June 2008,. available at: http://europa.eu/rapid/pressReleasesAction.do?reference=IP/08/996&format=HTML&aged=0&language=EN&guiLanguage=en (last access: 2 July 2008).
[1486] Raising even more concerns is the fact that June has in previous years been a deflationary month.
[1487] STA/Delo: Junija v Sloveniji 0,9-odstotna inflacija (June inflation rate in Slovenia 0.9 percent), 30 June 2008, available at: http://www.delo.si/clanek/62940 (last access: 5 July 2008).

jurisdiction,[1488] whereby it cannot influence global (oil) market(s).[1489]

Referendum on introduction of regions/provinces

On Sunday 22nd June 2008 a referendum on the introduction of provinces in Slovenia was carried out. The referendum proposed a division of Slovenia into 13 provinces (regions) – the voters were to decide if they are for or against the establishment of the proposed region in their area. The referendum was needed because the opposition blocked the adoption on provincial legislation despite the agreement to introduce provinces until the end of the current government's mandate. The participation on the referendum was the lowest in the history of Slovenian referenda: fewer than 11 percent of the voters expressed their voice . In 12 constituencies the voters voted for the establishment of the proposed region in their area voting against it in only one constituency.[1490] The government was pleased with the results, as it was them who proposed the referenda in the first place, stating that the voters have in great majority favoured their proposition. The Slovenian Prime Minister, Janez Janša, announced that it is up to the voters who attend the referendum to decide – those who choose not to come leave the decision up to the former. He added that the government will prepare a new provincial map shortly taking into account the results of the referendum.[1491]

The opposition on the other side sees the low participation rate as a clear message to the government as they interpret the unprecedented poor participation as a unique declaration of no confidence to the government by the people. Parties like the Social Democrats, "Lipa", the Liberal Democratic Party and "Zares" are united in their opinion that it would not be sensible to continue to adopt provincial legislation until the end of this government's mandate. The delegate group Zares even announced that they would not support endorsement of any new proposed provincial legislation.[1492] The leader of the biggest opposition party, the Social Democrats, Borut Pahor estimates this referendum as a poor move by the government, doing more damage than good to the state regionalisation project. The mayor of the capital Ljubljana, Zoran Janković, who had in his "to be Ljubljana province" campaigned a policy of voting abstention even called Prime Minister Janša to resign from office, while the latter denoted all the presented critiques as unfounded speculations.[1493]

Slovenian relations with Croatia

The relationship between Croatia and Slovenia has been a turbulent one during the last decade mainly due to their unsolved boarder issues. Some new disturbances arose in the last six months; one of such definitely was the coming into force of the Ecological and Fisheries Protection Zone (EFPZ) by Croatia on the January 1st 2008. Stating that the zone is set in the interest of Croatia and the whole EU, the Croatian government did not consider the warnings of the Slovenian government that such acts might aggravate its accession to the EU. The Slovenian government endured in its opinion that Croatia is violating the agreement reached in 2004 between Croatia, Slovenia and Italy under the auspices of the European Commission that it would not introduce the zone for EU member states unless previously agreed. After some negotiations Croatia froze the implementation of the EFPZ for EU member States in the middle of March 2008.[1494]

[1488] Such as: oil-excises, the prices of municipal services, etc.
[1489] STA/Delo: Junija v Sloveniji 0,9-odstotna inflacija (June inflation rate in Slovenia 0.9 percent), 30 June 2008, available at: http://www.delo.si/clanek/62940 (last access: 5 July 2008).
[1490] STA/Dnevnik: Mizerna, manj kot 11 odstotna udeležba na referendumu o pokrajinah (A miserable, less than 11 percent turnout at the referendum on provinces), 23 June 2008, available at: http://www.dnevnik.si/novice/slovenija/328596 (last access: 5 July 2008).
[1491] STA/Dnevnik: Janez Janša: Še posebej sem vesel referendumskega izida v Ljubljani (Janez Janša: I am especially pleased with the outcome of the referendum in Ljubljana), 23 June 2008, available at: http://www.dnevnik.si/novice/slovenija/328641 (last access: 5 July 2008).
[1492] Dnevnik: Po dve pokrajini za uporno osrednjo Slovenijo in Primorsko, opozicija zakonodaje ne bo podprla (Two regions for the rebellious central Slovenia and Primorska, the opposition will not support the legislation), 24 June 2008, available at: http://www.dnevnik.si/novice/slovenija/328817 (last access: 2 July 2008).
[1493] STA/Dnevnik: Odzivi na referendum: Janković poziva Janšo k odstopu (Responses to the referendum: Janković calls to Janša to resign), 22 June 2008, http://www.dnevnik.si/novice/slovenija/328637 (last access: 5 July 2008).
[1494] STA/RTV Slovenija: Sanader: V interesu Hrvaške ERC in EU (Sanader: In the interest of the Croatian EFPC and EU), 4 January 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=161652&tokens=ERC (last access: 5 July 2008); STA/Dnevnik: Vlada ribičem ne bo povrnila škode, nastale z uvedbo ERC (The government will not compensate the fishermen the

A second incident occurred directly in connection with the open boarder issue when a Slovenian citizen, Joško Joras, living on undefined land between state borders, demanded that the flowerpots placed by the Croatian side be removed because they were hindering the entrance to his house. The problem culminated into a protest gathering on the April 26th 2008, organized by a civil-society association (Establishment of the June 25th; Zavod 25. Junij). It formed an exclusive mandate to fight for a just setting of the Slovenian-Croatian border disputes. The protest on the Slovenian-Croatian boarder elapsed peacefully, however there was some jostle between the protesters (around 500 of them) and Slovenian and Croatian policemen.[1495] Not resolving the issue, Joško Joras later (on April 30th 2008) went on a hunger strike until the resolution of the court in Piran was implemented and the flowerpots were removed. His hunger strike went on for 24 days during this time a deal between Ministers of Interior of Slovenia (Dragutin Mate) and Croatia (Berislav Rončevič) was struck about the setting up of a barrier gate. The deal was carried out on June 4th 2008.[1496]

There have been some disputes when Slovenia recently (on July 1st) started implementing its reform of the road toll system and introduced vignettes.[1497] Aware of practically all Western and Central European tourists driving to Croatian coast travel through Slovenian territory, the Croatian government protested stating that such a move is among the worst possible. In their opinion Slovenia hastened into such a decision not realizing the negative effects. The Croatian Minister for Tourism, Damir Bajs, presented six alternative ways of travelling trough Slovenia without having to pay the 35 Euro half-a-year-vignette fee. The Croatian President, Stjepan Mesić, commented that Slovenia should consider the damage it is doing to its own and Croatian tourism. There have also been some protests to this decision by European automobile clubs demanding the introduction of shorter-period vignettes.[1498] However, it is widely agreed in Slovenia that the road-toll collection system is in full compliance with each of the members of the EU, which was also confirmed by the President of the European Commission, José Manuel Barroso,[1499] and that the exposed negative reactions are legally unfounded.

There was a lot of media and inter-political groups' debate on the issue of Slovenia's EU-Presidency and its interfering with the accession negotiations of Croatia. Slovenian Minister of Foreign Affairs, Dimitrij Rupel, affirmed that Slovenia did not in any way infringe in these negotiations. On the contrary, during Slovenian EU-Presidency Croatia opened four new negotiation chapters now having opened 20 chapters all together. Slovenia is in favour of Croatian accession to the EU as soon as possible but some issues, such as the realisation of foreseen reforms and friendly relations with neighbouring countries, have to be resolved beforehand. Despite the French President's recent statement that Croatia could not adhere to the EU without coming into force of the Lisbon Treaty, Rupel affirmed that it can.[1500]

damage arisen from the EFPC implementation), 22 May 2008, available at: http://www.dnevnik.si/novice/slovenija/321399 (last access: 5 July 2008).

[1495] STA/Dnevnik: Pri Jošku Jorasu incident med slovenskimi policisti in protestniki (An incident between Slovenian police officers and protesters at Joško Joras'), 26 April 2008, available at: http://www.dnevnik.si/novice/svet/315721 (last access: 5 July 2008).

[1496] STA/Dnevnik: Vlada ni obravnavala dogovora o zapornici pri Jorasu (The government did not discuss the agreement on the barrier gate at Joras')], 29 May 2008, available at: http://www.dnevnik.si/novice/slovenija/322904 (last access: 5 July 2008).

[1497] Introducing the half-year vignette at a price of 35 euros and a one-year vignette at a price of 55 euros.

[1498] RTV Slovenija: Mesić: Vinjete so slaba odločitev (Mesić: vignettes are a bad choice), 27 June 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=177091&rss=1 (last access: 3 July 2008).

[1499] RTV Slovenija: Vinjete ne kršijo zakonodaje EU-ja (Vignettes do not violate the EU legislation), 22 May 2008, available at: http://www.rtvslo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=173992 (last access: 3 July 2008).

[1500] STA/Dnevnik: Sarkozy meni, da Hrvaška ne more v EU brez Lizbonske pogodbe, Rupel pravi, da lahko (Sarkozy belives Croatia can not enter the EU without the Lisbon treaty, Rupel says it can), 17 June 2008, available at: http://www.dnevnik.si/novice/eu/327407 (last access: 5 July 2008).

Current issues

Spain*

The EU returns directive: controversial issue in domestic and foreign policy

One of the most controversial issues for the Spanish public opinion was the EU returns directive. The support of the Zapatero's Spanish government (centre-right) to the EU

* Elcano Royal Institute.

returns directive that was approved for by the European Parliament last June was very criticized by left parties, human rights association, immigration associations, etc. The Spanish government has trying to explain and insists that it will not change its immigration policy and will continue to apply less stringent measures than those under the directive. The Spanish government has launched an 'information crusade' to explain the Latin American governments the adopted EU directive on the return of illegal immigrants, which is known as 'The Shame Directive'. Latin American leaders voiced their strong opposition to the EU directive. Presidents of the Common Market of the South (Mercosur) member states and associate states reject any attempt to criminalize the irregular migration and the adoption of restrictive immigration policies declares. South America welcomed with 'generosity and solidarity' millions of European migrants in previous centuries, so the EU decision appears even more unfair, the statement said.

FRA – Anti-Terrorist Legislative Package

"The FRA law" became the common name for an anti-terrorist legislative package, including a new law as well as modifications to existing laws, put forward by the government to the parliament.[1503] The new law would give Försvarets Radioanstalt (FRA – Swedish National Defence Radio Establishment) the right to intercept all cable traffic (all telephone and most internet traffic) passing through Sweden. The law was passed on 18 June but criticism against it has continually increased, also involving representatives of the government parties.

Criticism was initially raised by concerned citizens seeing this as a way to control the Swedish population, but as it became apparent that much of it concerned Russian traffic, which to a high degree passes via Sweden, the reactions from Russia have been strong. Even other countries have voiced their concerns.

Current issues

Sweden•

Nordic defence co-operation and anti-terror legislation

Initiatives have again been taken in the ongoing considerations of co-operation between Finland, Norway and Sweden, which relate to a variety of tasks. Common for these initiatives is that they see co-operation as possible without entering NATO. An underlying assumption is, however, that Nordic neighbours will come to the defence of a country that is attacked.[1501] A new investigation into the possibilities for foreign and security related co-operation has been launched under the leadership of former Norwegian Foreign Minister, Thorvald Stoltenberg, to be presented in December 2008.[1502]

• **Stockholm International Peace Research Institute.**

[1501] Jyri Häkämies/Sten Tolgfors: Våra länder fördjupar samarbetet om försvaret (Our countries deepen cooperation in defence matters), Dagens Nyheter, 26 May 2008; Sten Tolgfors: Gemensamma förband med Norge en lösning (Joint Swedish-Norwegian units is a solution), Dagens Nyheter, 10 June 2008.

[1502] Dagens Nyheter: Den nordiska familjen (The Nordic Family), 5 July 2008.

Current issues

Turkey•

Court rulings dominate the national agenda

In fact, Turkey's political agenda is largely dominated by issues of domestic policy, as much as the EU political agenda is dominated by issues of internal politics as exemplified by the this issue of EU-27 Watch. Turkey has largely been concerned with major internal and external developments in the first half of 2008. Domestic policy issues have largely been dominating politics in the last six months, which do threaten political stability in the country, and seem to have pushed aside developments in external politics.

Two major issues dominated the political agenda of domestic politics; the AKP (Adalet ve Kalkınma Partisi – Justice and Development Party) closure case and the criminal "Ergenekon" case. The restart of the talks between the leaders of Cyprus, the Turkish

[1503] Regeringens proposition 2006/07:63: En anpassad försvarsunderrättelseverksamhet (Government proposal: Changes to defence intelligence activities), available under: http://www.regeringen.se/content/1/c6/07/83/67/2ee1ba0a.pdf (last access: 19 August 2008).

• **Center for European Studies / Middle East Technical University.**

Cypriot President Mehmet Ali Talat and the Greek Cypriot President Demetris Christofias, among other issues such as the French proposal on the Mediterranean Union dominated the agenda of external politics.

The AKP closure case

The AKP is facing a closure case at the constitutional court on charges of becoming a "focus of anti-secular activity" that is expected to be finalised by the end of August 2008. The charges were brought against the AKP following the events after the much-debated trial on changing various articles of the constitution concerning the headscarf ban. This move and the developing rhetoric of Prime Minister Recep Tayyip Erdoğan and other AKP officials around this issue revived fears of the various sections of the Turkish state and society that the AKP poses a threat to secular democracy in the country. Indeed, Erdoğan can be considered to have drifted a long way from the speech that he made on the eve of the election victory in July 2007, where he promised to embrace everyone and all sections of the society, including those who did not vote for the AKP. Although, the opposition parties did not make a positive or negative statement directly related to the results of the closure case of the AKP, they do strongly believe that the AKP poses a major threat to secularism in Turkey. The debate among party groups certainly led to a marginalisation of politics and the dividing lines became even broader. The case also brought up concerns regarding Turkey's membership negotiations with the European Union.

The "Ergenekon" case

Politics in Turkey was even more marginalised with the "Ergenekon" debate that has dominated politics for some time now. The case found immensely wide coverage in media, sometimes creating a plethora of misleading information being circulated and disseminated to the public in general. Leaks of information during this time that took place on the possible indictment did also create a basis for speculation. It has been more than a year since an investigation into the "Ergenekon" case has started; yet the 2,500 page indictment was submitted to the criminal court only on 15 July 2008. The indictment put charges against more than 80 suspects accusing them, among other charges, of soliciting an armed attack on the Council of State and throwing hand grenades in 2006 into the garden of the daily "Cumhuriyet" newspaper.[1504] The suspects include academics, politicians, journalists (including among them journalists from "Cumhuriyet" daily) and high-rank retired military officials. Besides people involved in well-suspected criminal activities, some of the suspects are people who posed serious opposition to the AKP government, and their case as it remains not strongly linked to the alleged organization creates major suspicions concerning the AKP involvement and aims with the case. Indeed, the opposition accuses the government of interfering with the judiciary, aiming to eliminate people who present serious opposition to AKP policies. They argue that the charges put forward in the indictment need much more serious evidence than what has been presented. The case is also presented as a revenge case that is held upon by the AKP government against the closure case. Indeed, the case is very much politicized by all political parties. Yet, there is belief that some of the suspects are involved in serious criminal activity, however the public in general hopes that the case will not fall victim to politicking, the high expectations that are created and the weak evidence and linkage that is presented in the indictment.

The Cyprus problem

One of the major developments in external policy was the new initiative being undertaken by the two leaders of Cyprus, the Turkish Cypriot President Mehmet Ali Talat and the Greek Cypriot leader Demetris Christofias concerning the Cyprus question. The two leaders have met several times in 2008 after the election of Christofias to lay down the ground for full-fledged negotiations in Cyprus, which are expected in September. Although the technical committee meetings have been progressing for some time after the 21st of March decisions, the most controversial declaration by the leaders was made after the 1st of July meeting emphasising their agreement, in principle, on 'single sovereignty and citizenship'. This did create some confusion over the reaffirmation of the two leaders of "their commitment to a bi-zonal, bi-communal federation with political equality, as defined by relevant Security Council

[1504] Turkish Daily News: Ergenekon gang accused of terror, 15 July 2008, available under: http://www.turkishdailynews.com.tr/ (last access: 15 July 2008).

resolutions".[1505] Opponents in Turkey and Cyprus said that this amounts to a concession of Turkish Cypriot interests, evoking the idea of a unitary state that is advocated by the Greek Cypriot side. Such a point is also considered contrary to Turkey's long-standing position. In general, Turkey officially seems to be silent on the recent developments on the island because of the internal political uncertainty. The two cases that were mentioned above do occupy a great deal of political debate and public attention, that this creates some drawbacks in Turkey's reactions to the political developments on the island. However, the Ministry of Foreign Affairs declared, once again, after the meeting of the two leaders in Cyprus on 23 May 2008, that Turkey strongly supports "the achievement of a comprehensive and just solution in Cyprus within established UN parameters, which comprise the establishment of a new Partnership State based on bi-zonality, political equality and the equal status of the two Constituent States".[1506] Indeed, the visit by Prime Minister Erdoğan who is expected to participate in the Peace and Freedom ceremonies in northern Cyprus on 20th July, shall be an important stage for further evaluation of the developments on the island by the Turkish and Turkish Cypriot officials, given the two leaders of Cyprus are expected to meet once again on 25th of July.

Current issues

United Kingdom*

Immigration from Eastern Europe and a future Conservative government

Public discourse in the United Kingdom has over recent months related almost exclusively to the ratification of the Lisbon Treaty. Within this debate, various topics have figured, such as the likely role of the new President of the European Council and High Representative of the Union for Foreign Affairs and Security Policy and the implication of expanded Community competence in the area of freedom, security and justice.

In addition, as the British economy has begun to suffer the consequences of the 'credit crunch' and growth has slowed, increasing attention has been paid to the large numbers of workers arriving in the UK from Central and Eastern Europe. The level of immigration has been far higher than originally predicted, and, while the number returning home is disputed, high numbers of European immigrants concentrated in certain geographic areas of the UK are putting pressure on educational and social provisions in these areas, something the national media has reported on. As a consequence of this, the government declined to extend to Bulgarian and Romanian workers the same freedoms as it had extended to those who had become EU citizens in 2004. In spite of this, some commentators have continued to bemoan the inability over the longer term of the British government to limit European immigration as a consequence of its membership of the European Union.

There is one further group of questions that, though mainly latent at present, may well take centre stage in political debate in the medium and long term. They ask how a future Conservative government (something which looks increasingly likely) will follow through on commitments and indications it has made since David Cameron's leadership of the party began. In particular, the party leader, David Cameron, has yet to make good on his promise to remove Conservative MEPs from the European People's Party's parliamentary group in the European Parliament, a promise made to assuage the most eurosceptic members of the parliamentary party. While the Conservative Party has not promised to hold a referendum on the Lisbon Treaty, its staunch support for such a vote while in opposition might make it difficult to resist calls for it to holding a referendum if in power. The Conservative member of parliament (and former Foreign Secretary) Malcolm Rifkind, said in the House of Commons that "a profound consequence" of the Irish "No" vote was that "an incoming Conservative government could reopen the whole issue by calling a referendum. [...] Even if we had ratified, we could de-ratify if the Treaty had not yet come into effect."[1507]

[1505] Cypriot Leaders Reaffirm Commitment to Bi-zonal, Bi-communal Federation, Agree to Meet Again in June, in: UNFICYP News Release, 23 May 2008, available at: http://www.unficyp.org/nqcontent.cfm?a_id=1588&tt=graphic&lang=l1 (last access: 30 July 2008).

[1506] Republic of Turkey, Ministry of Foreign Affairs: Press Release Regarding the Meeting of the two Leaders in Cyprus, No. 86, 23 May 2008, available at: http://www.mfa.gov.tr/no_86---23-may-2008_-press-release-regarding--the-meeting-of-the-two-leaders-in-cyprus.en.mfa (last access: 30 July 2008).

[1507] Hansard, 18 June 2008, available at: http://www.publications.parliament.uk/pa/cm200708/cmhansrd/cm080618/debtext/80618-0013.htm (last access: 22 September 2008).

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

Unresolved questions such as these might well be joined by others as a future Conservative government attempted to walk the tight-rope of satisfying the urges of the extreme eurosceptics in its parliamentary party while not alienating large swathes of more moderate potential voters. If the history of the last 20 years is any indication of the future, Europe is likely to be at least as internally divisive and politically difficult a topic for any future Conservative government as it has so far been for the Labour government.

Chronology of Main Events

(between January and June 2008)

1 January	Slovenia is the first new member state that takes over the EU-presidency.
	2008 is the European Year of Intercultural Dialogue.
	Malta and Cyprus introduce the Euro as their currency.
29 January	The Single Euro Payments Area (Sepa) starts.
3 February	Boris Tadić wins final ballot in the presidential elections in Serbia.
14 February	First Black Sea Synergy meeting of the Foreign Ministers of the EU 27 takes place in Kiev.
17 February	The parliament of the UN administrated Kosovo declares the Kosovo as independent.
18 February	The General Affairs and External Relations Council agrees on a conclusion regarding Kosovo: member states will decide, in accordance with national practice and international law, on their relations with Kosovo.
3 March	The German Chancellor Merkel and the French President Sarkozy agree on a compromise concerning Sarkozy's idea of a Mediterranean Union.
3 March	The Irish Prime Minister, Bertie Ahern, declares he will resign on the 6th of May.
12 March	Estonia and Latvia sign bilateral agreements with the USA concerning the travelling without visa across the Atlantic.
13/14 March	European Council in Brussels: Sarkozy and Merkel present details of the future Union for the Mediterranean.
18 April	The Justice and Home Affairs Council gives the European Commission the mandate to negotiate the EU-USA Visa Waiver Programme with the USA.
29 April	The European Union signs the Stabilisation and Association Agreement with Serbia.
6 May	Bertie Ahern resigns as Irish Prime Minister. The former Irish Minister of Finance, Brian Cowen, becomes new Irish Prime Minister.
16/17 May	The fifth EU/Latin America and Caribbean Summit closes with Lima Declaration which includes advises to cope with climate change, organised crime and the food shortage.
26 May	General Affairs and External Relations Council meeting: Poland and Sweden present their joined idea of an Eastern Partnership; furthermore the Council approves negotiation directives for an agreement between the EU and Russia.
12 June	In a referendum the Irish people vote against the Lisbon Treaty.
16 June	The European Union signs the Stabilisation and Association Agreement with Bosnia and Herzegovina.

17 June	6th meeting of the Accession Conference at ministerial level with Croatia: two new negotiation chapters are opened. 5th meeting of the Accession Conference at ministerial level with Turkey: two new negotiation chapters are opened.
19/20 June	The European Council in Brussels discusses the consequences of the Irish referendum and declares that more time is necessary for analysing the consequences.
26 June	The European Parliament's Committee on Foreign Affairs passes Elmar Brok's Motion for a European Parliament Resolution with a large majority.
1 July	France takes over the EU-presidency.

EU-CONSENT
Constructing Europe Network

Presentation of EU-CONSENT

WIDER EUROPE, DEEPER INTEGRATION?

Coordinator
Prof. Dr. Wolfgang Wessels
University of Cologne
Department for Political Science and European Affairs
Gottfried-Keller-Str. 6
D-50931 Köln
Tel: + 49-221-470-4131
Fax: + 49-221-940-2542
wessels@uni-koeln.de

Project Manager
Funda Tekin
coordinator@eu-consent.net

Steering Group Members
Attila Agh *Corvinus University, Budapest*
Iain Begg, *London School of Economics and Political Science*
Edward Best, *European Institute of Public Administration, Maastricht*
Gianni Bonvicini, *Institute of International Affairs, Rome*
Ettore Greco, *Institute of International Affairs, Rome*
Gunilla Herolf, *Stockholm International Peace Research Institute*
Maria Karasinska-Fendler, *European Institute, Lodz*
Brigid Laffan, *University College, Dublin*
Barbara Lippert, *Institute for European Politics, Berlin*
Lenka Rovna, *Charles University, Prague*
Gaby Umbach, *University of Cologne*
Wolfgang Wessels, *University of Cologne*

www.eu-consent.net
Contact: coordinator@eu-consent.net

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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