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# EU-25 Watch

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# EU-25 Watch

## On the Project

The enlarged EU of 25 members is in a process of reshaping its constitutional and political order and at the same time of expanding its membership and taking on new obligations in international politics. This project sheds light on key issues and challenges of European integration. Institutes from all 25 EU member states as well as from acceding/candidate countries participate in this survey. The aim is to give a full comparative picture of debates on European integration and current developments in European politics in each of these countries.

This survey was conducted on the basis of a questionnaire that has been elaborated in February 2006 by all participating institutes. Most reports were delivered by the end of May 2006. Issues of *EU-25-Watch* are available on the homepage of EU-CONSENT ([www.eu-consent.net](http://www.eu-consent.net)) and on the internet sites of most of the contributing institutes.

The Institut für Europäische Politik (IEP) in Berlin coordinates and edits *EU-25 Watch*. The IEP is grateful to the *Otto Wolff-Foundation*, Cologne, for supporting its research activities in the field of “Enlargement, consolidation and neighbourhood policy of the EU”. Contact persons at the IEP are *Barbara Lippert* ([barbara.lippert@iep-berlin.de](mailto:barbara.lippert@iep-berlin.de)) and *Timo Goosmann* ([tgoosmann@iep-berlin.de](mailto:tgoosmann@iep-berlin.de)). Kristina Kurze and William L. Metzger assisted in editing this issue.

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## Calming down and setting the sights lower – The EU recovers in the period of reflection

Barbara Lippert/Timo Goosmann

After the shock of the negative referenda on the constitutional treaty (TCE) the EU is slowly recovering and engaged in a lot of business as usual. “Europe at work”<sup>1</sup> as well as the ongoing “broader debate”<sup>2</sup> on Europe are reflected in this new edition of EU-25 Watch. Covering the period from January up to May 2006 EU-25 Watch gives an insight into the national debates on topics and trends related to European integration.

In our previous stocktaking, EU-25 Watch No.2, published in January 2006, we made some general observations which are confirmed and specified by this new survey. The five major observations are:

- After enlargement heterogeneity and diversity of preferences, conditions and capacities increased and have become a dominant feature of the EU-25.
- Problems of governance and legitimacy of the EU are perceived as a lack of leadership that aggravates the existing gap between the citizens and political class.
- In many member states a wait and see attitude prevails with regard to the fate of the TCE.
- After the big bang enlargement of the year 2004 enlargement fatigue is sweeping through many of the old member states of the former EU-15.
- External factors – globalisation of the economy and security challenges – are increasingly driving European integration.

The set of new questions of EU-25 Watch No. 3 covers the following issues that are related to these five major observations. Authors from all 25 member states and three candidate countries (Croatia, Romania and Turkey) analyse the situation in their countries. In light of national debates the following issues are addressed:

- Period of reflection
- Costs and benefits of EU membership
- Leadership in the EU
- Discourses of interest in other EU or neighbouring countries
- The Lisbon process
- Developments in the Western Balkans and enlargement of the EU
- Middle East and energy policy of the EU
- Upcoming events and issues.

### Heterogeneity and diversity of economies and societies

The state of the economies and welfare systems differs significantly from member state to member state. When looking at the reactions to the services and working time directive we observed diverging preferences of old and new members. Moreover, at the periphery of the EU we identified dynamic countries with high growth rates and with a record of reforming the welfare systems, while core economies (Germany, France, Italy and also the Netherlands) are lagging behind and struggle with sluggish performances and cautious reforms of the social security systems and labour markets. The diverging modernisation cycles lead to different preferences.<sup>3</sup> The Lisbon process to improve competitiveness and to stimulate growth and employment basically relies on the activities and strategies pursued by the actors at national levels. The open method of coordination only foresees the role of a supervisor for Community institutions that are often interpreted as toothless paper tigers. The lack of real incentives, sanctions and other leverage is obvious and also reflected in the national reports. Hardly any member state recognises the Lisbon process as a helpful framework that would

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<sup>1</sup> Presidency Conclusions, Brussels European Council 15/16 June 2006, p. 2.

<sup>2</sup> Ibid., p. 1.

<sup>3</sup> Cf. Barbara Lippert/Timo Goosmann: Introduction. A Portrait of the Union in a puzzling state of mind, in: Institut für Europäische Politik (Ed.): EU-25 Watch, No. 2, January 2006, Berlin, p. 10.

work as a point of reference for shaping national strategies.<sup>4</sup> Moreover, a lack of ownership is evident (e.g. Germany). Reactions to the interim reports of the Commission are few (Austria, Ireland, Luxembourg, Netherlands, Portugal) and the whole exercise treated at best with benign neglect (Denmark, France, Italy, Poland, Sweden, Italy, Latvia) if not total ignorance or open scepticism (e.g. Greece). In the absence of a formal ranking of countries and of naming and shaming of the underperforming EU members there are of course countries which feel justified in their course through the evaluation by the Commission. The model pupils are relaxed even if some elements of their strategies are criticised. To the top benchmarkers belong Finland, the UK (which thinks that Lisbon is for the others only<sup>5</sup>), similar is the self-perception in “heroic” Estonia<sup>6</sup>, but also in Sweden and the Netherlands satisfaction is widespread.

Heterogeneity and diversity among the member states is prevalent when looking at the top issues and events coming up in the countries.<sup>7</sup> Of course national elections are a focus of political debate and of speculations about the implications for the EU itself. The change of government in Poland, Italy, Slovakia and the ongoing attempts to form a coalition government in Prague are cases that might impact on EU decision-making not in the least with regard to ratifying the TCE. Also therefore they become an issue and are discussed in other EU member states. Upcoming elections are scheduled for the second half of 2006 in Sweden, Latvia, Austria and the Netherlands. In 2007 elections are due in Belgium, Estonia, Finland, France, Ireland and also Turkey.

Also other events are selected as important ones. The accession of Bulgaria and Romania is an important step for Hungary, especially taking into consideration the fact that 1.5 million Hungarians live in Romania. Hungary also commemorates the 50th anniversary of the revolt against the Soviet army claiming that “the glorious days of 23 October to 4 November shall be commemorated so as to draw the world’s attention to this historically so important moment.”<sup>8</sup> In other countries, like Estonia, fierce debates concern the “historical truth”, a debate that in the Estonian case has been revolving around a Soviet-era monument in the centre of Tallinn and even led to an increase of ethnic tensions.

These examples illustrate two things: Firstly, identity related questions (historical, cultural and religious issues) are a point where heterogeneity and diversity of outlooks are more profound and persistent compared to commonplace EU issues that are dealt with in a more or less rationalist framework where interests and preferences can be related to distinct groups, parties etc. in the member states. In the latter cases transnational convergence is more probable and developing faster. The second observation is that EU-Europe, in particular after enlargement, is not a community of shared memories and historical experiences.<sup>9</sup> Legacies of the past, often intertwined with recent events or historical anniversaries, come up and influence perceptions and positions taken by EU governments. On occasions such as the Polish-German dispute on the Baltic Gas Pipeline they can spill over into the EU arena, sometimes unintended and often unexpected by others.

That is why it is also lamentable that a shared area of communication is not very far developed in the EU. Some authors found it hard to even address the question (no. 4) which discourses in other EU countries or neighbouring non-EU countries were followed with special interest and attention. Close looks beyond the borders or even interaction with representatives and speakers of these discourses occur on very seldom occasions. Major topics that gained Europe-wide attention were the youth uprisings in the French banlieues and the subsequent protests against the CPE proposal<sup>10</sup>, which was followed by media, politicians, and the wider public in nearly all member states (Austria, Belgium, Croatia, Cyprus, Czech Republic, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, the Netherlands, Poland, Spain). Most authors explained that the risk of spill over effects, of similar trends and challenges in their countries were at the heart of this interest. Second ranks the conflict about the

<sup>4</sup> Cf. the answers to question 5.

<sup>5</sup> Cf. the UK chapter on the Lisbon Agenda (question 5).

<sup>6</sup> In a recent study Estonia has been referred to as the absolute “hero” of the Lisbon process among all member states, cf. the Estonian chapter on the Lisbon Agenda (question 5).

<sup>7</sup> Cf. the answers to question 8.

<sup>8</sup> Cf. The Hungarian chapter on upcoming events and issues (question 8).

<sup>9</sup> Cf. Peter Graf Kielmansegg: *Integration und Demokratie*, in: Markus Jachtenfuchs/Beate Kohler-Koch (Hrsg.): *Europäische Integration*, Opladen 2003, S. 49-85.

<sup>10</sup> To reduce unemployment among young workers, the French government wanted to loosen job protection measures with the controversial *Contrat Première Embauché* (CPE) or first employment contract.

Mohammad cartoons (Austria, Cyprus, Czech Republic, Denmark, Germany, Hungary, Italy, Malta, Spain) that was also to a large extent interpreted in terms of the respective domestic debates.

Prominent issues in domestic debates were – for example in the Czech Republic, Finland, Estonia, Poland and Sweden – relations with neighbours of the EU. In particular the role of Russia is seen as critical. Immigration is an issue in the UK, and given recent events also in Spain and Malta, but also Danish immigration policy was an issue in Sweden even before the cartoon conflict. Some of the new members discuss joining the Eurozone (Cyprus, Czech Republic, Lithuania, Malta, Slovenia) in the near future. The triangle Greece, Cyprus, Turkey as pictured in the three country reports shows a strong focus on if not an obsession with viewing domestic and EU affairs through the lenses of the tensions between them. This makes them rather special cases within the EU, also when compared to central and eastern European newcomers that have entered the mainstream of the EU also as far as principally multidimensional domestic debates are concerned.

### **Leadership – Waiting for the German Presidency?**

In all member states and beyond a lack of leadership is realised in the EU. German chancellor Merkel figures in most member states as a credible, not yet exhausted but fresh politician who can and shall play a leading role in the EU.<sup>11</sup> Besides Merkel only few politicians – for example Blair – are named explicitly. Many think that the importance of a German-French tandem would be conducive for the EU (Croatia, Czech Republic, Romania, Spain). However, severe doubts about the political and also economic strength of these key countries are expressed: According to the Polish report the Franco-German tandem is a “locomotive that is out of order.”<sup>12</sup> The Portuguese report states that the old “Franco-German axis” is “a shadow of what it used to be, but still irreplaceable, since there is no alternative leadership in sight.”<sup>13</sup> Given that Germany takes over the presidency in 2007 many expect a new impetus for the constitutional process and the functioning and coherence of the EU at large (Italy, Latvia, Malta, Slovenia, Sweden). The French report is quite clear regarding prospects of leadership: “It would be fair to say that, in the eyes of French public opinion, only the French President could be a credible leader for the Union”<sup>14</sup>. Notwithstanding the problem of discontinuity that results from rotating presidencies, the 6 months rhythm is also a vehicle for hope that things will improve in the course of new faces and approaches. Moreover, the affinities felt in some countries towards others (as in the case of Sweden and Finland) is another trust-building resource of rotating presidencies. Size (big or small(er)) and geographic location (core – periphery), language and other interconnections are relevant factors that influence expectations and assessments of presidencies from the point of view of other member states. While, apparently, the Commission cannot fill in the leadership gap (Slovenia: the Commission fails to safeguard European interests against national interests) the European Parliament (Slovenia: the bad conscience of the EU<sup>15</sup>) has gained credibility in the course of the Europe-wide controversy about the services directive. The lack of trust in the European Commission can also be explained with widespread criticism concerning the leadership of José Manuel Barroso (France: “José Manuel Barroso is not popular in France and is regarded as an excessively liberal leader”)<sup>16</sup>. As far as the Council is concerned, the euro-group, as some hope, could develop into a centre of political gravitation<sup>17</sup>.

### **The period of reflection and the TCE: Inching forward without excitement, illusions or a mega project?**

Referring to the recent issue we described the period of reflection as the sound of silence.<sup>18</sup> Again, in some member states there is hardly any debate either on the future of Europe or on the TCE in particular (e.g. Slovenia<sup>19</sup>). In other member states a debate and sometimes even a structured

<sup>11</sup> Cf. the Austrian, Belgian, Croatian, Cyprian, Czech, Danish, Dutch, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Portuguese, Romanian, Slovak, Slovenian and UK chapters on leadership (question 3).

<sup>12</sup> Cf. the Polish chapter on leadership (question 3).

<sup>13</sup> Cf. the Portuguese chapter on leadership (question 3).

<sup>14</sup> Cf. the French chapter on leadership (question 3).

<sup>15</sup> Cf. the Slovenian chapter on leadership (question 3).

<sup>16</sup> Cf. the French chapter on leadership (question 3).

<sup>17</sup> Cf. the Belgian chapter on the reflection period (question 1) and the Italian chapter on leadership (question 3).

<sup>18</sup> Barbara Lippert/Timo Goosmann: The State of the Union: Period of Reflection or the Sound of Silence. *Análisis del Real Instituto Elcano*, No. 29/2006, [www.realinstitutoelcano.org/analisis/924.asp](http://www.realinstitutoelcano.org/analisis/924.asp), latest access: 22 June 2006.

<sup>19</sup> Cf. the Slovenian chapter on the reflection period (question 1).

dialogue has been launched. Therefore mostly an initiative taken by the political leadership (parliament or government or parties) is needed (Denmark, Ireland, Lithuania, Netherlands). The intensity varies also depending on whether the TCE has already been ratified (as in Lithuania or Malta) or not (“in the UK the Constitution is widely seen as dead”<sup>20</sup>). But even if not, in several countries the EU sceptics take the lead (the outcome of the Czech and the Polish elections seem to point into this direction), while pro-integrationist (such as the former socialist government of the Czech Republic<sup>21</sup>) fear that pro-campaigning could be counter-productive. At the time of publication the TCE was not yet ratified in the following ten member states: Czech Republic, Denmark, Finland, France, Ireland, Netherlands, Poland, Portugal, Sweden and the UK.<sup>22</sup>

Interestingly, the TCE is hard to sell and most governments and NGO’s aim at improving the overall context for a rational and problem-oriented debate on Europe and on the EU. That is why in the period of reflection topics beyond the TCE are widely addressed, e.g. in Denmark: “At the same time, both the Government and the pro-EU opposition parties [...] have made a more pragmatic effort to reduce the focus on the Constitutional Treaty and institutional reforms. They wish to concentrate on concrete policy initiatives in the EU. A job-plan for Europe, democratic reforms, economic reforms, a stronger focus on citizens’ rights in the EU, more forceful actions against organised crime and trafficking, and a strengthening of the EU’s global role, are some of the features that these parties wish to emphasize in the future EU.”<sup>23</sup> There is a general feeling that European cooperation on mega projects has passed its peak. No such mega projects are in sight. Therefore cooperation on concrete and smaller projects as described in the Danish statement is promoted by a number of governments, e.g. the French.

The picture is still mixed when it comes to finding ways out of the constitutional deadlock. There is no strict objection against continuing with ratification (Finland, Italy). Some governments like the British (supported by many think tanks such as the Centre for European Reform) declare that the TCE is dead, others say that the TCE in its present edition is not for ratification any more (Netherlands), others oppose cherry picking and argue that the TCE still represents the best possible compromise that so far has no convincing alternative (Germany, Lithuania, Spain).

Apparently the debate is now more relaxed but still uninspired. This signals that the EU tries to progress from the passive wait and see approach to a new stage. However, the debate has so far been quite timid and cautious. In the Dutch report the situation is compared with “a soccer match in which the audience waits impatiently while the players still sit in the dressing room instead of playing the game.”<sup>24</sup> Interestingly, the two critical countries that said no to the TCE so far have not developed any perspective how to move on. The French debate seems to have cooled down. Europe and the Constitution will probably be one of the top issues in the campaigns for the presidential and parliamentary elections in May/June 2007. However, it is unclear whether this will harden existing cleavages and polarise political camps or lead to a more flexible and constructive approach to overcome the deadlock. The current position is that the TCE has to be renegotiated but the scope of the revision is controversial between the political parties. In the Netherlands the collapse of the Balkenende government which continues as a minority government up to the predated general elections in November might be a step to move the Netherlands out of the ratification deadlock. But on a short term basis it has to be noted that the government welcomes the extension of the reflection period and, as Foreign Minister Bernard Rudolf Bot has put it in January, considers the current version of the TCE as “dead”, even though the necessity of long term treaty change remains undisputed.<sup>25</sup>

In some countries, like Germany and Portugal, costs and benefits of EU membership are taken up as a topic by the political elite.<sup>26</sup> They want to highlight and often remind the citizens of benefits that are taken for granted (mobility, welfare gains, peace etc.). At the same time political leaders more openly accept and pronounce a utilitarian approach when taking specific stances on EU issues. So the practical effects and the concrete output are regarded as an important factor of any increase of the EU’s legitimacy. In other countries like Ireland a shift from the pro-integrationist attitude of the citizens to a more qualified support is expected, so that it better reflects the new role and position of the former

<sup>20</sup> Cf. the UK chapter on the reflection period (question 1).

<sup>21</sup> Cf. the Czech chapter on the reflection period (question 1).

<sup>22</sup> For the state of debate in the respective countries by the end of May 2006 see question 1 of the country reports.

<sup>23</sup> Cf. the Danish chapter on the reflection period (question 1).

<sup>24</sup> Cf. the Dutch chapter on the reflection period (question 1).

<sup>25</sup> Cf. the French and Dutch Chapters on the reflection period for a more detailed outlook (question 1).

<sup>26</sup> Cf. the answers to question 2.

net recipient Ireland as an affluent member state as of today. A critical mood is on the rise in Finland, Sweden, the Czech Republic, the Netherlands and Austria, in the latter connected with the net payer question (as in Germany). Interestingly the net payer logic in budgetary terms is underlying most of the assessments of costs and benefits. Only rarely a more complex and differentiated set of factors is taken into consideration.<sup>27</sup> Most of the new member states are still satisfied (Estonia, Latvia, Lithuania, Slovak Republic, Slovenia) and some even “celebrate” the second anniversary of their membership as a success. But also member states of the former EU-15 like Greece, Spain and Luxembourg have a clear understanding of the many benefits that stem from their membership. It is hardly surprising that this debate is very intense in accession/candidate countries such as Romania, Croatia or Turkey. In Denmark and also Hungary the discourse is quite unemotional and down to earth. In the UK also political benefits of membership are subject of debate: “Leading politicians or commentators speak of the European Union's important role in the areas of environment, the fight against terrorism, trafficking and organised crime, and foreign and defence affairs. Generally, however, a ‘political’ European Union is regarded with great suspicion in the United Kingdom, both as a threat to national sovereignty and as a vehicle for illiberal micro-economic attitudes.”<sup>28</sup> The opposite perception of the “EU as a Trojan horse of liberalism” prevails in France. The French “think that Europe has a negative impact in four key areas: the cost of living, jobs, agriculture, and small businesses. Similarly, 54% think that Europe allows us to improve our control over the negative effects of globalisation, which is a rather low figure. It shows the concern of the French with the ‘liberal’ nature of Europe. The French think that Europe is the right tool, but that we don’t use it properly.”<sup>29</sup>

In the fortunate countries that are at ease with their membership, costs and benefits are not an issue of high salience. In countries where pro- and anti-integration attitudes form a cleavage, debate is far more intensive on this issue (see Finland and the Czech Republic).

### Despite the enlargement fatigue: Clear European perspective for Western Balkans

Despite the enlargement fatigue that is growing in many old member states and the rising debate on the absorption capacity of the Union that shall be taken into consideration when taking in new members EU governments are convinced that the membership perspective is essential for the Western Balkans in order to stabilise the region permanently and to give incentives for democratisation and transformation. The statement from Luxembourg that the “South-East-European nations must get a ‘European perspective’” since “the European project is and must be a peace project as it was in Western Europe in the immediate post-war period” can be considered quite typical for the positions presented in the majority of the reports.<sup>30</sup> Croatia’s membership is due after Romania and Bulgaria will have joined. However, there is no time pressure to give a date for membership. Of course neighbouring countries and those close to the region, like Hungary, Austria, the Czech Republic or Italy, take special interest in developments in the post-Yugoslav countries. The acquis on the Kosovo status talks that are led by the UN envoy are supported and not controversial so far. All in all the EU accepts its key role in helping to build lasting peace and fostering economic recovery in the Western Balkans. However, only citizens in the new member states support EU membership of the countries of the Western Balkans in larger proportions.<sup>31</sup>

### External challenges – collective responses

As far as macro-conflicts like the Iran nuclear challenge or the Israeli/Palestinian conflict after the victory of Hamas are concerned, the EU acts on a solid acquis which is widely shared by its members (with the exception of Greece).<sup>32</sup> Of course the preferences and the intensity of interests vary from country to country. For example Finland, that holds the presidency in the EU in the second half of 2006, has a pro-Palestinian profile while other countries, like Germany in particular but also Hungary, seek a more balanced approach. Other countries like Estonia do not seem to have a profound position or traditional policy of their own on the specific questions in relation to these conflicts and the Middle East region. As part of the EU’s CFSP they follow the EU’s line without reservations. As far as these

<sup>27</sup> Cf. especially the Polish and Portuguese chapter on costs and benefits of EU-membership (question 2).

<sup>28</sup> Cf. the UK chapter on costs and benefits of EU-membership (question 2).

<sup>29</sup> Cf. the French chapter on costs and benefits of EU-membership (question 2).

<sup>30</sup> Cf. the Luxembourg chapter on the Western Balkans and EU enlargement (question 6).

<sup>31</sup> Cf. the results of Eurobarometer 65, available at [http://ec.europa.eu/public\\_opinion/archives/eb/eb65/eb65\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb/eb65/eb65_en.htm).

<sup>32</sup> Cf. the answers to question 7.

two conflicts are concerned enlargement did not add value in terms of policies or diplomatic resources. Some like Italy are particularly critical that the EU-3 handles the Iran diplomatic conflict but that regular CFSP channels and procedures involving all member states are not used.

Energy security can be regarded as a new issue and horizontal aspect of security policy that might become more prominent also in shaping the European neighbourhood policy in the coming years. Particularly the new and the smaller member states that do not rely on energy resources of their own claim responsibility and efforts of the EU to integrate energy policy in its internal and external dimension more fully at the level of the Union. How and to which degree this should be done is not yet clear.

### **Outlook – Europe at work?**

“Practical Europe”, “Europe of projects” and “results” as promoted in the French debate is one track to overcome the ratification crisis and immobility of the EU. This survey by and large confirms that ideas revolving around a relaunch and new impetus for the constitutional process as a second track is neither a top issue of a wider public nor prepared by intensive diplomacy and consultation between the member states. While it would be unfair to scapegoat France and the Netherlands for saying no to the TCE it is still interesting to note that the debate in these two countries does neither reflect a special responsibility nor develop initiatives. This can also be explained by the upcoming elections in both countries. Moreover, this survey illustrates that the ‘Europeanisation’ of debates, the taking into consideration of what we see as discourses on issues of great importance in other member states is widely underdeveloped, albeit slowly increasing.

Besides identity related questions that sharply mark heterogeneity and diversity between member states the EU so far has not found a functioning set of incentives and rules that could cope with the huge economic differences across the EU. Lisbon is seen as a new failure and even too irrelevant to instigate profound reform. It will thus be very interesting to observe the way important controversies regarding the future economic development of the EU will shape the EU’s quest to engage in “Europe at work”.

## Chronology of Main Events (between January and July 2006)

<b>1 January</b>	<p>Austria takes over the EU Presidency for the first half of 2006.</p> <p>Gazprom cuts off gas supplies to Ukraine (live on TV), triggering concerns regarding the security of energy supply in the EU.</p>
<b>25 January</b>	<p>Hamas receives the absolute majority (74 of 132 seats) in parliamentary elections.</p> <p>European Commission presents its Annual Progress Report on the Lisbon Strategy, including a first evaluation of the National Reform Programmes.</p>
<b>26-28 January</b>	<p>Conference 'Sound of Europe' in Salzburg on the future of Europe, organised by the Austrian Presidency in memorandum of Mozart's 250<sup>th</sup> birthday.</p>
<b>30 January</b>	<p>The 'London declaration' of the foreign ministers of the EU-3, the US, Russia and China calls for consultations on Iran within the IAEA to be reported to the UN Security Council</p>
<b>February</b>	<p>The 'Cartoon Crisis' escalates into violence across the Arab World.</p>
<b>8 February</b>	<p>Parliamentary ratification of the Constitutional Treaty in Belgium.</p>
<b>27 January</b>	<p>EU Foreign Ministers decide to re-launch aid flows to Palestinian Authority.</p>
<b>8 March</b>	<p>European Commission issues Green Paper on European Energy Policy.</p>
<b>10-11 March</b>	<p>'Gymnich Meeting' on the situation in the Middle East after the election of Hamas and on EU enlargement.</p>
<b>23 March</b>	<p>General Affairs and External Relations Council decides on sending EU troops into Congo to secure the first free elections taking place in July 2006.</p>
<b>23 –24 March</b>	<p>European Spring Council in Brussels on the economic, social and environmental situation in the Union, reviewing the Lisbon Strategy. Heads of State and Government agree on the services directive and on the new 'Energy policy for Europe'.</p>
<b>28 March</b>	<p>More than 1 Million people demonstrate across France against the first employment law (CPE).</p>
<b>4 April</b>	<p>European Parliament, the Council and the Commission agree on the Financial Perspective (2007 – 2013) with a budget of 864,4 billion Euro.</p>
<b>7 April</b>	<p>EU and US suspend aid flows to the Palestinian Authority.</p>
<b>10 April</b>	<p>Second meeting of the Stabilisation and Association Council between the EU and Croatia takes place in Luxembourg</p>
<b>9 May</b>	<p>Parliamentary ratification of the Constitutional Treaty in Estonia.</p>
<b>11-13 May</b>	<p>EU, Latin America and Caribbean (EU-LAC) Summit in Vienna.</p>
<b>16 May</b>	<p>Commission presents Monitoring Reports on Romania and Bulgaria.</p>

<b>21 May</b>	Montenegrin independence referendum, 55,5 % vote in favour of dissolving the state union with Serbia, thus meeting the required threshold of 55% set by the EU.
<b>25 May</b>	17th EU-Russia Summit in Sochi.
<b>27-28 May</b>	'Klosterneuburg Meeting', Foreign Ministers agree on extending the 'reflection period' to agree on the future legal basis of the Constitutional Treaty by 2009.
<b>12 June</b>	Opening of first chapter and start of substantial negotiations with Croatia and Turkey.
<b>15-16 June</b>	European Council: Heads of State and Government agree on Slovenia's entry to the Eurozone in 2007. With regard to the Constitutional Treaty, a 'two-track' approach is adopted, focussing on delivering best results within the existing treaty framework, while drawing up a report on the future of the Constitution to be presented in 2007.
<b>21 June</b>	EU-US Summit in Vienna, focussing on Iran, the Middle East, Energy and Trade issues (Doha Round).
<b>1 July</b>	Finland takes over the EU Presidency for the second half of 2006.
<b>9 July</b>	After an all European semi-final, Italy wins the football World Cup, followed by France, Germany and Portugal.
<b>10-11 July</b>	Euro-African Conference on Immigration and Development on Migration and Development in Rabat.
<b>11 July</b>	First broadcasted council meeting (ECOFIN) in line with new Transparency Guidelines.
<b>15-17 July</b>	G8 Meeting in St. Petersburg.



# 1

What are the highlights of your national debate on the future of the EU during the reflection period?

*Please refer to the most important contributions and main actors, but also to the structure of the debate.*

- **Is the European Constitution a point of reference?**
- **What are the opinions of political actors regarding the future of the charter of fundamental rights?**
- **How much importance is generally attached to the reflection period, and how much reflection is actually going on?**
- **Who takes initiatives in a proactive way (e.g. government, civil society)?**
- **How actively are the media involved in the debate?**

## Austria

In general it must be pointed out that the Austrian public is relatively sceptical towards the EU. According to a recent Eurobarometer survey<sup>33</sup>, 33% of Austrians do not regard the EU as a “good thing”.

The main and most important contributors to the debate on the future of the EU are mainly political think tanks and academia. During the reflection period, the current Austrian EU-presidency seems to be responsible for a higher degree of reflection and public debate among the Austrian public. In this respect, several alternative summits such as the “alternative ECOFIN” or the “alternative EULAC” (EU-Latin American Committee) took place in order to give the official EU-presidency meetings a certain kind of counter-weight.

Besides the academic institutions, the main official political actors are the members of the Austrian parliament, i.e. the several delegates responsible for EU-matters. As Austria is holding the EU-presidency during the reflection period, most engagement is driven and promoted by and via the federal minister for foreign affairs, Ms. Ursula Plassnik and the secretary of state for EU-affairs, Mr. Hans Winkler, who was put into office especially for the Austrian presidency. Overall, the structure of the debate is relatively unclear.

The future of the European Constitution is regarded quite differently in Austria: While the conservative wing, i.e. the current government, is very much in favour of reviving the debate on the constitution, the opposition is rather sceptical about the implementation of the document on a broader EU-level. The text is not widely known and the rejection of the document by France and the Netherlands did have an impact on the low level of motivation to re-launch the debate on the constitution. Furthermore, the national parliaments of the member states are criticised for undermining the indispensable parliamentary aspect of the constitutional process. However, since the constitution has been ratified in the Austrian parliament it is not a top priority of the media coverage anymore.

In general, the Austrian media does not focus too much on EU-politics made in Brussels. The population does pay attention to major events

<sup>33</sup>

[http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_251\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_251_en.pdf)

such as EU-parliamentary elections or the constellation of the EU-Commission, but overall it seems to be rather uninterested in developments of the EU. Yet, the EU-presidency during the first half of 2006 does arouse more interest within the population. Hence, the media is more involved in the debate as usual. Almost all newspapers<sup>34</sup> do reflect on EU-summits and working sessions which are held in Vienna or the other capital cities in Austria. This also causes a higher awareness of the EU as such among the Austrian population. Still, most experts and analysts expect less interest and media coverage on EU matters after the end of the Austrian presidency<sup>35</sup>.

## Belgium

Prime Minister Guy Verhofstadt<sup>36</sup> took a step forward in the dissemination of the views he defends for the future of the European Union by publishing an essay titled *The United States of Europe*<sup>37</sup>. Referring to the difficult but necessary edification of the US Constitution, he calls in his manifesto for a closer cooperation among a core of EU countries (gathered around the *Eurogroup*) that would evolve into a strong political entity capable of launching a common socio-economic policy, of expressing itself with a single-voice in its external relations, and thus finally giving back the EU an attractive picture to the new generations in facing the challenges of globalisation and an aging population.

More precisely, he points out five *missions* for the EU: to have a common government and a European socio-economic strategy; to launch an ambitious *Research & Development* policy; the construction of the European Freedom, Justice and Security Area; to express itself in a single voice in its diplomatic relationships; and to have at its disposal a European defense force.

Mr. Verhofstadt's analysis of the causes of the actual crisis (i.e. the failure to gain the

<sup>34</sup> The serious newspapers “Die Presse” and “Der Standard” launched special surveys on EU-politics during the Austrian presidency period.

<sup>35</sup> Interview with a professor of political science from the University of Vienna in Mai 2006.

<sup>36</sup> VLD (Flemish Liberal Democrats)

<sup>37</sup> First published in Flemish in December 2005 (ed. Houtekiet), the French edition came out in the beginning of February 2006 with the title : “*Les Etats-Unis d'Europe*” ed. Luc Pire. It also exists in English, German, Greek and Italian.

confidence of the citizen in a globalised world and the inefficiency of the institutions), his view of the benefits of European integration (peace, the single market, the euro) and his will to reinforce the Union seem to be shared by the majority of actors<sup>38</sup>. The idea of a “*two options (two ways) strategy*” and the content of the political agenda of the *hardcore* of countries, however, did not meet with general approval.

Most commentators welcomed the energy, the strong will and the creativity of Prime Minister Verhofstadt while doubting his essay could offer a concrete and viable response to the actual crisis.

Firstly, there is the difficulty with the concept of a *hardcore*. Foreign Minister Karel De Gucht cannot accept the idea of letting the other member states aside after so much effort to enlarge the Union. Senator Alain Destexhe<sup>39</sup> doubted that the federal approach proposed would be attractive to many countries, and that a *hardcore* around the Euro would gather States with growth problems, thus forming rather a “soft core”. In a collective contribution in which they described Mr Verhofstadt’s plan as *sympathetic and visionary, but extraterrestrial and thus harmless*, experts from Ghent University argued that France and the Netherlands would never accept such a “forward escape” after their negative referenda<sup>40</sup>.

Prof. Christian Franck<sup>41</sup> for his part sees an ambiguity in the Prime Minister’s discourse concerning the “differentiation” among the member states that would stem either from belonging to the core group or from the reinforced cooperation to be launched among certain states, underlining that neither of these two ways is actually shaping Europe<sup>42</sup>.

Secondly, much criticism was focused on the content of the *five priorities*. Some pointed out the utopian character of the priorities to be

followed: Mia Doornaert<sup>43</sup>, referring to the *United States of Europe* as a jest (stating that the idea comes from the leader of a federal state in which citizens cannot vote for common parties anymore), underlines the gap that exists between word and action in the field of defense policy. Such a gap is also stressed with reference to the Eurobarometer: so long that no concrete action is to be expected, is it very easy to be in favour of a European Army. Contradictions such as the plan to improve social standards while cutting entrepreneurial taxes were also underlined<sup>44</sup>.

As far as the ratification procedure is concerned, the last two of the seven Belgian assemblies – the Flemish parliament and the Commission of the French community finally ratified the Treaty on 8 February 2006 and in June 2006 respectively.

The reason for this late ratification lays in the interpretation of the protocol on the application of the “*subsidiarity*” principle. Flemish Regional Minister for Foreign Affairs Geert Bourgeois<sup>45</sup> had asked for the addition of a declaration concerning the capacity of the regional parliaments to be considered at the same level as the national one concerning that topic, and use one of the two votes given to the country. Mr Bourgeois considers this as an important step for the future: the first recognition of the Flemish Region by the EU.

Concerning the energy issue, Anne Panneels<sup>46</sup> points out the fact that the Green paper published in March 2006 ignores the social dimension of the energy debate: she urges for a *real democratic and transparent policy* that would include access to the sources.

Regarding the same document, Didier Donfut, Secretary of State for European Affairs, regretted the absence of precise statements of figured arguments to sustain the global lines of the text, which remains too frequently limited to general prescriptions and guidelines.

*Is the European Constitution a point of reference?*

In his speech to the European parliament on 31 May 2006, Mr. Verhofstadt strongly

<sup>38</sup> “The causes of the situation of the European public opinion are well established : aging of the population, weak state leaders, stagnation of the economy “During the last 12 months, the need for more Europe has not decreased...The fact that we share common values and interest has not to be proven.” Bart Sturtewagen, De Standaard, 22/03/2006

<sup>39</sup> MR (Movement for Reform). The forward escape of M. Verhofstadt. La Libre Belgique, 17 December 2005.

<sup>40</sup> Verhofstadt in Wonderland, De Standaard, 3 December 2005

<sup>41</sup> President of the Intitute of European Studies, UCL, Louvain-la-Neuve

<sup>42</sup> La Libre Belgique, 11 January 2006.

<sup>43</sup> Redactor. De Standaard, 24 March 2006.

<sup>44</sup> De Standaard, 3 December 2005

<sup>45</sup> NVA – Spirit. Communication of Flemish Ministry of cooperation to development.

<sup>46</sup> Federal Union of Workers (FGTB) expert – Vice-President of the Federal Council of Sustainable Development.

supported the idea of continuing the ratification procedure, quoting the *declaration 30* that stipulates that if after two years, 80 percent of the member states have ratified the Constitution and one or several members have had some difficulties with it, then the European Council takes over the question.

Pierre Jonckheer, MEP, argues that in order for him to support the continuation of the ratification procedure of the Constitution, there must be further negotiation of the Treaty, for example on the flexibility clause and reinforced cooperation to cope with enlargement.

Foreign Minister De Gucht<sup>47</sup> declared it is the role of the European Commission to defend the Constitution, which is not done if countries like the UK are allowed to “pick and choose” what best fits. During the informal gathering of foreign ministers on 28 May in Klosterneuburg, he urged a clear commitment from the Commission, and said that enlargement could not proceed without first ratifying the Constitution.

According to Philippe De Schoutheete<sup>48</sup>, it is too early to settle back the constitutional debate. He proposes instead that the Union concentrate its action on “concrete realisations” during the *reflection period*, and underlines three directions in which to go forward: *Internal security, external security, and economic governance*<sup>49</sup>.

Alain Destexhe, an MR Senator, suggests changing the approach to solving the crisis. For him, the major reason for the French and Dutch “no’s” is a lack of democracy, which will only be resolved when European citizens can recognise themselves more in the institutions. He proposes to opt for a less pretentious approach than the one adopted by Jean Monnet and envisioned in the Constitution: concrete reforms in the labour market and the test of the Services Directive. He urges to rethink and “update” our social contract.

For Anne Van Lancker<sup>50</sup> (a Flemish socialist MEP) the Constitutional Treaty is not dead, and it is urgent to organise debates among the countries. The European Constitution must be a fact by 2009.

<sup>47</sup> Belga, 28 May 2006

<sup>48</sup> Director of European Studies at the Royal Institute of International Relations. Former Belgian Permanent Representative.

<sup>49</sup> La libre Belgique, 8 February 2006.

<sup>50</sup> 20 January 2006 ([www.avanlancker.be](http://www.avanlancker.be))

### *Who takes initiatives*

On the occasion of the publication of his book, Prime Minister Verhofstadt made a “tour of Europe” to present his idea of the *United States of Europe*.

Around the Constitution, Paul Mignette<sup>51</sup> also published a book in April 2006, in which he returns to the main causes of the French and Dutch “no” to further analyse the actual crisis. Underlying the differences between the American and European political models, he shows that the failure of the adoption of the Constitutional Treaty reflects our difficulty to accept a multinational community<sup>52</sup>. Stuck in the languages of our sovereign states, we cannot forge the concept of a Federation of States with evolving ambitions, institutions and borders<sup>53</sup>.

The movement *European Progressive Left*<sup>54</sup> organized a seminar on 14 January 2006 at the European Parliament titled *Re-launching Citizen's Europe*. In an open letter published a few days before the event, they suggested three priorities intended to solve the crisis: giving Europe more legal, budgetary and institutional competences to achieve more economic efficiency; reinforcing the social protection by setting up a minimum income policy, guaranteeing social security as a fundamental right of the citizen and creating a fund for early childhood; and finally transforming the Commission into a real democratic executive of the Union<sup>55</sup>.

In order to get Flemish citizens more involved in EU matters, the Flemish representative Miet Smet<sup>56</sup> (CD&V) has brought a resolution before the Flemish Parliament concerning the negative French and Dutch referenda and the need to organize a thorough public debate about which direction European unification should take. With the help of the Enlarged Bureau of the Flemish Parliament and the support of colleagues Anne-Marie Hoebeke (VLD), Jan Loones (N-VA) en Jan Roegiers (Spa-Spirit), this resolution made concrete

<sup>51</sup> Director, Institute for European Studies, ULB

<sup>52</sup> Paul MAGNETTE (ed.), *Au nom des peuples. Le malentendu constitutionnel européen*, Paris, Cerf, April 2006, 170 pages.

<sup>53</sup> [http://www.ulb.ac.be/soco/cevipol/presentation\\_des\\_livres/Malentendu.htm](http://www.ulb.ac.be/soco/cevipol/presentation_des_livres/Malentendu.htm)

<sup>54</sup> Belgian Think tank presided by Bruno Liebhaberg (<http://www.g-r-e.be>)

<sup>55</sup> Le Soir, 12 January 2006 (*Carte blanche: Pour une initiative de la gauche Européenne*)

<sup>56</sup> Press communication of the CD&V, 26 April 2006.

proposals such as the decision to invite more frequently EU commissioners and foreign politicians to explain their points of view in front of the Flemish Parliament and also to participate in "The State of the EU" organized by the Ryckvelde Foundation.

On 5 May, a debate about Europe's borders and the social model was organized at the European Parliament by the Flemish Christian Democrats and their peers from the Netherlands.

As far as the academic world is concerned, a number of conferences and colloquia were organized around the topic of the future of the EU. Among these, a joint colloquium about the Constitutional Treaty took place in Luxemburg on 8 and 9 May with the participation of the University of Luxemburg, the Institute of European Studies of Louvain-la-Neuve and TEPSA.

#### *Involvement of the media*

The press dealt much with the Union's evolution during the period taken into account. The adoption of the financial perspectives, the services directive and the future of the Constitution were the three most covered topics. The life of the institutions had the biggest part of the articles.

## Croatia

#### *The most important contributions*

The Government and political parties still consider the reflection period as a challenge within the EU, rather than a deep crisis.<sup>57</sup> This dominant domestic political expectation is supported by official EU positions saying that the EU will deal with the open issues effectively, so Croatia should concentrate more on its own reform and the adjustment process towards the *acquis communautaire* in a "moving target" manner.<sup>58</sup>

<sup>57</sup> E.g. President Mesić, Croatian Television - HRT, 6. June 2006, Ivica Račan, president of SDP, <http://www.index.hr/clanak.aspx?id=318761>. For detailed spectrum of different opinions see EU-25 Watch No. 2, p. 33.

<sup>58</sup> E.g. Vincent Degert, head of the delegation of the EC to Croatia at the Europe Day Conference, 9 May 2006 said „There are, of course, some discussions about absorption capacity, enlargement fatigue, but I do think that there is no real crisis within the EU. The EU has been through tough times already, but has always found solutions for its problems. Hence, I am convinced that Croatia has to concentrate on the reform process.“

The debate going on in Croatia can be more regarded as debate with the EU, rather than a serious spill-over of the debate going on in the European Union. It focuses on the issues closely related to the process of Croatia's integration into the EU, such as:

- Whether the debate on the EU's absorption capacity will have an impact on the timetable for Croatia's integration into the EU.
- If there is no European Constitution, which procedure is necessary for Croatia's membership in the EU?

There are some echoes in the media and press with a prevailing opinion that definition of absorption capacity and questions related to the constitution should not have an impact on Croatia's EU membership.<sup>59</sup>

This was also the key point in the analyses of the Presidency Conclusions of the 12 June 2006 European Council Meeting coming from Government, opposition parties and media. The Conclusions were met with a great degree of public relief in Croatia.<sup>60</sup> The analyses mainly focused on the point of the Presidency Conclusions saying that "current (membership) negotiations are based on each country's own merits and that their pace will depend on each country's progress in preparing for accession measured against the requirements set out in the Negotiating Framework". This point was recognised as confirmation of the position that the debate on the future of the EU will not affect Croatia's timetable<sup>61</sup>.

The wider questions on future borders of Europe, or decision-making process, are tackled only with regard to South East Europe, while further enlargements are not currently being debated in detail yet, since it is generally considered that these issues will become important *after* Croatia's inclusion into the EU.

#### *Main actors and the structure of the debate*

Discussions held in European Parliament about the future of Europe that include questions about absorption capacity and the borders of Europe, as well as statements of political leaders, such as an interview of Hans-

<sup>59</sup> Reactions on the statement of Hans-Gert Pöttering, Jutarnji list, 10.05.2006, and to the EP declaration, in: Jutarnji list 11.05.2006.

<sup>60</sup> Vjesnik, 14<sup>th</sup> and 15<sup>th</sup> June 2006.

<sup>61</sup> Croatian Radiotelevision- HRT, 15 June 2006, available at <http://vijesti.hrt.hr/ShowArticles.aspx?ArticleId=11351>.

Gert Pöttering to Reuters, were in April interpreted by the Government as a lack of support for Croatia's integration into the EU, or as threats to Croatia's strategic objective<sup>62</sup>. The national debate on these issues does not deal with different scenarios or possible outcomes of the reflection period and their significance. It is focused on the EU, as a reaction to the ideas discussed in the EU and presented in the media.<sup>63</sup>

The Government considers that Croatia's entry into the EU will not be affected by the results of the debate on the future of the EU going on within the member states. Croatia's integration is regarded as a technical issue<sup>64</sup>. It is considered that open issues regarding the European Constitution and the borders of Europe will be relevant for enlargements that will follow after Croatian integration into the EU<sup>65</sup>. However, there are no visible signs that the political parties (Government or the opposition) have already started formulating clear views on the borders of Europe, the importance of the Constitution, or minimal requirements regarding Croatian "weight" in decision-making procedures (i.e. in the Council). The national debate can therefore be considered as a reactive one, an exception being civil society organisations' initiatives to open issues relevant to the future of Europe, such as the democratic deficit, the importance of the European Parliament, the relationship between national and the EU decision-making level etc.<sup>66</sup>

#### *The European Constitution as a point of reference*

The role of the European Constitution, the charter of fundamental rights, and definition of the absorption capacity of the EU are viewed in the context of Croatia's integration into the EU (as opposed to their relevance for the functioning of the EU). Results of the

<sup>62</sup> Reaction of the prime minister Ivo Sanader on the EP's declaration on the Commission's 2005 enlargement strategy paper, as published in: Novi list, 18.04.2006

<sup>63</sup> E.g. debate on what did Hans-Gert Pöttering mean by saying that „Further enlargement without the Constitution is questionable, but Croatia is on its way“, in: Jutarnji list, 10.05.2006.

<sup>64</sup> Chief negotiator Vladimir Drobnyak, in: Večernji list, 09.05.2006.

<sup>65</sup> Prime Minister Ivo Sanader commented that after entry of Croatia everything will be different, in: Jutarnji list, 11.05.2006.

<sup>66</sup> One of the few events discussing this issue is the International Conference "What kind of Europe we would like to enter to?" organised by Heinrich Böll Foundation in Zagreb on 25 May 2006.

Eurobarometer survey, published in February 2006, show that the EU constitution is supported by almost 2/3 of the respondents, while support for enlargement decreased from 3/4 to 2/3.<sup>67</sup>

This issue is debated mainly with the EU institutions, and it seems that there is a consensus in Croatia (government, opposition, media)<sup>68</sup> that the European Constitution should not be regarded as an important issue for Croatia's integration into the EU. There is strong disagreement with the European Parliament's declaration that stalemate in the ratification of the Constitution is preventing the Union from enhancing its absorption capacity, while absorption capacity remains one of the conditions for accession. On the other hand, there are initiatives coming from experts saying that Croatia should be part of the solution of the institutional crisis<sup>69</sup> and critical analyses saying that the official target dates regarding solving internal EU issues are not realistic.<sup>70</sup>

The end of Austrian and beginning of Finish Presidency was followed by positive public reactions in Croatia regarding the expected changes in the Constitution after the EU reaches 27 members and the fact that enlargement will be discussed in December, with a view to reaching a new consensus.<sup>71</sup>

The Charter of fundamental rights is not a point of reference. Respect for fundamental rights is among the political membership criteria, and is not recognised as important for the future of the EU.

#### *Importance of the reflection period*

Reflection is quite limited to the questions related with Croatia's integration into the EU. Integration is seen as a national priority, and attention is focused on the reform process in Croatia, not on the future of the EU. Expert opinions are also limited to the analysis of the

<sup>67</sup> Eurobarometer 64, available at [http://ec.europa.eu/public\\_opinion/archives/eb/eb64/eb64\\_first\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb64/eb64_first_en.pdf), latest access: 21.06.2006.

<sup>68</sup> Ibidem as Footnote 3.-e.g. reactions on the statement of Poettering, Jutarnji list, 10.5. 2006, and to the EP declaration, Jutarnji list 11.5. 2006.

<sup>69</sup> I. Begg at the International Conference "Croatia on its Road to the EU Accession: Lessons Learnt and Challenges", Zagreb, 9 May 2006.

<sup>70</sup> Damir Grubiša in Novi list, 6.6.2006.

<sup>71</sup> "The Nice criteria will not keep Croatia outside of EU", Poslovni tjednik, July 5.

impact of various outcomes on the procedure of Croatia's integration into the EU.<sup>72</sup>

### *Initiatives*

Proactive debate is rather limited. Civil society organisations voiced some questions relevant to the future of Europe, such as what kind of Europe Croatia is integrating into<sup>73</sup>. The academic community raised some questions important for the future of Europe, such as the Croatian role in solving the institutional crisis within the EU, and understanding economic and social reforms.<sup>74</sup>

### *Role of the media*

The media presents the debate going on within the EU and individual member states, but does not have an active role in the debate. It usually covers the most important issues relevant in the reflection period, such as those related to borders of Europe<sup>75</sup>, plans to revitalise the Constitution<sup>76</sup>, the budget,<sup>77</sup> ideas of enhanced co-operation, revision of the *acquis* during the German Presidency<sup>78</sup>, the pace of ratification in member states (Estonia and Finland), and the announcement of further steps. The need to better communicate Europe not only by the media but also by civil society organisations at all levels has been reiterated in a number of expert meetings recently held.<sup>79</sup>

## Cyprus

There is a pervasive feeling that the debate on the future of the Treaty Establishing a Constitution for Europe is being shaped by the large EU member states. Although the Republic of Cyprus has already ratified the Treaty, the Government attaches importance and employs national resources in order to orient the citizens in the new milieu of the European Union.

Cypriot diplomats and public officers conveyed to us that, even though the Republic of Cyprus ratified the Constitutional treaty on 30 June 2005, the government considers the Plan D and the period of reflection as an opportunity to better inform the Cypriot citizens of their rights and obligations. The period of reflection also constitutes a unique opportunity to explain to the citizens how the EU is functioning and to elaborate on Union policies, as Cyprus is a new member state and its citizens are not especially well-informed.<sup>80</sup>

Due to national parliamentary elections on 21 May 2006, the reflection period in Cyprus has been delayed. Nevertheless, the Cyprus Ministry of Foreign Affairs is the most active actor in the national debate over the future of Europe.

A small coordination team has been created by the Ministry of Foreign Affairs with the objective to coordinate the overall actions during the period of reflection. This team includes representatives from the Ministries and from the European Commission and European Parliament delegations in Cyprus, as well as members of the National Parliament. According to the nature of each event, the coordination team will also be enriched with representations from other organisations, such as NGOs, Youth and Women organisations and Labour Unions.

The Cypriot Plan D team has created a special programme for the forthcoming events which is targeting the citizens. For this purpose, the contribution of a number of specialists is expected (i.e. members of the European Commission, the European Parliament, senior civil servants, academics, etc.) to present and explain to the public the Constitutional Treaty and the EU's policies and future aims. In this framework, the involvement of the media will be requested in order to facilitate the promotion of the actions.<sup>81</sup>

Events are planned to take place in several towns and municipalities, in schools and higher education institutions. The campaign will focus on informing young people and women, workers and persons with disabilities, as well as elderly people. It is also anticipated that

<sup>72</sup> Rodin., 2005 "Consequences of not-ratification of the EU Constitution to the Croatia's membership to the EU", [http://eu.pravo.hr/fileadmin/Europsko/dokumenti/Powerpoint/Posljedice\\_neratifikacije.ppt](http://eu.pravo.hr/fileadmin/Europsko/dokumenti/Powerpoint/Posljedice_neratifikacije.ppt), latest access: 21.06.2006.

<sup>73</sup> See footnote 7.

<sup>74</sup> Iain Begg, op. cit and International conference "Reforms in Lisbon Strategy Implementation", 3 May 2006

<sup>75</sup> Poslovni dnevnik, 11.04.2006.

<sup>76</sup> Vjesnik, 17.03.2006., Interview with Matti Vanhanen, in: Večernji list, 19.05.2006

<sup>77</sup> Poslovni dnevnik, 19.4. 2006.

<sup>78</sup> Jutarnji list, 11 May 2006.

<sup>79</sup> "Communicating Europe to the Citizens- The Role of Civil Society Organisations", Organized by IMO, UNDP and National Foundation for Civil Society Development, 24 April 2006.

<sup>80</sup> Interview at the Cyprus Foreign Ministry, 28 April 2006. Most interviews referred to in this Report were conducted by Christos Xenophontos in Nicosia, in April and May 2006.

<sup>81</sup> Politis (daily newspaper), "Plan D: A voice for the Citizen", 7 May 2006

several seminars will be organised to analyse the Union's policies and the impact of their implementation, with special emphasis on current events such as the effects of adopting the Euro currency in Cyprus. Simultaneously, it is planned that the dialogue will cover, inter alia, subjects such as the environment, women's role in modern society, equal opportunities, public health, narcotics, consumer protection, the role of middle and small enterprises in the Cypriot economy, and immigration.<sup>82</sup>

Additionally, the Cypriot Parliament held some discussion on the future of Europe during the meetings of the Committee on European Issues. As yet, the Parliament has not produced any final positions on the future of Europe or on the future of the 'Constitution'. Cypriot MPs did not take part in the two-day special session (8-9 May 2006) of the European Parliament where the future of Europe was debated<sup>83</sup>. The Cypriot Parliament was dissolved some weeks before that meeting due to the elections of 21 May 2006. The dissolution of the Parliament before elections is provided by the Constitution of Cyprus.

In any case, there were several events that occurred in Cyprus on the occasion of Europe Day. On 9 May, Ambassador Ms. Eva Hager of Austria, which holds the Presidency of the European Union, organized in Nicosia a "Café Europe" event. In the morning, after brief welcoming addresses by the Mayor of Nicosia, Mr. Michael Zambelas, and H.E. Ms. Hager, there was a debate on Europe involving Greek Cypriot and Turkish Cypriot secondary school students. Afterwards the participants were invited to write stories. In the afternoon, there were readings and a debate about Europe by Turkish Cypriot author Ms. Sevgul Uludag and Greek Cypriot author Maria Avraamidou. There was also a "children's corner", where a quiz on the EU was held, with prizes for the winners offered by the Commission Representation in Cyprus. The public and the media were also invited to attend.<sup>84</sup>

Moreover, on the same day, the Representation of the European Commission, together with the European Parliament Information Office, hosted a formal reception at the Cyprus Hilton Hotel on the double occasion

of Europe Day and the second anniversary of the Republic of Cyprus' accession to the European Union. The President of the Republic, Mr. Tassos Papadopoulos, Government officials, political leaders and other personalities honoured the event by their presence. In addition, the Union of Cyprus Municipalities, with the support of the Commission Representation and the European Parliament Information Office, organized events in 15 municipalities. The Mayor of each municipality delivered speeches during the events. Each municipality invited local officials and organisations, as well as the public, to attend.

Overall, Cyprus has been an active participant of the reflection period. In the forthcoming European Council we anticipate that Cyprus will support an extension of the period of reflection in line with the Commission's proposal. Bearing in mind that there is still some controversial debate on how to move forward, extending the debate over the future of Europe will bring about promising results.

## Czech Republic

Although the future of the European Union remains a contested issue in the Czech political debate, rather little attention is paid to it in the ongoing campaigns for the parliamentary elections, to be held in June 2006.<sup>85</sup> There is a major divide between the pro-European governing coalition elected in 2002, composed of Social Democrats (ČSSD), Christian Democrats (KDU-ČSL) and the small liberal Freedom Union party (US DEU), and the rightist and communist opposition.

The governing parties still favour ratifying the Constitutional Treaty or a revised version, even if they do not consider that realistic at the moment. They argue that we must wait for the results of the reflection period.<sup>86</sup> The Civic Democrats (ODS), on the other hand, reject the treaty as both overly bureaucratic and ill-suited to allow the flexible integration the party calls for. Moreover, the party rejects the inclusion of the Charter of fundamental rights in such a treaty, since that would restrict Czech sovereignty and involve the EU in issues

<sup>82</sup> Ibid.

<sup>83</sup> Fileleftheros, (daily newspaper), "Kaini Karekla" (Empty Chair), 13 May 2005.

<sup>84</sup> CYBC News, Europeday Events, May 9, 2006

<sup>85</sup> Please note that the Czech report was finished before these elections.

<sup>86</sup> Co dál s ústavou EU - to bude v Česku nejspíš řešit až nová vláda. (What next with the EU Constitution – in the Czech Republic it will be a question for the next government.) 1 January 2006, Czech News Agency



relating to Czech legislation on, for example, social policy.<sup>87</sup> The Communists also reject the constitutional treaty, but could accept a modified Constitution if it were neither neo-liberal, nor promoting closer cooperation in the CFSP.<sup>88</sup>

The Eurosceptic voice most widely quoted in Czech media belongs to the Czech president and former ODS chairman, Václav Klaus, who is an outspoken critic of the Constitutional Treaty. Klaus argues that the treaty would imply a step towards a European state, which he rejects as both unnatural and undemocratic.<sup>89</sup>

The lack of interest in European issues in the run up to this year's general election could be explained by a reluctance on the part of the Civic Democrats to provoke potential voters, since the party's voters are generally more pro-EU than the leadership, and also by the Social Democrats' belief that other issues are more important to voters.<sup>90</sup>

The Czech government emphasises that the Czech Republic was the first country to launch a publicly-funded national debate on the future of Europe. In May 2005, the government approved a campaign on the Constitutional Treaty. After the rejections of the treaty in France and the Netherlands, this campaign was turned into a general information campaign with the aim of bringing the EU closer to Czech citizens. The government's communication strategy should provide information to Czech citizens about the possibilities of, for example, working and studying in other EU countries, or applying for various EU funds, and moreover, on the future

development of the EU.<sup>91</sup> On the launch of the campaign, it was immediately criticised by the Civic Democrats as a waste of money on an already dead treaty.<sup>92</sup>

## Denmark

The destiny of the Constitutional Treaty has been the focus for many public interventions since the French and the Dutch no-votes last May. The Danish referendum planned for September 27, 2005 was postponed and it is ruled out that a referendum will be held as long as France and the Netherlands have not come up with possible solutions to the ratification crisis. Thus, it cannot be expected that Denmark will hold a referendum just to put pressure on France and the Netherlands.<sup>93</sup>

The Danish Prime Minister, Anders Fogh Rasmussen (Liberal Party), has expressed on several occasions his views on the future of the Constitution. In January, he suggested the possibility of a mini-treaty.<sup>94</sup> Accepting that the Constitution as it looks today might not be implemented, he suggested a shorter treaty containing some of the elements of the existing document—such as an EU-president, decision-making by “double majority” and the strengthening of the Common Foreign and Security Policy. The mini-treaty is envisaged to make an EU of 25 and 27 member states function, without necessitating ratification by referendum. At the same time, the Prime Minister distanced himself from the concept of ‘cherry picking’ and said that it was important that citizens did not feel that something was being implemented behind their backs.

In May, the Prime Minister repeated these thoughts in two major speeches.<sup>95</sup> He

<sup>87</sup> Zahradil, J. and Fajmon, H. 5 důvodů proč říci NE evropské ústavě (5 reasons for rejecting the European Constitutional Treaty)

[http://www.ods.cz/eu/download/docs/5\\_duvodu.pdf](http://www.ods.cz/eu/download/docs/5_duvodu.pdf)

<sup>88</sup> Představy stran o zavedení eura, euroústavě a integraci v EU (Party attitudes on introducing Euro, Constitutional Treaty and Integration in the EU.) 9 April 2006, Czech News Agency.

<sup>89</sup> Klaus commonly refers to Europeanism as a new ideology that has replaced socialism, but shares with the latter an intent of restricting the freedom of the individuals, Klaus, V. 'Intelektuálové a socialismus'

<http://www.klaus.cz/klaus2/asp/default.asp?CatID=tWNQBz3P&catP=10&textID=0>

<sup>90</sup> Prime Minister Jiří Paroubek has stated that he pays a lot of attention to opinion polls and that, unfortunately, economic and social issues are more important to voters than EU questions. Veřejná diskuse s Premiérem Jiřím Paroubkem na téma Evropská integrace a česká zahraniční politika (Public discussion with Prime Minister Paroubek on the topic of European Integration and Czech Foreign Policy). 16 May 2006, Goethe Institute, Prague.

<sup>91</sup> Odbor pro informování o evropských záležitostech Úřadu vlády ČR (Department of Information on European Affairs of the Czech Government), <http://wtd.vlada.cz/vrk/eu.htm>

<sup>92</sup> ODS rozjela kampaň: Sto dní laciných gest (ODS trounces campaign: A hundred days of cheap gestures.) 5 August 2005, [Cesko.iHNed.cz](http://www.ihned.cz)

<sup>93</sup> Fogh Rasmussen, Anders (2005), “EU i arbejdstøjet”, Feature article, Politiken, September 27th, and Fogh Rasmussen, Anders (2006) Speech at the Europe Conference 2006 at Frederiksdal, May 19, 2006, <http://www.stm.dk/Index/dokumenter.asp?o=2&n=0&d=2600&s=1#> (located on May 30th 2006)

<sup>94</sup> Flensburg, Thomas and Thomas Lauritzen (2006): “Fogh foreslår minitraktat”, Politiken, January 29<sup>th</sup> 2006

<sup>95</sup> Speech by the Prime Minister Anders Fogh Rasmussen, Achieving Europe, at Copenhagen University on 21 April 2006. Online: <http://www.statsministeriet.dk/Index/dokumenter.asp?o=6&n=0&d=2576&s=2>. And speech at the Europe Conference

expanded the list of issues that might be included in the mini-treaty to include elements to improve the democratic standing of the EU and its clarity on European values.

Following May's meeting of the EU's Foreign Affairs Ministers in Austria, it seems that the fate of the Constitutional Treaty continues to haunt politicians. After the meeting, Danish Foreign Affairs Minister, Per Stig Møller (Conservative Party), also aired the possibility of reducing the Constitution to a 'mini-treaty', thereby backing the ideas of the Prime Minister. To the dismay of, for instance, the Danish People's Party, the Foreign Affairs Minister also reiterated the possibility of such a mini-treaty being ratified in Denmark without a prior public referendum.<sup>96</sup>

The Prime and Foreign Affairs Ministers' thoughts on a mini-treaty were broadly accepted by the EU-spokesman for the largest opposition party, the Social Democrats, Svend Auken<sup>97</sup>. The leftwing Unity List criticised the idea of not having a referendum, calling it an attempt to "bereave" the electorate of its referendum<sup>98</sup> - and Danish no-movements, such as the People's Movement against the EU, even argued that such a move would be against the Danish constitution.<sup>99</sup> Danish MEP from the People's Movement, Ole Krarup, said the suggestion to skip the referendum revealed the Prime Minister's lack of interest in democracy as well as dialogue.<sup>100</sup>

The Danish, EU positive, centre-left movement, Nyt Europa (New Europe) suggested on 28 March that it was time to discuss which parts of the Constitution to keep and which to renegotiate. The head of the organisation, Steen Gade, suggested that Parts I and II should be kept and Part III renegotiated with a special focus on three specific points: i) improving democratic infrastructure, culture and education in the EU;

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organised by the European Parliament and Commission's representations in Denmark. See <http://www.stm.dk/Index/dokumenter.asp?o=2&n=0&h=2&t=14&d=2600&s=1> (located May 30<sup>th</sup> 2006)

<sup>96</sup> Lauritzen, Thomas and Tanj Parker Astrup (2006): "Per Stig: Traktat uden afstemning" in Politiken, May 29<sup>th</sup> 2006.

<sup>97</sup> Flensburg, Thomas and Thomas Lauritzen (2006): "Fogh foreslår minitraktat", Politiken, January 29<sup>th</sup> 2006.

<sup>98</sup> Politiken (2006): "For og imod ministraktat", Politiken, May 30<sup>th</sup> 2006

<sup>99</sup> Paragraph 20 in the Danish Constitution requires a referendum on issues of ceding national sovereignty, should a majority of 5/6 not be secured in Parliament.

<sup>100</sup> Krarup, Ole (2006): "Fogh ønsker EU-grundlov light uden folkeafstemning", Press release, Folkebevægelsen mod EU, Januar 30<sup>th</sup> 2006

ii) introducing a strong focus on specific policies like energy; and finally iii) a strengthened role for the European Parliament and NGO's as pathfinders out of the crisis.<sup>101</sup> It could be mentioned that New Europe is currently particularly interested in pressing on with one change to the existing Constitution, namely the idea that signatures by 1 million EU citizens should require the European Commission to raise a given issue. New Europe is supporting the "one seat" initiative<sup>102</sup>, which attempts to encourage the Commission to debate the continuing presence of the European Parliament in Strasbourg.

An early reaction to the French and Dutch no's came from the leader of the Danish Social Democrats, Helle Thorning Schmidt. She set the tone in June 2005 by declaring the Constitution dead.<sup>103</sup> She suggested at that point that the document should be renegotiated, 'cleaning the treaty up' to get rid of all talk of hymns, flag and other things that might lead to think of a federation. She also suggested that the competencies of the EU should be more clearly defined and that the Union's influence should be clearly delimited. Thorning Schmidt moreover pointed to the democratic shortcomings of the EU, and as a means to rectifying these she suggested a larger role for national parliaments. The argument is that as citizens in the EU feel much closer to their national parliamentarians, strengthening these might be conducive to increasing citizens' sense of 'ownership' of the EU. Recently, the leader of the Social Democrats modified her "death declaration" slightly by stating that the Constitution "in its current form" is dead.<sup>104</sup> She also argued that the EU should spend the reflection period improving the EU within the current framework (the Nice treaty) to the benefit of its citizens.

At the same time, both the Government and the pro-EU opposition parties, especially the Social Democrats and the Social Liberals, have made a more pragmatic effort to reduce the focus on the Constitutional Treaty and

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<sup>101</sup> Gade, Steen (2006): "Nu skal vi videre med den europæiske forfatning – fastlås del I og II og gå efter ændringer i del III", press release, New Europe, March 28<sup>th</sup> 2006.

<sup>102</sup> See [www.oneseat.eu](http://www.oneseat.eu)

<sup>103</sup> Thorning-Schmidt, Helle (2005): "Traktaten er død – samarbejdet lever", feature article, Politiken, June 27<sup>th</sup> 2005.

<sup>104</sup> Thorning-Schmidt, Helle (2006): "En plan for tænkepausen" speech at the European Conference, May 19<sup>th</sup> 2006 : [http://www.europa-kommissionen.dk/repraesentationen/europa\\_konference\\_2006/thorning-schmidt/](http://www.europa-kommissionen.dk/repraesentationen/europa_konference_2006/thorning-schmidt/) (located on May 30<sup>th</sup> 2006)

institutional reforms. They wish to concentrate on concrete policy initiatives in the EU. A job-plan for Europe, democratic reforms, economic reforms, a stronger focus on citizens' rights in the EU, more forceful actions against organised crime and trafficking, and a strengthening of the EU's global role, are some of the features that these parties wish to emphasize in the future EU.<sup>105</sup>

The shift from European cooperation on 'mega-projects' to cooperation on smaller and more concrete projects has generally been strongly promoted by the Danish Government under Fogh Rasmussen's leadership. Indeed, it is seen as the motor of cooperation. Only by achieving concrete benefits for the European people will the EU be able to generate popular support. The Prime Minister labels the approach a 'Europe of results', and points to 'globalisation' as a specific challenge for the EU. Globalisation calls for targeted effort and, above all, for concrete actions and specific results. As a means to achieve this, the Prime Minister outlined in a speech at Copenhagen University in April the policy programme 'Achieving Europe', which targets three major tasks for the years ahead: (1) 'how to enable Europe to promote growth and employment, and thereby social security'; (2) 'how to ensure the safety and security of citizens vis-à-vis transnational problems (terrorism, organised crime, illegal immigration, food safety, environment and climate)'; and (3) 'how to strengthen the ability of the EU to pursue the interests of Europeans on the international stage'.

Mr. Rasmussen's call for a Europe of results was repeated at a conference in May, where he gave a speech alongside Commission President, José Barroso.<sup>106</sup> A particular point of interest was the degree of consensus between the viewpoints of the two EU-leaders with regard to creating renewed momentum in the Union through a Europe of results. Commissioner Margot Wallström visited Denmark together with Barroso and gave a speech at the University of Copenhagen, which was well attended by both students and the general public.

<sup>105</sup> Thorning-Schmidt, Helle (2006): "En plan for tænkepausen" speech at the European Conference, May 19<sup>th</sup> 2006 ; [http://www.europa-kommissionen.dk/repraesentationen/europa\\_konference\\_2006/thorning-schmidt/](http://www.europa-kommissionen.dk/repraesentationen/europa_konference_2006/thorning-schmidt/) (located May 30<sup>th</sup> 2006)

<sup>106</sup> See the Prime Ministers speech at <http://www.stm.dk/index/dokumenter.asp?o=2&n=0&h=2&t=14&d=2600&s=1> (located May 30<sup>th</sup> 2006)

The joint focus of the Danish Government, the EU-positive opposition parties and the Commission on achieving concrete results, however, does not imply that the importance of a solution to the fate of the Constitutional Treaty is neglected. As the Prime Minister said in April: 'At some point, we will need clarification. Otherwise I'm afraid that the EU will keep returning to the question of the Treaty – instead of focusing on what it is all about: close and committed cooperation that delivers results for the benefits of the citizens'.<sup>107</sup>

### *Charter of fundamental rights*

The Charter of fundamental rights has not really been in focus during the reflection period in Denmark, but the general impression is that the inclusion of the Charter in a future treaty will not be a Danish priority. This hesitation reflects critical Danish attitudes towards the very active role played by the Court of Justice<sup>108</sup>.

The establishment of the Fundamental Rights Agency was debated in the Danish Parliament. On January 30<sup>th</sup>, the Committee on European Affairs in the Parliament gave a statement on the establishment of the agency. A majority of 145 members of Parliament, out of a total of 179, supported its establishment. Two parties were against; the far left Unity List and the far right Danish People's Party. Whereas the Unity List argued that the Agency would be a competitor to the European Council and the European Court of Human Rights<sup>109</sup>, the Danish People's Party argued that the agency would be a threat to democracy and the nation-state<sup>110</sup>.

### *Period of reflection*

The involvement of citizens in EU affairs is a high political priority in Denmark, and the Danish Parliament decided to allocate 14

<sup>107</sup> Speech by the Prime Minister Anders Fogh Rasmussen, Achieving Europe, at Copenhagen University on 21 April 2006. Online: <http://www.statsministeriet.dk/index/dokumenter.asp?o=6&n=0&d=2576&s=2>

<sup>108</sup> Politiken, 2006: Fogh retter kritik mod EF-Domstolen, 11-01-2006. Online: <http://politiken.dk/VisArtikel.i.asp?PageID=429790>

<sup>109</sup> This argument has also been put forward in an article in Danish daily Information in Alfter, Birgitte (2005): "Analyse: Terrorisme i tænkepause", Information, September 9th 2005.

<sup>110</sup> See statement from the European Affairs Committee, January 30th 2006. "Udtalelse fra Europaudvalget om forslag til rådets forordning om oprettelse af Den Europæiske Unions agentur for Grundlæggende Rettigheder m.v."

million Danish Kroner (approximately 1.8 million euros) to debate and events in the current period of reflection.

It was decided that the Parliament's European Affairs Committee should coordinate Danish activities in the reflection period. Under the heading "Citizens' Agenda" (Borgernes Dagsorden), the European Affairs Committee and a number of NGO's – both neutral, yes and no movements – agreed on a thematic, financial, and organisational framework for the debate. It was decided in autumn 2005 to concentrate the reflections around five broad questions:

1. Which of the cross-border problems that Europe is faced with should be given special emphasis, and which role should the EU play in this respect?
2. What are the most important problems related to EU cooperation and how can they be solved?
3. How should the debate on the future of Europe and a possible new treaty be organised to ensure width, depth, and legitimacy?
4. How can we strengthen citizens' participation in the EU?
5. Where are the geographical boundaries of the EU?

The idea behind formulating five questions was to secure a structured reflection period and to avoid a debate that pointed in all directions with no overall focus. An overview of all activities related to the Citizens' Agenda has been established on a special website<sup>111</sup>.

Generally, Danish politicians have been hesitant to come up with a priori answers regarding questions on the future of Europe – such as the future of the Constitutional Treaty; whether or not to have a new convention or an Intergovernmental Conference; and whether or not to save certain elements of the old treaty<sup>112</sup>. The period of reflection is supposed to be a bottom-up process, and in line with the Government and the Social Democrats, the leader of the Social Liberals, Marianne Jelved, has argued that the period of reflection should be used to reflect and hence it is too early to

give any indication on the outcome<sup>113</sup>. The eurosceptic Danish People's Party fears that the period of reflection is just another way to convince citizens that they must vote yes to the Constitutional Treaty, and thus not an unbiased time for honest discussion.

The "Citizens' Agenda" ran until May 2006. Its findings are now being presented before the politicians, who have promised to take them into account prior to the European summit in June 2006. A number of actors outside the Citizens' Agenda, ranging from academia and media to civil society organisations, have also been involved in the reflection period. The Danish Institute for International Studies, for instance, published a series of papers on the dilemmas of the EU dealing with subjects like the future of the Constitution, euroscepticism, democracy in the EU, immigration and Turkish accession.<sup>114</sup> The daily *Politiken* made a special EU-section on February 9<sup>th</sup> and has initiated an internet poll, where one can rate the importance of a number of EU policies<sup>115</sup> relating to the questions debated by the Citizens' Agenda (see above). A special section on Europe was also published by the daily *Information* on April 29<sup>th</sup>.

The largest and probably most successful activity was a public hearing (deliberative poll), organised on the 29<sup>th</sup> – 30<sup>th</sup> of April by the Danish Parliament and the national broadcaster TV2, together with a private consultancy. The concept involved inviting 400 Danish citizens, randomly chosen and representative of the Danish population, to discuss the main problems of the EU. The hearing was intensively covered by all kinds of media – it was, for instance, also streamed over the Internet.<sup>116</sup> The intention of the hearing was threefold: (1) to engage the public; (2) to provide impulses to the political process; (3) to demonstrate politicians' willingness to enter into a dialogue with citizens.<sup>117</sup> The participants of the hearing were offered the opportunity of discussing amongst themselves

<sup>111</sup> See <http://www.borgernesdagsorden.dk/>. For the final report see:

<http://www.borgernesdagsorden.dk/input/rapport/>

<sup>112</sup> For the Government's position, see e.g.: Møller, Per Stig (2005), Speech to the conference, "A Free Market Vision for Europe", arranged by the think tank CEPOS.

<sup>113</sup> Svane, Anne Mette og Jette Elbæk Maressa (2005), "SF sår tvivl om national EU-aftale", Jyllands Posten, June 17<sup>th</sup>.

<sup>114</sup> The papers can be downloaded from

<http://www.diis.dk/sw21089.asp>

<sup>115</sup> See *Politiken*'s site:

<http://politiken.dk/VisArtikel.i.asp?PageID=438260>

<sup>116</sup> See press release:

<http://www.borgernesdagsorden.dk/upload/application/pdf/c34caefe/pressemeddelelse%20endelig.pdf> (located 30 May 2006).

<sup>117</sup> For more information on the hearing, see:

<http://www.borgernesdagsorden.dk/english/hearing/> (located 30 May 2006).

in smaller groups and of participating in Q & A sessions with politicians and EU experts.

One major finding of the hearing was that a main point of criticism of the attending Danes was the complicated internal working procedures of the Union. On the policy level, both research and development issues, and the global role of the EU, were centres of attention – both with regard to the fight against terrorism, environmental issues and third world development<sup>118</sup>.

Danish Prime Minister Anders Fogh Rasmussen has shown great interest in the hearing and promises to take the results into consideration in his preparations for the European Council meeting in June.<sup>119</sup>

In general, Denmark has been acclaimed at the European level for taking the year of reflection seriously and engaging in many activities about the EU<sup>120</sup>. However, one report found that EU-related debate in the press has in fact become less prominent over the past year. According to the report, only half as many articles concerning the EU have been published during the period of reflection than between the summer of 2004 and the summer of 2005<sup>121</sup>. A feature article that did provoke some debate was by two 'grand old men' in the Danish EU-debate: former Secretary General for the secretariat of the Council, Niels Ersbøl, and MEP Jens Peter Bonde from the June Movement. They wrote the article together after having been inspired by the experience of the public hearing. It stressed the need for more democracy and transparency in the Union, but was criticised from both the 'yes side' and the 'no side' in Denmark for giving too much support to each other's arguments. It now seems certain that the reflection period

will go on for another year<sup>122</sup>. Voices had been raised against this from, among others, the Confederation of Danish Industries, who suggested that the politicians moved ahead as quickly as possible in order for Europe not to lag behind in urgent international matters. It seems, however, to be the political judgment that decisive moves with regard to the ratification crisis have to await the French and Dutch Elections in spring 2007.

## Estonia

The most important development since the last EU-25 Watch report is that the Estonian parliament finally ratified the Constitutional Treaty on May 9th, 2006. With 73 votes in favor and 1 opposed, Estonia became the 15th country in the EU to ratify the treaty. The government had declared, ever since the treaty was signed, that the Constitutional Treaty is the best way forward, and ratification was never officially taken off the agenda even though the French and Dutch referenda brought the process to a temporary halt. The official reason for the delay was to enable the Constitutional committee of the Estonian Parliament to examine the Constitutional Treaty, decide whether it can be ratified without making any amendments to the Estonian Constitution, and assess the implications of the enforcement of the treaty for the Estonian public law system. This, however, is only part of the reason: equally important is the fact that in the wake of the French and Dutch referendums, Estonia wanted to wait and see what other countries were going to do. Since late 2005, the government, especially the Ministry of Foreign Affairs, started putting pressure on the parliament to proceed with ratification.<sup>123</sup>

The rationale for ratification under circumstances of uncertainty about the fate of the treaty were clearly spelled out in two addresses by the Foreign Minister Urmas Paet to the Riigikogu (the Estonian Parliament). First, the government continues to regard the Constitutional Treaty as the best compromise that could be achieved under the

<sup>118</sup> The replies to the questionnaires distributed during the hearing can be found at: <http://www.borgernesdagsorden.dk/upload/application/pdf/145e7c97/Tabelrapport%2016.05.pdf> (located 30 May 2006).

<sup>119</sup> See the Prime Ministers statement on: <http://www.stm.dk/Index/dokumenter.asp?o=3&n=0&d=2578&s=1&str=stor> (located on May 30 2006). And Ritzau (2006): "Barroso skal diskutere med danske borgere", Urban, April 12<sup>th</sup> 2006.

<sup>120</sup> Wallström, Margaret, 2006: A citizen's agenda for the EU, speech at the Plan D visit to Denmark, Round Table on the Citizen's Agenda, 19-05-2006. Online: [http://ec.europa.eu/commission\\_barroso/wallstrom/pdf/spe\\_ech\\_20060519\\_en.pdf](http://ec.europa.eu/commission_barroso/wallstrom/pdf/spe_ech_20060519_en.pdf)

<sup>121</sup> Ugebrevet A4, 2006: Pseudodebat for sytten millioner, A4, no. 15, p. 16. Online: [http://www.ugebreveta4.dk/smmedia/A4\\_2006\\_15.pdf?mbGUID=F8BEA604-8D30-4F2C-89F5-2F6139FCF7E8.pdf](http://www.ugebreveta4.dk/smmedia/A4_2006_15.pdf?mbGUID=F8BEA604-8D30-4F2C-89F5-2F6139FCF7E8.pdf)

<sup>122</sup> See eg. Flensburg, Thomas and Thomas Lauritzen (2006): "Fogh foreslår minitraktat", Politiken, January 29<sup>th</sup> 2006; Speech by the Prime Minister Anders Fogh Rasmussen, Achieving Europe, at Copenhagen University on 21 April 2006. Online: <http://www.statsministeriet.dk/Index/dokumenter.asp?o=6&n=0&d=2576&s=2>

<sup>123</sup> See the Estonian report in EU-25 Watch No 2 for details.

circumstances. As put by Foreign Minister Urmas Paet: "This is the best treaty that could be achieved after a lengthy and complex negotiating process./.../ It is very unlikely, that in the course of new, possible negotiations we could achieve better results, but we would lose years."<sup>124</sup> Second, it is important to proceed with ratification despite the French and Dutch outcomes because this is the only way to get a clear picture of the positions of the member states. The foreign minister emphasized that several member states, including Latvia, Cyprus, Malta, and Luxembourg had ratified the treaty after the French and Dutch referendums.<sup>125</sup> Third, Estonia's positive verdict on the treaty would send a political signal that might motivate other countries to approve it as well. According to the Foreign Minister, ratification would show that "the process of European integration continues and the confidence in the Constitutional treaty is being restored."<sup>126</sup> Paet claimed that it is not impossible "that even the States, which rejected the Treaty, will, in time, ratify it after all in its present form."<sup>127</sup> In fact, Paet painted an optimistic picture of "livening discussions" at the EU level on the future of the European Union and the Constitutional Treaty. He pointed out that the EU's three upcoming presiding countries (Finland, Germany, and Portugal) are committed to promoting the Constitutional Treaty process, and expressed hope that Finland would ratify the treaty by the time it assumes EU Presidency. He said that the reflection period should be extended, if national debates show that this is necessary but "(f)or now, the goal should continue to be the enforcement of the Treaty in its entirety, since it is valid and balanced as a whole."<sup>128</sup>

The parliamentary debates preceding ratification focused not so much on the content of the treaty but on the prospects of the treaty to enter into force, and the other member states' attitude towards Estonia's steps. There was no significant public debate about the desirability of ratification – partly because the government's position (coinciding with that of

all major parties), had been known for quite some time, and partly because an erupting political conflict about a Soviet-era monument in Tallinn started to dominate media space (see the last section of this report for details). A few skeptical articles appeared in the newspapers: commentators known for their euroskeptic views labeled the ratification "unlawful and politically unnecessary" and referred to the fact that most politicians themselves admit that the treaty is dead.<sup>129</sup> Notably, the latter position was also expressed by the President of the Czech Republic, Vaclav Klaus, who visited Estonia in late May and gave a public lecture on the future of European integration. Finally, the government has promised that ratification will be followed by a reactivated dialogue with the public, involving various media projects, public events, brochures, training, activities targeting NGOs, etc.<sup>130</sup> To date, these efforts have had limited visibility.

## Finland

### *European Constitution*

Finland will hold the six-month rotating EU Presidency commencing on 1 July 2006. Largely because of the approaching Presidency, national debate on the European Constitution has arisen again during the spring. The ratification of the Constitution prior to the EU Presidency has been called for by distinguished political heavyweights such as the former Prime Minister, Speaker of the Parliament, Paavo Lipponen (Social Democratic Party) and EU enlargement Commissioner Olli Rehn (Centre Party). Mr Rehn has stressed that by ratifying the Constitution Finland would strengthen its credibility as the next holder of the EU Presidency.<sup>131</sup> According to Mr Lipponen, too much delay has taken place already, and there is no reason for altering the Constitution, since not a single EU state has announced to permanently abandon it. Lipponen sees that, as it stands now, the Constitution benefits the smaller EU states<sup>132</sup>. Former Conservative Prime Minister Harri Holkeri has also contributed to the debate, stating that it is important to give a clear signal that other EU

<sup>124</sup> Address by Foreign Minister Urmas Paet to the Riigikogu at the Second Reading of the Law for the Ratification of the Treaty Establishing a Constitution for Europe, 9 May 2006, [www.vm.ee](http://www.vm.ee)

<sup>125</sup> Address by Foreign Minister Urmas Paet to the Riigikogu at the First Reading of the Ratification of the Constitutional Treaty for Europe, 8 February 2006, [www.vm.ee](http://www.vm.ee)

<sup>126</sup> See footnote 90.

<sup>127</sup> Ibid.

<sup>128</sup> See footnote 91.

<sup>129</sup> Ivar Raig: "Kas riigikogu riiki pööramas?" SL Õhtuleht, 8.05.2006

<sup>130</sup> "Eesti Euroopa Liidus," Ministry of Foreign Affairs information sheet, 10.05.2006

<sup>131</sup> Kaleva, (the largest daily in Northern Finland), 2.4.2006

<sup>132</sup> Uutispäivä Demari, (Social Democratic Party's daily) 20.4.2006

member states are not willing to give up the Constitution due to the populist referenda in France and the Netherlands. Mr Holkeri believes that an encouraging example of the next holder of the Presidency is needed.<sup>133</sup>

The three parties of the current coalition government, the Centre Party, the Social Democratic Party and the Swedish People's Party, support the ratification of the Constitution, and so does the largest opposition party, the Conservatives. The smaller opposition parties - the Left Alliance, the Greens, the Christian Democrats and the True Finns - are against the ratification. A majority of the Members of Parliament are thus ready to vote in favour of ratifying the Constitution.<sup>134</sup> Contrary to the domestic MPs, most of the Finnish Members of the European Parliament oppose the idea of ratifying the Constitution for the time being. Among these are the former Centre and Conservative Party leaders Mrs Anneli Jäätteenmäki and Mr Ville Itälä. Mr Itälä, for example, has argued that ratifying the Constitution would only please the EU elite, and "there is [also] no rush as the French Presidential elections are held [not earlier than] next spring". His party, however, clearly supports the ratification of the Constitution.<sup>135</sup>

The President of Finland, Mrs Tarja Halonen, stepped in the Constitution debate on 8 May when she gave a speech at a seminar organised by the European Movement in Finland. To the astonishment of many politicians and experts, she took a critical stance on the ratification, stating that she did not see a possibility that the ratification of the Constitution by Finland would advance the process in other EU member states, especially France and the Netherlands. According to the President, the timing and the consequences of the ratification must be evaluated realistically. If negotiations on the Constitution are going to be resumed, the Parliament will have to re-ratify it, which would have a negative affect on citizens' attitudes towards the EU, she added.<sup>136</sup>

<sup>133</sup> Turun Sanomat (the largest daily in Western Finland), 11.4.2006

<sup>134</sup> Helsingin Sanomat (the largest daily in Finland), 14.3. and 4.4.2006

<sup>135</sup> Turun Sanomat, 11.4.2006; Helsingin Sanomat, 14.3.2006

<sup>136</sup> Helsingin Sanomat, 8.5.2006;  
<http://www.eurooppalainen-suomi.fi/tapahtumat/helsinki060508.html>

While the Constitution has been subject to lively debate, the Finnish political actors have paid no particular attention towards the Charter of Fundamental Rights. Finland's position on the Charter remains positive, as it has been since the drafting of the document was launched at the Tampere European Council meeting held under the Finnish EU Presidency in 1999.

### *Parliamentary voting*

The Grand Committee of the Parliament, which is responsible for EU affairs in the Parliament, voted in favour of the Constitution ratification on 7 April.<sup>137</sup> Vice-Chairman of the Committee Mr Kimmo Kiljunen (Social Democratic Party), stressed that the Parliament, nevertheless, would not have enough time to go through the ratification procedure before the EU Presidency begins.<sup>138</sup>

On 28 April, the Foreign Affairs Committee of the Parliament decided to recommend the Government to draw up a proposal on the ratification of the Constitution before the EU Presidency. The Committee also stated that it does not support a referendum on the issue.<sup>139</sup> After the 8 May speech by the President, Chairman of the Committee, Mrs Liisa Jaakonsaari (Social Democratic Party) expressed disagreement with the President's views: "In the EU each and every state considers the treaty according to its contents. Otherwise it would seem that France and the Netherlands would have decided the issue on our behalf".<sup>140</sup>

On 12 May, the Parliament decided with 104 votes against 24 to approve the EU Constitution and to present it to the Government. The 24 opposing votes came from 12 members of the Left Alliance, 8 of the Greens and 3 of the Christian Democrats. Also one representative of the ruling coalition voted against the approval. A total of 11 members of the parliament rebelled by voting "blank", including some members of the coalition.

The Government will return the Constitution to the Parliament for ratification on 2 June. Since the Parliament's summer break will start soon, the ratification procedure will not, however, be completed before the autumn.

<sup>137</sup> Suuren valiokunnan lausunto 2/2006 vp,  
[www.eduskunta.fi/](http://www.eduskunta.fi/)

<sup>138</sup> Helsingin Sanomat, 8.4.2006

<sup>139</sup> Turun Sanomat, 29.4.2006

<sup>140</sup> Helsingin Sanomat, 10.5.2006

### Public attitudes

Recent discussion on the Constitution has not involved civil society as much as the political elite. It has, nevertheless, raised a pro-referendum movement that collected a list of 50 000 names demanding a referendum on the Constitution.<sup>141</sup> There is little support for the referendum among the political elite.

According to a study by Taloustutkimus (a private market research company) published in May, a great number of Finns know very little about the Constitution, almost regardless of profession or habitual domicile. Less than one in ten said having adequate or fairly good knowledge of the contents of the Constitution. In spite of this, more than half (53%) of respondents wanted a referendum on the issue.<sup>142</sup>

The discussion on the Constitution ratification has an impact on domestic politics because it puts pressure on parties to present their positions on the future of Europe. This is of particular significance with a view to the parliamentary elections to be held in March next year.

### France

The debate on the future of the EU in France has been dominated by the consequences of the French refusal of the Constitution. Three issues have structured the debate. 1) What will be the consequences of the French “no” vote for the Union? 2) Has that vote undermined France’s “influence” in Europe? 3) What will be the future of the Constitution?

As explained in the last report<sup>143</sup>, the positions were at first very clear-cut. Those who had been in favour of the Treaty continued to explain that a “yes” vote would have been the best option. They underlined that the French decision had thrown Europe into crisis, that France’s position had been greatly undermined, and that in any case, France would have to accept the Treaty in the end, because there was no “plan B”<sup>144</sup>. Their opponents had a very different discourse. They

explained that Europe’s crisis was the cause of the French “no”, not the consequence. They were keen to find examples of issues where France’s position has been consolidated thanks to its sweeping decision on the Treaty. The radical redrafting of the Directive on Services was interpreted in that way. France’s voice was again listened to, they argued, because people all over Europe were forced to remember that it is not possible to take Europe forward without France’s approval. And lastly, they pointed out that the Treaty was dead because unanimity is required and that it would not be possible to have the French vote again on the same text. The decision taken on June 16<sup>th</sup> to start discussions about “possible future evolutions” of the Treaty was interpreted by them as a confirmation of their analysis<sup>145</sup>.

The issue remains to this day a political hot potato. It is fair to say, however, that observers and analysts are progressively evolving towards a more consensual approach. Florence Deloche-Gaudez, researcher at the European Centre (Institute of Political Studies in Paris) summarized, in a recent article, what is becoming the dominant view in France: “For the first time, last weekend, the Foreign Ministers of the European Union seem to have begun an essential work of mourning. At this meeting in Vienna, on Freudian land, they recognized that it would be difficult to save the European Constitution. The proposals made so far were more akin to a denial of the situation than to real solutions. At last, it seems that the lessons from the French and Dutch “no” are being heard, and that European leaders start to think of the means of preparing a new text.”<sup>146</sup>

Another sign of this “cooling down” of the debate: French officials are trying to reconcile “yes” and “no” voters. For instance, Philippe Douste-Blazy, the French Foreign Minister, explained just one year after the referendum: “The results of the ballot did not sign the end of the European idea. Among the French who voted “no”, many had no intention to harm Europe, on the contrary. Their doubts were first and foremost the sign of new expectations which were not responded to properly by the Union. Let us recognize that May 29<sup>th</sup> was a call for a new foundation of the European

<sup>141</sup> Helsingin Sanomat 10.4.2006;

[www.kansanaanestys.fi/tiedote\\_9.5.2006](http://www.kansanaanestys.fi/tiedote_9.5.2006)

<sup>142</sup> Suomenmaa (Conservative / National Coalition Party’s daily), 19.5.2006

<sup>143</sup> Cf. Institut für Europäische Politik (Ed.): EU-25 Watch, No. 2, January 2006, Berlin.

<sup>144</sup> The issue of the « plan B » was a major stumbling block during the referendum campaign.

<sup>145</sup> « We found the plan B », article published by Jean-Pierre Balligand, Didier Migaud, Paul Quilès, André Laignel and Marie-Noëlle Lienemann, socialist MPs and MEPs who had all voted ‘no’, in *L’Humanité* on July 12<sup>th</sup>, 2006.

<sup>146</sup> Florence Deloche-Gaudez, *Les Echos*, Paris, 3 June 2006.



contract. If we do this, we will be able to find again the path towards an ambitious European project. People too often regard Europe as something that is imposed on them from the outside. It is our responsibility to transform Europe into something that people desire and control.”<sup>147</sup> How to do this? It is generally accepted that Europe should focus more on practical projects and easy-to-assess achievements. Catherine Colonna, the French Minister for European Affairs, explained: “Among the lessons that we can draw from the reflection period which started a year ago, the most important thing is that the top priority should be the building of a “practical Europe”. We should focus on decisions about issues close to the daily problems of citizens: the economy, social problems, law and order... Europe should be more efficient and closer to its citizens. The institutions remain an important issue which will have to be settled, but the priority really is a “Europe of projects”, a “Europe of results”, and a “practical Europe””<sup>148</sup>.

Officials and members of the government are usually keen to underline that Europe is working. Despite the French “no”, “Europe moves on” is the official message. The European Gendarmerie Force (EGF) which was inaugurated in January 2006 is often cited. So is the International Thermonuclear Experimental Reactor (ITER), which will be built in France, and the Galileo project. And the French government always reaffirms its commitment to European integration: “The issue is whether Europe will be able to become a political Union, with a real political status in front of the Americans, in front of MERCOSUR, in front of ASEAN and Asian countries. Will we be able to have our own defence, our own foreign policy and speak in favour of the kind of globalisation we want?”<sup>149</sup>

All political parties today share the view that the European Treaty will have to be renegotiated in order to take into account the demands of the French citizens. There are, however, differences about the scope of the renegotiation and its method. The official “project” of the Socialist party for next year’s elections contains a paragraph on the Constitutional Treaty: “Enlarged Europe will not have efficient institutions and will not be able to

carry weight in the world unless the Nice Treaty is reformed. We will refuse the ratification of the Constitutional Treaty rejected on May 29<sup>th</sup>, even with a new preamble. We will propose the drafting of a strictly institutional treaty which will organise more efficiently the powers. The European Parliament’s legislative and budgetary prerogatives should be fully recognized. The President of the Commission should be elected by Parliament and the European Council should have at its head a “President of Europe”. Once renegotiated, the Treaty should again be submitted to referendum”<sup>150</sup>.

Nicolas Sarkozy, leader of the main right-wing party and likely presidential candidate for next year’s elections, had different views. In January 2006, he unveiled his proposals for Europe. According to him, there should be a new treaty, centred on the first part of the existing text. Its sole objective should be to “organize the functioning of Europe”. Economic and social issues should thus not be mentioned. The new text would be approved in France by Parliament, and not submitted to a new referendum. He also called for a more important role to be played by the six largest states of the Union – Germany, the United-Kingdom, Spain, Italy, France and Poland.

In view of these differences, and taking into account the fact that France will chair the Union in the first semester of 2008, it is likely that Europe will be major issue in the campaign leading to the presidential elections which will take place in France in May 2007.

## Germany

In May 2005, the Bundestag and the Bundesrat both ratified the constitution by clear majorities. With the exception of some opponents and their reservations, the political debate so far has mainly been characterized by repeated commitments to the constitutional project. As part of the events surrounding the “European week”, Chancellor Angela Merkel (CDU) outlined the German government’s position to the Bundestag on May 11, 2006. She focused on the main challenges and upcoming tasks facing the EU. From the outset, she emphasised the importance of the historical achievements of the European project, especially given its simultaneity with the major turning points in Germany’s history.

<sup>147</sup> *Le Figaro*, 30 May 2006.

<sup>148</sup> Catherine Colonna, Minister for European Affairs, “France Culture”, 29 May 2006.

<sup>149</sup> Philippe Douste-Blazy, Foreign Minister, « LCI », 30 May 2006.

<sup>150</sup> « Réussir ensemble le changement », project of the Socialist party, approved on 30 June 2006.

Concerning the upcoming German EU presidency in the first half of 2007, Merkel presented the general priorities of the German government, but at the same time, she avoided elaborating on any specific strategy concerning the revitalisation of the ratification process. Nevertheless, she clearly demonstrated her commitment to the constitutional project and her will to support the continuation of the ratification process during Germany's presidency: "We must, and I am deeply convinced of this, critically review the state of the European project. We must put the people at the centre and answer their questions. What does Europe mean for my job, for my prosperity, for my social security when I fall ill or grow old?"<sup>151</sup>

This obligation requires the ability to develop and simultaneously depict an acknowledged and comprehensible policy for the European population. To fulfil this ambitious project, the Constitutional Treaty therefore represents a foundation on which to rely. According to Merkel, the German government is strengthening its commitment to the EU Constitutional Treaty because it assures the capacity to act in a Union of 25 and soon 27 member states: "I say yes, we need the Constitutional Treaty. We need it because it gives us answers to various questions, and because it tells us what our fundamental rights are and what our common understanding is."<sup>152</sup>

This statement represents adherence to the consent already expressed in the Christian Democrats' and Social Democrats' coalition agreement. It clearly articulates the importance of the Constitutional Treaty in improving the Union's "democratic legitimacy, ability to act, efficiency and transparency."<sup>153</sup> This inference underlines the fact that Berlin will make a major effort to relaunch the constitution during its EU presidency in 2007.

Contrary to this position, a small number of deputies in the Bundestag rejected the Constitutional Treaty. They consider it a fundamental part of the one-sided liberal economic policies in the EU. This view is

<sup>151</sup> European Policy Statement by Federal Chancellor Angela Merkel in the German Bundestag, 11<sup>th</sup> May 2006, Berlin, <http://www.bundesregierung.de/en/-10001.1003386/regierungserklaerung/European-Policy-Statement-by-F.htm>.

<sup>152</sup> Ibid.

<sup>153</sup> Gemeinsam für Deutschland – mit Mut und Menschlichkeit. Koalitionsvertrag zwischen CDU, CSU und SPD, 11. November 2005, p. 127.

especially represented by the left-wing party, Die Linke.<sup>154</sup> Also, some civil society actors such as the German section of the group "attac" argue that the Treaty stands for a permanent institutionalisation of neo-liberal and militaristic policies at the EU-level.<sup>155</sup> However, this is argued only by a minority. In order to refute this critique, German politicians highlight the importance of the European Charter of Fundamental Rights. The ratification of the Treaty including the Charter of Fundamental Rights would therefore guarantee basic social and human rights to an extent that the Treaty of Nice did not. Besides the question of whether the Charter can fulfil the expectations and guarantee a more social Europe in an era of globalisation, nearly all political and social ranks declare a commitment to the Charter because it represents an important step towards a Europe of citizens. Therefore, the implementation of the Charter of Fundamental Rights in the primary law is commonly regarded as a major and indispensable element of the constitutional process.

As the German government favours and encourages the continuation of the ratification process, the supporters of the Constitution from civil society organisations do not have to oppose the government, but can rather cooperate with it, especially within the so called "Plan D". The abbreviation "D" stands for "democracy, dialogue and discussion". This plan, created in 2005 by Margot Wallström, the Commissioner for communication, aims to ensure a stronger degree of participation, publicity and accountability, and to improve communication between Brussels and the member states.<sup>156</sup> Amid the activities within this plan the German government arranges visits by Commission members and open-house events in the representation of the European Commission to Germany. Furthermore, the German government organizes projects aimed at encouraging civil activity and interest in European affairs such as hearings held in civil society organisations,

<sup>154</sup> Deutscher Bundestag: Plenarprotokoll, Vorabveröffentlichung, 16. Wahlperiode, 35. Sitzung, 11.05.2006, Berlin, p. 24-26.

<sup>155</sup> Attac Deutschland: „Nein zu dieser EU-Verfassung – Ja zu einem sozialen, friedlichen & ökologischen Europa“, <http://www.attac.de/eu-verfassung/non/index.php?print=yes&id=>

<sup>156</sup> Gröber, Katharina/Riedel, Sabine (2005): "The EU's New Communication Policy. After the Failure of the Constitutional Treaty now Plan D?", SWP Comments 53, December 2005.

e.g. the “Europäische Bewegung”.<sup>157</sup> As a part of Plan D the German government set up the so called “Aktion Europa”. As part of this plan a number of communication projects were organized in Germany, including a European Youth Congress and a short film competition about typical European values. Furthermore youth ambassadors were trained to hold presentations in German schools about Europe and other related topics.<sup>158</sup>

Emerging from an informal meeting of EU foreign ministers near Vienna on May 27-28, 2006 was an agreement to prolong the reflection period for one more year in order to develop new plans and concrete proposals. This so called “active reflection period” aims at achieving a consensus before the elections of the European Parliament in 2009.<sup>159</sup> It is assumed that the Finnish referendum, which will take place during the Finnish EU presidency, will be an encouraging and motivating signal. It is speculated that during the following German EU presidency a concrete plan for saving the Constitution will be tabled. To fulfil these expectations the German government is expected to declare saving the Constitution as its major task during the first half of 2007.<sup>160</sup> Besides her clear commitment to the treaty, Angela Merkel hesitates to focus on a certain strategy in order to be able to react to a wide range of likely circumstances and problems that the German government might have to face during its EU presidency. Because the German government already ratified the Constitutional Treaty, devising specific strategies is considered a major task for those countries that have not ratified it or where referendums have failed.

This attitude is also evidenced by the limited media coverage of the German debate. It is assumed that most new proposals for future of the ratification process should come from those member states that have not yet ratified the Treaty. Therefore, the press coverage deals mainly with the ways in which those

countries could revitalize the process and which instruments could be used. A noteworthy example of the restrained engagement of the media is the lack of coverage of Peter Gauweiler’s claim before the German Federal Constitutional Court, which questions the constitutionality of the Treaty. As long the Court has not reached a judgement, Federal President Horst Köhler will not sign the Treaty and consequently the ratification process cannot be concluded.

Despite the intention of the German government to avoid officially adopting a specific strategy with regard to the Constitution, bureaucrats and policymakers are more adamant about preserving the specific content of the current version than they are about necessarily retaining its general constitutional form. In order to keep fundamental institutional reforms as the ultimate goal, another legal instrument or document could be used as well, but it seems to be premature to express this point of view officially under the present circumstances. However, academic debates in Germany do consider a wide range of alternative strategies and policies more openly.<sup>161</sup> Considering the painful give-and-take bargaining in drafting the constitution, implementing the current version of the treaty rather than abandoning it represents the common favoured option. It is assumed that a new convention could hardly achieve better results, especially as the arguments articulated by the constitution’s adversaries offer no obvious starting point for constructive debate. In addition, taking out some parts of the treaty, particularly excerpts concerning sensitive decision-making areas, would only upset the whole carefully-balanced package.<sup>162</sup> Still, some scholars argue that the German government should not insist on the continuation of the ratification process as the sole and ultimate objective. Maintaining policy flexibility might be a key ability to react in order to save the constitution or to implement a modified version, which would enable the EU community to overcome challenges in the future.<sup>163</sup> The discussed modifications of the

<sup>157</sup> Netzwerk Europäische Bewegung: Netzwerk-EBD-News, <http://www.europaeische-bewegung.de/index.php?id=72>.

<sup>158</sup> Europäische Kommission: „Gemeinsam Kommunizieren, Berlin, 05.01.2006, <http://www.eu-kommission.de/html/presse/pressemeldung.asp?meldung=6041>.

<sup>159</sup> Informal meeting of foreign ministers on the future of Europe, 26.04.2006, [http://www.eu2006.at/en/News/Press\\_Realeses/April/2604:nffForeignMinisters.html](http://www.eu2006.at/en/News/Press_Realeses/April/2604:nffForeignMinisters.html).

<sup>160</sup> Leithäuser, Johannes (2006): „Die Bergungsaktion beginnt“, Frankfurter Allgemeine Zeitung, Nr. 136, 14. Juni 2006.

<sup>161</sup> Diedrichs, Udo/ Wessels, Wolfgang (2005): „Die Europäische Union in der Verfassungsfalle? Analysen, Entwicklungen und Optionen“, in: *integration*, 4/2005, p.287-306.

<sup>162</sup> Göler, Daniel/ Jopp, Mathias (2006): Die europäische Verfassungskrise und die Strategie des ‚langen Atems‘, in: *integration* 2/2006, p. 91-105.

<sup>163</sup> Wessels, Wolfgang/Diedrichs, Udo (2006): Deutschland in der Europäischen Union: vitale Interessen in einer EU der 25, in: Wessels, Wolfgang/Diedrichs, Udo (Hrsg.): Die neue europäische Union: im vitalen Interesse Deutschlands? Studie zu Kosten und Nutzen der

current version of the Treaty could be distinguished by four approaches: The first one, as already mentioned, tries to persuade the voters by changing the name of the treaty. A second line of argumentation supposes that the French and Dutch government should draft clarifying statements in order to demonstrate that they evaluated and understood the disapproval by the populace. The third approach discusses the possibility that additional components might be used to overcome the dissatisfaction. The last line of argumentation assumes that the first part of the Constitutional Treaty could be extracted and used as an introductory part for the current *acquis communautaire*.

Recent statements by Angela Merkel and Foreign Minister Frank-Walter Steinmeier concerning probable modifications to the current version of the EU Constitutional Treaty can be seen as attempts to offer certain options and to open the floor for discussions over probable modifications.<sup>164</sup>

Most of the proposed strategies highlight that the general acceptance of the Constitutional Treaty as well as potential alternative ways to implement it are directly linked to the domestic conditions in the member states.<sup>165</sup> Accordingly, finding the right instant to revive official discussion about concrete modifications or member state-specific supplements represents the most important task. Therefore, it seems appropriate to wait until after the elections in France and Netherlands take place in fall 2007. The time frame between these national elections and the elections for the European Parliament in 2009 is regarded as the best moment to take new steps, such as referenda in France and the Netherlands on specific supplements, clarifying declarations or even modified versions of the Treaty.

## Greece

The European Constitution as a central issue has not been a focal point, nor any sort of "point of reference" for public debate in Greece

over the future of the EU. As usual, the public discourse in Greece is driven by national concerns.

Such as it has been, the debate has largely dealt with rather topical questions: What will be the budgetary/fiscal future of the EU-25? What will be the final outcome of the squabble over the 2007-2013 financial perspectives? What are the consequences of the ongoing discussion over fiscal federalism for the overall European debate about the federal chamber of the EU? Most of the relevant public discussion almost exclusively was over the 20,1 billion Euro that Greece has "won" from the Structural Funds share-out for the period up to 2013, plus acute interest over uninterrupted agricultural funding that has guided public debate over the larger issues.

Has enlargement of the EU reached saturation point with the -25 (or the -27) configuration? Enlargement vs. deepening? Can the EU-25+ remain functional without a radical institutional overhaul, such as the one promised by the Draft Constitutional Treaty? The main and constant angle of interest from a Greek point of view for European affairs has been whether such evolutions would help (or impede) the use of Turkey's EU accession objective as leverage in Greek-Turkish and Greek-Turkish-Cypriot relations. The progressive worsening of the climate in the Aegean (almost culminating in a flare-up after an air skirmish that resulted in two F-16 aircrafts down and one Greek pilot dead in mid-May 2006) resulted in repeated calls from Greece for the EU (along with NATO or the US) to take a clearer position on the overall Turkish stance while Ankara progresses in its path towards accession.

## Hungary<sup>166</sup>

Following the publication of the European Commission's D-Plan on Democracy, Dialogue and Discussion, a quite wide ranging national debate had started in Hungary in January

Europäischen Union für die Bundesrepublik Deutschland, [http://www.europa-union.de/fileadmin/files\\_ebd/PDF-Dateien/EBDEUD-Studie-Vital-endg.pdf](http://www.europa-union.de/fileadmin/files_ebd/PDF-Dateien/EBDEUD-Studie-Vital-endg.pdf), p. 14-19.

<sup>164</sup> Merkel fordert Gottesbezug in EU-Verfassung, Financial Times Deutschland, 25.05.2006, <http://www.ftd.de/politik/deutschland/76862.html>.

<sup>165</sup> Göler, Daniel/ Jopp, Mathias (2006); Diedrichs, Udo/ Wessels, Wolfgang (2005); Göler, Daniel/Marhold, Hartmut (2005): „Die Zukunft des Verfassungsvertrages“, in: *Integration*, 4/2005, 332-334.

<sup>166</sup> Information sources: Website of the Hungarian Ministry of Foreign Affairs: <http://www.kum.hu>, website of regular EU-news: <http://www.bruxinfo.hu>, Interviews with: officials from the Hungarian Ministry of Foreign Affairs, officials from the European Affairs Office of the Hungarian Parliament, Report about the EP elections by the director of the Szonda Ipsos Market Research and Polling Institute at a conference in Budapest, Analytical articles of *Europai Tükör* (a Hungarian journal specialised in European issues) Szemler, Tamas (ed.) (2004): *EU-koltsegvetes 2007-2013: Erdekek es Allaspontok*. MTA Vilaggazdasagi Kutatointezet, Budapest ("EU-budget 2007-2013: Interests and Positions").

2006. In the beginning of the year the Hungarian government adopted the national action plan for a country-wide communication on the EU<sup>167</sup>. This action plan is called „Let's talk about Europe!” and is composed of over 50 programs and actions to be organised in the first half of the year. The action plan aims at fostering the social debate on the EU and is designed along the recommendations of the Commission's D-Plan. The initiative is based on four pillars: (1) a government communication plan for social dialogue, (2) the accompanying activities of the Hungarian National Development Office (which is in charge of coordinating structural assistance), (3) organisation of professional discussions on global challenges for the EU, and (4) the strategic issues of the EU's future including potential reforms. The program is being coordinated by the EU Communication Department of the Prime Minister's Office and its details can be found on the internet<sup>168</sup>.

The communication program “Let's talk about Europe” is being realised in highly varied forms. Under its first pillar there have been thematic public discussions organised in 10 cities transmitted by the relevant local as well as one national TV channel. A series of monthly discussions had been launched in a popular theatre and café of Budapest involving well known experts representing different views. In the framework of „52 weeks 52 places” a series of local meetings are being held with Hungarian MEPs throughout the country. Furthermore, there are regional seminars for exchanging views on the experiences of membership; and there are also alternative classes at schools tackling EU issues. In Hungary, the print media as well as some radio stations and national TV channels have had regular EU programs for a long time. To this adds up the “Let's talk about Europe” electronic newsletter published every month. This newsletter is written by independent experts who are analysing the most topical dilemmas of the EU (such as the European social model, cohesion, competitiveness, the post-Nice institutional dilemmas or the external borders of the EU). In general, the different programs target the widest possible range of citizens: experts, students and youth, entrepreneurs, the Roma population, the elderly, the inhabitants of small villages, etc.

Furthermore, in the framework of the first pillar, the electronic forum called EU Line, as well as

<sup>167</sup> <http://misc.meh.hu/letoltheto/akcioterv.rtf>

<sup>168</sup> <http://www.euvonal.hu>; [www.meh.hu](http://www.meh.hu)

most ministries, established chat-rooms on the internet to provide new fora for discussion and to collect the citizens' or non-governmental organisations' opinions and comments. A series of “provocative” leaflets have also been published and disseminated on the major dilemmas of the EU, to be discussed by those interested. Such discussions are coordinated by the so-called Europe Direct county-level offices. The action plan also supports national and international conferences involving civil servants, experts, or representatives of non-governmental organisations of the other Member States. Furthermore, a competition of the best applications for EU Funds has been launched with the aim of publicising the best practices of the municipalities. Most of the ministries established EU-related information corners on their websites (e.g. the Justice Ministry established a special site on legal harmonisation) and some of these are interactive – such as the website of the Ministry of Agriculture, that of the Environment Ministry, or the Hungarian version of EURES. Another approach is followed by the Hungarian Railways Company, which is distributing leaflets at around 500 points in the country, on which the passengers may express their views as to how they would imagine a “European-quality transport system”. The opinions are collected and the results are published on the company's homepage.

In the framework of the second pillar of “Let's talk about Europe” the Hungarian National Development Office (NDO) has launched an intensive dialogue with the potential future beneficiaries of Structural Funds across the country. This means, they are using the tools of direct mail, they are organising professional workshops and conferences and they decided to submit the Second National Development Plan's details to public discussion via electronic questionnaires. In parallel, the NDO started to publicize the already finished successful projects to make the advantages of EU membership obvious.

In the framework of the third and fourth pillars of the action plan, conferences are being organised with the aim of discussing the EU's most topical dilemmas by involving a wide range of experts. These discussions include the theme of the European economic and social model, the possible reform perspectives of Union policies and budget, Europe's place in the global world, or the external borders of the Union. After having summarised the results, a parliamentary debate will be held, involving the

national MPs, and the whole debate shall be disseminated via internet ([www.euvonal.hu](http://www.euvonal.hu)). Despite the fact that Hungary was the second Member State to ratify the Constitutional Treaty, the document itself is not in the focus of discussions any more (neither is, in this connection, the Charter of Fundamental Rights).

### Ireland<sup>169</sup>

The highlight of the debate on the EU during the period was a one-day Parliamentary session devoted entirely to European Affairs on 10 May 2006, which was attended by the Commissioner for Agriculture. This was a partial response to a suggestion made by members of the European Convention that national parliaments should devote one week a year to European Affairs. The session received considerable press coverage but the emphasis was on issues of Irish national concern, particularly agriculture, rather than on EU-wide or global issues.

In his address to an event celebrating Europe Day, 9 May 2006, at Dublin City Hall, an Taoiseach (the Irish Prime Minister) Bertie Ahern, T.D. reaffirmed his support for the Constitutional Treaty (ECT) saying, “the European Constitution is the right choice for Europe. It is the right choice for Ireland”. Mr. Ahern sought to address differing views by explaining that in his opinion, the ECT is both a “tidying up exercise” and “a step of major importance for Europe”. Mr Ahern went on to pay tribute to four organisations involved in the debate on Europe in Ireland. These were the National Forum on Europe, the European Movement, the Institute of European Affairs (IEA) and the office of the European Commission. There is a good deal of debate in Ireland during the reflection period – much of it inspired by the leadership of the Taoiseach, who stated in his Europe Day speech that: “There is nothing automatic about the Europe we have built for ourselves over the last generation. There is nothing inevitable about the Union’s future. It falls to us now to make choices about our future. We should not underestimate the human potential to make the wrong choices”.

Apart from rhetorical contributions, the government has also launched a Task Force

on Active Citizenship to encourage people to engage actively with their European as well as their Irish citizenship. This reflects the salience of issues such as immigration, integration, free movement of workers and multiculturalism.

Civil society is actively involved in generating reflection on the future of the EU. Apart from the four organisations mentioned above, the Royal Irish Academy has run seminars of European interest as have the employers’ associations and NGOs. So far, little attention has been paid to the Charter of Fundamental Rights, although interest remains strong in Trade Union circles and in the social NGOs. Former Justice Minister and current Director General of the IEA, Alan Dukes, has suggested that it be reduced to those elements which concern rights affected by action in areas in which there is a Treaty competence. With regard to the media, major speeches are covered in the print media.

The following is an assessment of the contributions of these actors and of the Joint Committee on European Affairs in the Irish Parliament.

### *The National Forum on Europe*<sup>170</sup>

Public debate on European Affairs is conducted in the National Forum on Europe established by the Irish Government as a way of supporting dialogue and discussion of the issues arising in the period of reflection. The National Forum is widely representative and, in addition to the political parties represented in the Oireachtas (i.e. Parliament), involves an Observer Pillar, with rights of participation, which includes the social partners; national women’s and youth organisations, groups active in recent referendum campaigns and European affairs generally; registered political parties not represented in the Oireachtas and parties from Northern Ireland. Its work, reflecting a wide spectrum of views on the issues arising in the period of reflection, receives a reasonable degree of press coverage and attracts prominent Irish and external speakers.

For the first time since its inception in 2001, the programme of the Forum is not focused on the details of a treaty negotiation or on the imminent prospect of a referendum campaign. The Forum, having devoted a great

<sup>169</sup> All answers refer to the position/assessment of Ireland’s government, opposition parties, civil society organisations, and the public opinion.

<sup>170</sup> Tony Brown: Ireland’s National Forum on Europe, European Essay Nr 33, published by the Federal Trust for Education and Research.

deal of time to discussion of the various aspects of the Constitutional Treaty, has responded quickly to the new situation during the reflection period<sup>171</sup> and its agenda has been expanded to cover issues such as globalisation, enlargement, the Services Directive, agriculture and trade, crisis management, the changing role of Ireland in a changing European Union and the role of the European Parliament.

Speakers at recent plenary sessions have included EU Commissioner Charlie McCreevy, Irish Agriculture Minister Mary Coughlan TD, former Commissioner Lord Patten and Croatian Prime Minister Ivo Sanader. Among those scheduled to address future plenary sessions of the Forum are the Secretary General of the European Commission, Catherine Day, the President of the European Parliament, Josep Borrell Fontelles, Jens Peter Bonde MEP and Jim Cloos, European Council Secretariat.

The Forum website attracts 30,000 hits monthly. Six reports outlining the scope and content of the various Forum events have been issued.

Plenary sessions on issues such as agriculture and the WTO and the Services Directive have received considerable attention in the national media. Reports on these debates have been carried in many local newspapers and radio stations. Local media in Ireland attract a strong and growing audience. The Forum's youth and schools events have been widely featured on local radio stations and newspapers.

With the cooperation of the Forum, three Youth Forum meetings have taken place with the involvement of the National Youth Council, attracting capacity attendances in Dublin and Cork. Programmes with Women's Groups, Church of Ireland Dioceses and Fishermen's Organisations are being developed. Nationwide competitions for Transition Year school students – including debating and website design contests – have taken place.

### *European Movement*

The European Movement is also active and has launched a 2006 Strategy to provide user-friendly information on Europe and to promote

discussion with youth and university students in particular. In addition, the European Movement has recently welcomed the Green Party into its organisation. Although the party was traditionally euro-sceptic and campaigned for 'No' votes in past referenda on EU Treaties, it has decided that membership of the movement could allow it to have "influence in the important debate on the future of Europe", according to Green Party chairman, John Gormley.

### *Institute of European Affairs*

The role of the IEA is to act as a forum for policy makers and opinion formers. The Institute has a high-level Re-Assessing Europe Group dedicated to examining the future of Europe in the context of the period of reflection and engagement. This group recently produced a collection of essays entitled "Where to now? Reflections on the Future of the EU", featuring contributions from four distinguished former civil servants and politicians with a preface by the chair of the working group, Dr Garret FitzGerald, former Prime Minister of Ireland. The group has held a running series of seminars on how the EU is working under the current treaty framework with contributions from the Irish Permanent Representative, Bobby Mc Donagh, who gave a Presidency perspective, Jim Cloos, who gave a Council perspective and with presentations from Secretary General of the European Commission, Catherine Day, and former UK EU Commissioner, Neil Kinnock. Members of the Institute staff have participated in a series of debates on Europe in universities and third level colleges around the country in an initiative funded by the Commission office in Dublin. The Re-Assessing Europe Group is also currently preparing a series of four research papers on the Future of Europe aimed at engaging Irish citizens in debate. The Institute has also organised out-of-house seminars on immigration and integration and on the topic of battle-groups, as part of the Communicating Europe Initiative of the Dept. of Foreign Affairs in Dublin.

Reports on IEA events have been carried in the local and national media and the IEA has a dedicated researcher for press and public relations to ensure maximum coverage of IEA events. The experience has been that press releases explaining the nature of a debate or event alert the press to the significance of a particular event and result in closer cooperation between the institute and the

<sup>171</sup> "The Sixth Phase of Work of the National Forum on Europe During the Period of Reflection and Engagement July 2005 to April 2006" published by the Stationery Office, Dublin, 2006.

media. The IEA website has also recorded an increase in the number of hits since it was re-designed to accommodate rapporteur reports, desk-to-desk newsletters and podcasts. The Research Director of the IEA has shifted the emphasis of the work-programme for the period of reflection to specific policy areas which are of interest to the citizen, such as justice and home affairs, the EU's role in the world, energy policy, innovation and research, Europe's new neighbourhood policy, the Balkans and the implementation of the Lisbon agenda.

#### *Office of the European Commission in Ireland*

The Office of the European Commission in Ireland has also been active in recent months. In March the office launched an exhibition looking at print coverage of major European stories in the Irish press since 1945. The Office has also held a series of debates in third level colleges throughout the country and cooperated with the Prime Minister's office in organising a wide variety of events in Dublin's city centre for Europe Day.

#### *Joint Committee on European Affairs*

The agenda of the Oireachtas (Parliament) Joint Committee on European Affairs covers many issues of immediate importance in relation to the debate on the Future of Europe and provides an insight into Irish priorities in that debate. In the period January –May 2006 the main topics discussed include: introductory debates on the agendas of General Affairs and External Relations Council meetings; EU Battle Groups; draft Directives on Nitrates and Veterinary Medical Products; EU Neighbourhood Policy (meetings with Icelandic and Ukrainian delegations); Regulatory Impact Analysis. Media interest in these Committee meetings is low with occasional highlights as part of the daily late-night Parliament coverage.

In summary, it can be said that a substantial effort is being made by Government, politicians, the social partners and other NGOs to maintain a significant level of interest and discussion during the reflection period. Their activities have received considerable attention in the media but it cannot be said that the media is pro-actively involved in the debate to any noticeable extent.

## Italy

For different reasons, public debate on the future of the Constitutional Treaty has not been particularly ample or articulate. First of all, other issues have been perceived as more urgent to deal with, such as the Italian military involvement in Iraq. Secondly, the matter is regarded as complicated and specialized, and the mass media is not eager to discuss it. Finally, the focus of the political leaders was concentrated on two important elections: the parliamentary elections on 9<sup>th</sup> and 10<sup>th</sup> of April and, to a minor extent, the local elections on 28<sup>th</sup> and 29<sup>th</sup> of May. Electoral campaigns focused on issues such as the state of the economy and security, which are more important for the public. On the contrary, academic and intellectual debate, especially in specialized reviews, has been more lively. While in the past there was a wide agreement on Italian European policy, nowadays a polarisation of opinions seems to be emerging<sup>172</sup>. Two different ideas of Europe are creeping in. The first one is based on liberalisation, free trade and an intergovernmental kind of integration, respectful of national sovereignty. This is the "English" Europe, a vision generally shared by those who recognise themselves in center-right political parties. Then there is the "Franco-German" Europe, politically more integrated and federalist, and more prone to regulate social policies; this is the idea of Europe generally shared by the center-left. It is difficult to reconcile these two models, and it is increasingly difficult to find credible arrangements.

Immediately after the failure of the French referendum, the then Foreign Minister Fini asserted that "procedures for ratification should continue in member states, according to the calendar and the procedures already established".<sup>173</sup> Minister of Welfare Roberto Maroni of the eurosceptic Northern League party took the occasion to suggest a referendum to go back to double currency, but his proposal was quickly refused by all the other parties, both from government and opposition. After some countries' decision to suspend referenda on ratification, the Italian government seemed to be interested in carrying on the application of some of the

<sup>172</sup> See Lucia Serena Rossi, in Michele Comelli and Ettore Greco eds., *"Integrazione europea e opinione pubblica italiana"*, IAI Quaderni n.25 May 2006

<sup>173</sup> Declaration of Minister Fini on the outcome of the French referendum, 30/05/2005, [www.esteri.it](http://www.esteri.it)



reforms contained in the treaty. Roberto Antonione, undersecretary of the Foreign Affairs Ministry, suggested in a speech before the Joint Committee for Foreign and European affairs of the Chamber and the Senate that "Italy would like to agree at the European Council of December 2005 on new initiatives to be implemented in the first half of 2006".<sup>174</sup> But the government did not specify which provisions should be implemented. The government is also aware that time is needed before a new process can be launched: all the more so as no clear initiative has been undertaken to relaunch the constitutional reforms. According to Minister Fini, in fact, only after all the other countries have completed the ratification process will it be possible to evaluate the situation and reach a well-considered decision.

In April 2006 general elections were held. The center-right government was defeated, even if by only a small margin. The center-left coalition, L'Unione, led by Romano Prodi, formed a new government. In an interview for *Italianeuropei*<sup>175</sup>, Prodi stated that the Constitutional Treaty itself has not been rejected, and the failure of the referendum was due to other factors, like poor economic performance: an analysis shared by many leaders and experts<sup>176</sup>. Consequently, it is necessary to launch "a series of initiatives to address the major worries of the Europeans, involving citizens and movements in the process". The government thus supports the Commission's Plan D for democracy, dialogue and debate, whose goal is to undertake broad ranging national debate on the future of Europe and to promote citizen's participation. Romano Prodi also rejected the hypothesis of applying some provisions of the treaty before its ratification. He believes the Treaty should not be modified, unless absolutely necessary: "only if in 2007 the absolute impossibility to recover the treaty will be established, will we think about a new, simpler text". The new Foreign Minister, Massimo D'Alema, believes there is no chance to ratify the treaty as it is now. As he clearly stated at the extraordinary EU Foreign Ministers Council in Vienna on the 27<sup>th</sup> of May, "we should relaunch and not abandon the treaty: at least we should

preserve the first two parts, those about principles and institutional rules"<sup>177</sup>

Academic circles were more involved in the debate on the future of the EU. Several experts supported the need to proceed with ratification<sup>178</sup>. Even before the French referendum, Ettore Greco and Gianluigi Tosato published a paper<sup>179</sup> arguing that, should France reject the treaty, other member states should continue with ratifications as already established: suspending this process would have too negative an impact on the Union's credibility. Burying the Treaty only because two countries out of 25 refused the ratification would be even more harmful than running the risk of a snowball effect. A similar opinion was expressed by Ferdinando Nelli Feroci<sup>180</sup>, who underlined that 14 states already ratified the treaty and that it would be possible to reach, the next year, a critical mass of ratifications. After that, it will then be possible to re-examine the situation and to come to a decision.

## Latvia

There has been no national debate to speak of in Latvia on the future of the EU during the reflection period announced in the aftermath of the rejection of the EU Constitutional Treaty in France and the Netherlands. Nonetheless, since the December 2005 summit of the United Kingdom's presidency of the EU, there have been many public activities in Latvia that dealt, either directly and indirectly, with the future of the Union. The civil society has played a pivotal role in the organisation of these activities while the media has served mostly as a disseminator of information.

The reasons for this situation have to do primarily with the fact that the Saeima, the Latvian parliament, endorsed the EU Constitutional Treaty on 2 June 2005. Apparently uninfluenced by the negative vote of the French and Dutch electorates, 71 Latvian deputies of a total of 100 voted in favour of the treaty, 5 voted against, and the

<sup>174</sup> See hearing of Roberto Antonione before the joint Committee on Foreign and European Affairs of the Chamber and the Senate (12/10/2005)

<sup>175</sup> See Interview with Romano Prodi, "Le grandi scelte per un governo di centrosinistra", *Italianeuropei*, Jan/Feb 2006

<sup>176</sup> See for example Angel Ubide and Federico Fubini, "Fuga da Bruxelles", in *Aspenia* n. 30, 2005

<sup>177</sup> See Giuseppe Sarcina, "Già cestinato il Trattato di Roma, Roma chiama Merkel e Zapatero", *Corriere della Sera*, 28/5/2006

<sup>178</sup> See for example Pietro Calamia, "Il periodo di riflessione sul trattato costituzionale", in *Affari Esteri* n. 150, April 2006

<sup>179</sup> Ettore Greco and Gianluigi Tosato, "How to proceed if France and the Netherlands vote no", IAI Working Paper 503

<sup>180</sup> Ferdinando Nelli Feroci, "L'Unione Europea: tra crisi del trattato costituzionale e i dilemmi dell'allargamento", in *La Comunità internazionale*, vol. LX, n.4 2005

remainder either abstained or were not present. In the Latvian government's report of 24 January 2006 about what it had achieved between July and December 2005 and what it proposed to do in the coming six months about various EU issues, the fact that Latvia had already ratified the Constitutional Treaty was noted within the context of the future of Europe and the reflection period about the Constitutional Treaty. In connection with these topics, Point 1.2 of the report stipulates three activities for the short term:

- during the period of reflection, active discussions devoted primarily to the values, interests and priorities of Latvia, should be continued;
- continuation of work on the drafting of the strategy on Latvia's participation in the EU;
- completion by the EU Information Agency of the guidelines for communication with society about EU issues.<sup>181</sup>

This task list seems to suggest that the Latvian government felt that a reassessment of the Constitutional Treaty was not relevant in Latvia, at least at this time.

The three activities have been implemented as envisaged. Discussions about EU-related themes have been taking place. The new guidelines for communication with the populace about EU matters were completed in March and approved by the Cabinet of Ministers on 14 April 2006. The document surveys the existing situation. At present there are many institutions<sup>182</sup> providing information about and seeking to interest the population in the EU in general or in specific EU programs, and each institution functions independently of the other. The guidelines emphasise that the

<sup>181</sup> For the full text on communication with society, see <http://ppd.mk.gov.lv/ui/DocumentContent.aspx?ID=4628> .

<sup>182</sup> Among the larger institutions are the following: European Union Information Agency (<http://www.esia.gov.lv/lv/informacija/>) provides the most wide-ranging information; much useful information can be obtained also from the European Affairs Committee of the Saeima (<http://www.saeima.lv/Elkom/>), the Saeima Information Center about the EU (<http://www.eiroinfo.lv/pages/ESIC/>), European Commission's Representation in Latvia (<http://www.eiropainfo.lv/index.php?l=en>), the chapters on the EU on the website of the Ministry of Foreign Affairs (<http://www.mfa.gov.lv/lv/eu>). In addition, specific information about specific EU programs and projects is provided by individual ministries, such as the Ministry of Agriculture and the Ministry of Environment. Two non-governmental organisations provide not only information but also encourage discussions about topical issues: the website of Latvia's political scientists: <http://www.politika.lv/index.php?id=103834&lang=lv> ; European Movement – Latvia: <http://www.eiropaskustiba.lv/> .

most effective way of communication between institutions and society is through dialogue. They call for the creation of an institutional coordination mechanism by 30 June 2006 and the drafting of an action plan for the years 2006-2011 by 20 December 2006.

Since the second half of 2005 work has been progressing on the strategy document entitled "Latvia's Participation in the European Union: basic principles, priorities, aims and actions 2007-2013." The Ministry of Foreign Affairs is responsible for this project, which seeks, with the active input of individuals and groups throughout the country, to formulate the topics to which Latvia should devote special attention as it participates in the work of EU institutions and projects. The resulting document, to be published later in 2006, will be a policy document that is based on 3359 individual responses to a questionnaire, views expressed by participants in group discussions held in the towns and cities throughout Latvia, and the opinion of specialists, elected officials, representatives of trade unions and other organisations. A preliminary compilation of the various answers and opinions expressed indicates that the principal task for Latvia's representatives in the EU is to work so as to raise the standard of living in Latvia; other priorities are: development of human resources and employment opportunities, development of entrepreneurship and innovation, improvement of the infrastructure, development of farming and fishing, strengthening of the national identity, preservation of the cultural heritage, development of culture, and the promotion of sustainable economic growth.<sup>183</sup>

Given the focus of these government-endorsed activities in Latvia, the incentive for public discussions about the future of the EU and the Constitutional Treaty had to come from elsewhere. It was unlikely to come from the parliament, whose endorsement of the Constitutional Treaty had been mostly lukewarm rather than enthusiastic. They tended to see the Constitutional Treaty as a satisfactory compromise document that would eventually come into force. Latvia could use the intervening time to good advantage to hone its skills as a full-fledged member of the Union. The parliamentarians seemed to feel that their task was finished. Besides, nobody was waiting impatiently for the day that the

<sup>183</sup> For more detailed information on this project and what has been achieved so far, see the special section on this topic at the website of the Ministry of Foreign Affairs, <http://www.mfa.gov.lv/lv/eu/diskusija-par-ES/> .

Constitutional Treaty would come into effect. Grass-roots initiatives for debates about Europe's future were also not a realistic expectation. In comparison with immediate concerns such as the rising cost of living, the future of the Constitutional Treaty seemed remote to most Latvians. That this is indeed the case is shown by the fact that the perception of the EU by the people of Latvia hardly changed from the time before the Saeima's endorsement of the Constitutional Treaty and after its rejection by the voters of France and the Netherlands.

In Latvia public opinion about the EU remains tepid. Though 67% of the electorate voted in September 2003 for Latvia's joining the EU, the public ratings of the EU prior to and following that referendum have tended to be lower. Opinion polls taken in the years 2004 – 2006, despite occasional fluctuations, show a remarkable consistency: slightly over 40% of the population believes that Latvia's membership in the Union is neither good nor bad, while under 30% (the range is from a low of 24.9% in September 2005 to a high of 37.5% in February 2005) feel that Latvia's membership is a good thing. For over 20% of the populace Latvia's membership in the EU is a bad thing; in May 2006 that figure was 23.9%. About 4% of the respondents have tended to give no answer or say that they do not know. Since the respondents were not questioned about their attitude toward the EU in light of the referenda in France and the Netherlands, no firm correlations can be drawn. Nonetheless, it is interesting to note that 35.9% of the respondents said that they thought Latvia's membership in the EU was a good thing in May 2005. A year later only 29.7% of the respondents felt that way.<sup>184</sup> This trend is also corroborated by the Eurobarometer poll results published in early May 2006. According to that poll, only 29% of the population believe that Latvia's membership in the EU is a good thing – a figure that in the spring of 2006 made Latvia the most “Euro-sceptical” member of the Union.<sup>185</sup>

<sup>184</sup> The results of polls conducted several times each year by the Latvian public opinion firm SKDS, are available at [http://www.saeima.lv/pages/ext-meklet.jsp?action=search&category\\_id=-1&division\\_id=4&expression=aptaujas](http://www.saeima.lv/pages/ext-meklet.jsp?action=search&category_id=-1&division_id=4&expression=aptaujas). For the results of the May 2006 poll, reported by the press on 2 June 2006, see <http://www.saeima.lv/pages/html-saturs.jsp?id=6910>.

<sup>185</sup> See the press release of 10 May 2006: <http://www.saeima.lv/pages/html-saturs.jsp?id=6768>.

If the future of the EU Constitutional Treaty might be described as a non-issue for the populace of Latvia, it remains on the agenda of government officials, politicians and academics concerned with EU affairs.<sup>186</sup> Illustrative of this is also the panel discussion on 6 June 2006 that was organised by the European Movement – Latvia. At this event, Belgian Prime Minister Guy Verhofstadt presented the Latvian translation of his treatise *The United States of Europe: Manifesto for a new Europe* to interested Latvians and foreign diplomats serving in Latvia.<sup>187</sup> His remarks to the audience in Riga were very similar to the address he delivered on 31 May 2006 to the European Parliament in Brussels.<sup>188</sup> As the title suggests, Verhofstadt was advocating a “federalist”, rather than an “inter-governmentalist” Union. The gathering in Riga was opened by Latvia's Prime Minister Aigars Kalvitis, who said that sooner or later the EU will have to have a constitutional document, which, in view of its importance, should not be adopted in haste. At the same time, those countries that favour closer integration should have the opportunity to do so while the other members should not be penalized or segregated for holding different views. Kalvitis also suggested a careful reassessment of the EU financial system. Speaking as members of the panel, Latvia's Minister of Foreign Affairs, Artis Pabriks, former Minister of Foreign Affairs and former EU Commissioner Sandra Kalniete, and Lithuanian political scientist Mindaugas Jurkinas examined the various challenges facing Europe and shared the view that the EU should be a community of independent states with common policies rather than a superstate, i.e. an inter-governmental rather than a federal Europe which Verhofstadt wishes to promote.

This event revealed some of the principal moving forces behind most public discussions in Latvia about the European Union: non-governmental organisations, most notably the

<sup>186</sup> See, for example, the website Latvija Eiropa (<http://www.esia.gov.lv/lv/informacija/>) the home page of the Ministry of Foreign Affairs (<http://www.mfa.gov.lv/lv/eu/>). The European Affairs Committee of the Saeima (<http://www.saeima.lv/Elkom/>), the Saeima Information Center about the EU (<http://www.eiropainfo.lv/pages/ESIC/>), and the website of Latvia's political scientists: <http://www.politika.lv/index.php?id=103834&lang=lv>.

<sup>187</sup> For the full text of Verhofstadt's treatise in English, see <http://www.eiropaskustiba.lv/lv/aktualitates/335>.

<sup>188</sup> For the full text of Verhofstadt's address <http://www.eiropaskustiba.lv/lv/aktualitates/333>; for a more elaborated address in French to the European parliament, see <http://presscenter.org/archive/other/a862cb62d32a98769567df173121b3b9/?lang=fr>

European Movement – Latvia; educational institutions, especially the University of Latvia<sup>189</sup>; and the ministries. The organisers of this panel discussion were the European Movement Latvia (EML)<sup>190</sup>, the Ministry of Foreign Affairs and the Belgian Embassy. While most activities of this kind are organised without the direct assistance of foreign embassies or other foreign institutions, the Ministry of Foreign Affairs may assist when prominent guests from abroad take part in EU-related activities in Latvia. The media has not been active in organising such events, but has focused on reporting and commenting about them. In general, the Latvian-language media has covered much more extensively EU-related topics than the Russian-language media. This difference is a reflection of each individual editorial board's priorities rather than any official policy. Genuine commitment to balanced and comprehensive coverage of EU-related themes has been shown by the newspaper *Diena*, the First Program of the Latvian Radio and the First Channel of Latvian TV; every day they feature not only news reports but also commentaries or discussions about various EU-related developments.

## Lithuania

The reflection period is attributed a great importance in Lithuania. The leader of the biggest political group (the Labour party) in the Lithuanian Parliament, Loreta Graužinienė, said that the reflection period is a “great occasion for the reflection on the direction we want to move and what Europe we want to see in the future. [...] As the experience of the ratification of the European Constitutional treaty has demonstrated it is necessary to communicate with the society while making all the crucial political decisions. The project of the future of Europe should not become a project of the ruling elite or the bureaucrats alone.”<sup>191</sup> It is also assumed that the reflection period should be continued. As the Chairman

of the Parliament of the Republic of Lithuania Viktoras Muntianas speaking in a plenary session of the Parliament dedicated to commemorating the second anniversary of Lithuania's membership in the EU said, “it would be wise if the public exchange of opinions on the future of the EU would continue to mid-2007 and that the second reflection period would be more concrete and more open, creating the conditions for discussions across state borders<sup>192</sup>. The Deputy Chairman of the Committee on European Affairs of the Parliament of the Republic of Lithuania, Jadvyga Zinkevičiūtė, speaking on the same occasion supported this opinion by saying that “the discussions should not break down at the halfway point<sup>193</sup>. The Lithuanian Foreign Affairs minister Antanas Valionis assumes that not only the reflection period, but also the ratification of the EU Constitutional treaty should be continued<sup>194</sup>.

There have been different events organized in Lithuania concerning the question of the future of Europe. Most of them have been initiated and organized by state institutions (the Parliament of the Republic of Lithuania, the Office of the Government, the Foreign Affairs ministry), the European Commission representation in Lithuania and the Europe direct information centers in Lithuania. Speaking about the Lithuanian Parliament events, a big contribution to the reflection period in Lithuania has been made by the European Information Center of the Committee on European Affairs, which organized a European week together with the parliamentary committees. During this “European week” (which lasted nearly two months), 13 discussions on the most crucial EU questions including European energy policy, EU enlargement, Euro introduction, EU structural funds and illegal migration were organized. These discussions involved the Parliament members, the European Parliament members from Lithuania, representatives of

<sup>189</sup> During the past years the University of Latvia has organised several international conferences on EU-related topics; see <http://www.lu.lv/petnieciba/konferences/notikumas.html>.

<sup>190</sup> For a description of the wide-ranging activities of this organisation, see their homepage <http://www.eiropaskustiba.lv/>. For more information about the discussions kindled by Guy Verhofstadt's views, see <http://www.eiropaskustiba.lv/lv/aktualitates/341>.

<sup>191</sup> The speech of the Elder of the Labour political group in the Parliament of the Republic of Lithuania Loreta Graužinienė during the plenary session of the Parliament dedicated to commemorating the second anniversary of Lithuania's membership in the EU on May 2, 2006.

<sup>192</sup> The speech of the Chairman of the Parliament of the Republic of Lithuania Viktoras Muntianas during the plenary session of the Parliament dedicated to commemorating the second anniversary of Lithuania's membership in the EU on May 2, 2006.

<sup>193</sup> The speech of the Deputy Chairman of the Committee on European Affairs of the Parliament of the Republic of Lithuania Jadvyga Zinkevičiūtė during the plenary session of the Parliament dedicated to commemorating the second anniversary of Lithuania's membership in the EU on May 2, 2006.

<sup>194</sup> Diskusija apie eurą yra diskusija apie Europos ateitį [Discussion about the euro is also a discussion about the future of Europe], Foreign Affairs Ministry press release, May 28, 2006, <http://www.urm.lt/index.php?-1780717341>

state institutions, academia, and representatives of interest groups, the media and society. The discussions were also directly transmitted through the internet so that more people could get acquainted with them. What concerns the other Lithuanian Parliament activities during the reflection period the Committee on European Affairs with the Lithuanian youth organisations arranged a conference “Lithuanian youth in Europe and Europe in the world” aimed at clarifying the youth opinion on the processes in the EU. Such topics as perspectives on the European Constitution, the borders of the EU, Lithuania’s place in Europe and Europe’s place in the world, were deliberated during the conference, at the end of which a youth resolution on the perspectives of the future of the EU was adopted. It is stated in the resolution that in order to have a smooth and effective development of the EU it is necessary to concentrate on economic reforms and on security, energy, defense and foreign policy<sup>195</sup>. The office of Government with the Committee on European Affairs and the European Commission representation in Lithuania organized an essay competition called “My opinion for Lithuania and Europe”. This essay competition allowed all Lithuanian citizens to express their opinion about Lithuania’s membership in the EU and the further development of the EU as a whole. Another initiative of the aforementioned institutions was the debates on the EU future, “60 minutes with Europe”, in the regional television and radio stations.

The Foreign Affairs ministry organized a competition for the NGOs intended at providing additional possibilities to engage into the discussion about the future of the EU. It also initiated a project, “The road of the European Constitution”, dedicated to informing society about the Treaty establishing a Constitution for Europe, which was organized by Vilnius university students. To commemorate the first anniversary of the European Constitution the ministry organized a press conference in the Lithuanian Parliament called “The first European Constitution anniversary: will we light a candle?” in which the advantages and the future of the Constitution were discussed. This institution also organized a round table discussion, “The future of the European Union

and the most important challenges for Lithuania and Europe”, in which the EU future perspectives, the EU enlargement possibilities and other crucial issues were discussed. The nine Europe direct centers in Lithuania were also very active in engaging society in the discussion on the future of the EU by organizing different events in Lithuanian towns other than the capital. There were also specific publications and other materials prepared to promote discussions and reflection about the future of the EU. Concerning the activities of nongovernmental organisations, one of the most prominent projects aimed at reflection on the future of the EU has been the educational European Parliament project. Participation in this project gave pupils the possibility to learn more about the EU and to discuss the future of this organisation.

What concerns the main topics of the reflection period, the following topics – the introduction of euro, EU structural funds, emigration and the enlargement of the EU received the biggest attention. The Treaty establishing a Constitution for Europe did not get as much attention as the subjects mentioned above (while the future of the Charter of fundamental rights has not really been a point of reference). Still, a part of the reflection period events were dedicated to the topic of the European Constitution. This smaller attention to the European Constitution can be partly explained by the fact that Lithuania has already ratified the Constitution on 11 November 2004 and was the first EU member state to do so. The Constitution was approved by a vote in the Lithuanian Parliament with 84 parliament members voting for, 4 against and 3 abstaining.

Support for the Constitution among the politicians stays high in Lithuania. As the Lithuanian foreign affairs minister Antanas Valionis speaking in the last discussion about the future of the EU emphasized: “The Constitutional Treaty is the best possible compromise”. He noticed that a growing number of the states, which have ratified the Constitution, signifies the importance of this treaty for the future of Europe<sup>196</sup>. The Lithuanian youth also express a strong support for the Constitution. The resolution adopted by the Lithuanian youth organisations declared:

<sup>195</sup> The resolution of the conference “Lithuanian youth in Europe and Europe in the world” of the Committee on European Affairs of the Parliament of the Lithuanian Republic and the Lithuanian youth organisations adopted on May 5, 2006.

<sup>196</sup> Lietuvos užsienio reikalų ministras: Lietuva ir toliau turi imtis lyderės vaidmens [Lithuanian Foreign Affairs Minister: Lithuania has further to take a leading role], Lithuanian Foreign Affairs Ministry press release, May 27, 2006, <http://www.urm.lt/index.php?2027716367>.

“the Treaty establishing a Constitution in Europe is a coherent and a well considered text, adopted in an open and democratic way. [...] Discussions on the future of the Constitution should proceed and should not block the EU integration and the solving of the practical questions”<sup>197</sup>.

## Luxembourg

After the referendum on the European Constitution Treaty in July 2005 the national debate in Luxembourg on the future of the EU was put to the backstage since more urgent political, economic and social problems could not be ignored any longer. The number of unemployed people has risen to its highest levels since WWII. After the Prime Minister's speech on 2 May 2006 on the state of the nation, a panoply of measures trying to cope with the most important political, economic and social problems Luxembourg has to deal with<sup>198</sup> were been introduced. In his speech the Prime Minister made a few remarks on his views concerning the future of the EU.

Only on 25 May 2006, in recognition of his commitment to the European cause, was Jean-Claude Juncker, already a recipient of a number of important political awards, honoured with the International Charlemagne Award the “Karlspreis of Aachen”. The Luxembourg Prime Minister referred in his speech to the European Constitution and declared that it was not dead and buried and that he wanted to fight for this constitution. He accepts meanwhile that the expression “constitution” may not be well-chosen, but the goal to get the constitution adopted by the Union before the next European elections in 2009 is paramount<sup>199</sup>.

Speaking for the Luxembourg government, Jean Asselborn – Vice Prime Minister and Minister of Foreign Affairs sticks to three main points<sup>200</sup>:

- The political will must be obvious that some kind of fundamental treaty has to be written down at the latest before the next European elections in 2009. This treaty rules the functioning, the structures, the values and the aims of the European Union. For Luxembourg this can only be the text which has been adopted by the referendum in July 2005.
- Some kind of road map must be agreed upon to reach this goal in 2009. The first important stage will be the European council in June 2006, where the political will has to be expressed.
- The Finnish presidency in the second half of 2006 followed by the German presidency in 2007 must collaborate. The results of the elections in France and the Netherlands in 2007 are decisive. On the outcome of these elections depends much of the future of the European Constitution.

Nicolas Schmit, Minister for European Affairs and Foreign Trade, has launched a discussion platform on the future of the EU during the reflection period. He regularly enters into contact with a panel of Luxembourg teenagers regrouped in regional school conferences. Furthermore, he participates in workshops und discussions with actors in economic, social and political life.

The conference of European affairs parliamentary committees COSAC (*Conférence des organes spécialisés dans les affaires communautaires*) decided to continue the discussion on the European Constitution. All political parties represented in the Parliament have at least one representative on the COSAC. The Communist Party of Luxembourg, which has had no deputies in Parliament since 2004, denounces these proceedings to save what it calls a “militarist and neoliberal” treaty.<sup>201</sup>

## Malta

With the Maltese Parliament having voted unanimously in favour of the Constitutional Treaty in July 2005 Malta considers this issue resolved as far as Malta is concerned. As the first year of reflection has not led to any new EU position on the matter, Malta is totally supportive of continuing the debate about the future of Europe in an effort to arrive at a common position. It however also believes that

<sup>197</sup> The resolution of the conference “Lithuanian youth in Europe and Europe in the world” of the Committee on European Affairs of the Parliament of the Lithuanian Republic and the Lithuanian youth organisations adopted on May 5, 2006.

<sup>198</sup> Jean-Claude Juncker : Déclaration du gouvernement sur la situation économique sociale et financière du pays « Luxembourg 2.5.2006

<sup>199</sup> Rede von Karlspreisträger Dr. Jean-Claude Juncker anlässlich der Verleihung des internationalen Karlspreises zu Aachen am 25.5.2006

<sup>200</sup> Interview RTL-Radio Luxembourg language service 29-5-2006

<sup>201</sup> Zeitung vum Letzebuenger Vollek ( Communist Party of Luxembourg newspaper) 26.5.2006  
„Wiederbelebungsversuche an untauglichem Objekt“

institutional reform is necessary if the enlarged EU is to be able to function effectively in the future.

In the first half of 2006 this issue has therefore largely been a backburner one as Malta has already ratified the original treaty. As it appears that no major developments will take place vis-à-vis the Constitutional Treaty until during the German Presidency in the first half of 2007, there is no major effort to raise this theme for debate at a national level.

In an effort to bring the EU decision-making process closer to the Maltese, the Government of Malta has set up a public relations platform called the 'Forum Malta fl-Ewropa' which has started to act as a point of reference on EU-Malta relations for civil society and for citizens. The Forum is also serving as the government's consultative mechanism with civil society on EU-related issues and a platform to discuss new ideas and initiatives with the aim of bringing the European Union closer to its citizens at a national level. The Forum is also offering support to civil society and citizens in relation to access to EU funding mechanisms and programmes seeking a wider tapping of these new resources.

The Ministry of Foreign Affairs has also continued to engage regularly with the EU when it comes to the financial perspectives and to continued flexibility of use of EU financial resources, particularly for newly acceded states, and to reform of the EU budgetary structure and the consideration of Malta's specificities arising from its island status and peripheral location.

## Netherlands

### *National debate on the European Constitution*

When four months after the negative outcome of the referendum<sup>202</sup> in June 2005 the chosen instrument to involve the Dutch citizens in European policy making, the broad public debate on Europe was cancelled<sup>203</sup> the prime minister immediately stated that the government intended to examine the opinion of

<sup>202</sup> Just before the printing of this issue the Dutch cabinet of CDA, VVD and D66 broke down when the D66 members in parliament withdrew their support for the government. A minority cabinet of the Christian Democrats and Liberals will continue with limited powers and early elections will be held in November this year.

<sup>203</sup> See: previous issue EU25 Watch for information on the failure to launch the broad public debate.

the Dutch citizens on Europe anyway.<sup>204</sup> That the government is taking the opinion of the citizens very seriously is reflected in the fact that ever since the no vote all politicians and policymakers have been claiming that the Constitutional Treaty is definitely off the table and that the debate should now focus on the underlying causes and not on revitalising or rewriting the European Constitution. The Minister of Foreign Affairs Mr. Bot even stated to his Austrian counterpart visiting the Netherlands in January that the European Constitution is officially dead.<sup>205</sup> In the opinion of the government and many political parties, the way forward is through subsidiarity and creating clarity on when policy needs to be dealt with on the European level and when on the national level. Professor Jan Rood of the Clingendael Institute is very critical of this development. He points out that hailing subsidiarity by politicians is often used as a cover up for the fact that they are not properly informed on what is happening in Brussels. They blame the EU for meddlesomeness in national affairs, whereas they should take full responsibility for European policymaking. Using Brussels as a scapegoat and blaming the EU for interference in national policymaking is actually endangering support for European integration in Dutch society by presenting a distorted picture of the EU. There are many proposals on the table to improve the coordination of European policymaking in the Netherlands, but what is needed firstly is a change of mentality in taking Brussels seriously.<sup>206</sup>

### *Initiatives*

In January-March the press wrote critically about the fact that despite promises after the referendum to continue the debate with the citizens on European Affairs, the government kept awfully silent. One article even compared the situation with a soccer match in which the audience waits impatiently while the players still sit in the dressing room instead of playing the game. In other words the Dutch citizens need to watch its politicians operate in the European arena and witness the political battle while they are taking up positions in the interest of the Netherlands. This will help raise the consciousness of European policymaking

<sup>204</sup> 'Nationale Europa Discussie is van de baan', Nieuws 1/10/2005 at <http://www.grondweteuropa.nl>

<sup>205</sup> 'Oorverdovend stil na het referendum', NRC, 12/01/06.

<sup>206</sup> 'De Europese Unie als binnenland', Staatscourant, 6/02/06.

in Dutch society.<sup>207</sup> Although government officials and politicians were not very visible to the general public after the cancellation of the broad public debate initiated by both government and parliament the government did launch a programme to involve the citizens in a continued debate on Europe. In a letter to a member of parliament the government explained that the publicity around the organised activities in the reflection period was only expected in the period from March to June until the European Council takes place. The government's programme consists of a raised budget of the *Europe fund* for financing activities by non-governmental organisations contributing to the debate; focus groups in society debating specific European issues; internet research measuring the public opinion on Europe and embedding Europe in the curricula of high schools.<sup>208</sup> Apart from that, the Minister for Public Administration Reform Mr. Pechtold installed a National Convention in early February to advise the government on needed reforms in public administration and to discuss a Dutch constitution for the 21<sup>st</sup> century. In other words the National Convention, will help prepare the Netherlands for possible future treaty changes in Europe. In the opinion of Dr. Alfred Pijpers of the Clingendael European Studies Programme, member of this National Convention one of the tasks might be looking into a division of European and national competences comparable to the previous attempt of the *Kompetenzkatalog*.<sup>209</sup> The government launched its website [www.nederlandineuropa.nl](http://www.nederlandineuropa.nl) (*The Netherlands in Europe*) for the research of the public opinion on Europe by the end of February. By mid-April, the deadline for participation in the research, almost 100,000 citizens had taken the time to fill out the lengthy questionnaire sharing their views on the European Union. The Minister of European Affairs Mr. Atzo Nicolaï reacted enthusiastically to this overwhelming response whereas he had only counted on tens of thousands of respondents. Some of the issues addressed on the website were the accession of Turkey and the Western Balkans; the need for a common asylum policy and common drug policy and measures to be

taken to protect the labour market from cheap foreign workers.<sup>210</sup>

### *Reflection period*

In its memorandum<sup>211</sup> to parliament reflecting upon the outcome of the organised activities in the reflection period and its position on the future of Europe the government states that it strives for a Europe that functions, which will produce concrete results in important areas such as economic growth, employment and enlargement.<sup>212</sup> In the period of reflection the focus was on examining and understanding the expectations of the citizens from EU; a better integration of Europe in the national policymaking process; a better application of subsidiarity and proportionality and a better functioning and delivering EU. The government used the reflection period to stimulate debate with its citizens, experts and European partners on the future of the EU mainly through the above mentioned instruments. The overall research on public opinion consisted of quantitative research via the website [www.nederlandineuropa.nl](http://www.nederlandineuropa.nl) and the qualitative research via the focus groups of both highly educated and lower educated people discussing European issues. The three main subjects in both research projects were: EU enlargement, socio-economic aspects of European integration and European integration in Justice and Home Affairs. Also, questions on the speed and institutional framework of European integration were added. In the view of the government the outcome of the overall research showed a picture of critical-positive citizens that are concerned about their own future and the role of European cooperation in it, but willing to contribute to the debate on the future of the Netherlands in Europe. The government welcomes the extension of the period of reflection in order to concretise new insights and ideas to enhance the democratic functioning of the Union, for example, the functioning of the principle of subsidiarity and more transparency in European decision-making. Also, more time is needed to enhance European integration in those areas where its citizens expect results, like on growth and employment, energy, environment and sustainable development. And the debate on the enlargement strategy of the EU is not

<sup>207</sup> Michèle de Waard, 'Oorverdovend stijl na het referendum', NRC, 12/01/06 and 'Ga de Europese arena in', Volkskrant, 29/03/06.

<sup>208</sup> Beantwoording vragen lid Karimi tav uitspraken aangaande de Europese Grondwet', Letter to Parliament (LTP) by the Minister of European Affairs, 25/01/06 at the MFA website: <http://www.minbuza.nl>

<sup>209</sup> 'Discussie over politiek bestel ook van belang voor Europa', Volkskrant, 9/02/06.

<sup>210</sup> Marc Peepkorn, 'Enorme interesse voor Europa-site verrast Nicolaï', Volkskrant, 18/04/06.

<sup>211</sup> Notitie Kabinetsanalyse Europese bezinningsperiode, LTP, 19/05/06.

<sup>212</sup> 'Een Europa dat werkt', press release Ministry of Foreign Affairs, 19/05/06 at [www.minbuza.nl](http://www.minbuza.nl)



finished yet. An additional reason raised by the government is that more time is needed to create a breakthrough in the impasse surrounding the European Constitution. In the next reflection period the government will mainly focus on achieving results on basis of the outcome of the research on what the citizens expect from Europe and intensify and deepen the debate on issues of importance both on the European and national levels. They also propose to include two issues raised at the Hampton Court meeting: the external and the internal security of the European Union as well as the discussions on reforming the European budget.

The government concludes that there is no need to change its position on the European Constitution on the basis of the outcome of the reflection period or the current balance of power in the European arena on the matter. Although the government is aware of the fact that in the long term treaty changes will be needed to guarantee a properly functioning EU. On the involvement of citizens on European Affairs the government will invest in structural information services on Europe, a more prominent place for Europe in the national political debate and embedding Europe in the educational system. Finally, the government states that the future of the Netherlands is intertwined with the European Union and that the referendum did not change that fact of life. Therefore, the government will strive for a better delivering, functioning and communicating European Union with the support of parliament, citizens and civil society throughout the reflection period.

### *Media*

One of the renowned daily papers in the Netherlands, NRC, also launched a website, [wethepeople.nrc.nl](http://wethepeople.nrc.nl), with the purpose of (re)writing the European Constitution based on the model of the famous Wikipedia encyclopaedia on the internet.<sup>213</sup> 'We the people' referring to the first sentence from the American Constitution aims at facilitating the opinions and views of citizens starting with the question how we should continue with the European Constitution. On the site a number of prominent Dutchmen, amongst whom a religious leader and a representative of a trade union are writers and all of whom were in favour of the Constitutional Treaty, now advocate rewriting the original text as the way

<sup>213</sup> Kees Versteegh, 'Herschrijf Europese Grondwet', NRC, 6/04/06.

forward in future European integration. The website was launched on the 6<sup>th</sup> of May and will receive continuous coverage in the paper itself. Several politicians have already committed themselves to contributing to this website.

### **Poland**

The debate concerning the future of the European Union in Poland started anew in March-April 2006. Most of the political forces pronounced their views on the matter. The leaders of the political parties published articles on the issue in the daily press.<sup>214</sup> The president of Poland Lech Kaczyński also contributed to the debate first in his speech at the Humboldt Univeristy<sup>215</sup> (8th of March 2006) and then in an interview for one of the biggest Polish newspapers, "Dziennik" (1 May 2006). The recently appointed Minister for Foreign Affairs confirmed his willingness to continue the current political line in European and international matters<sup>216</sup>. Most of the political parties did not change their views on the Constitutional Treaty, which naturally constitutes one of the most important points of reference during the reflection period. The position of the governing conservative Law and Justice (PiS), however, is evolving. The government and the President alike are taking a much more EU-friendly stance and their rhetoric is changing. They do oppose the ratification of the treaty in its current form, but they do not oppose outright all of the moves aimed at deepening the European construction. The President even admitted that the EU needs a constitutional treaty, albeit of a slightly different nature, and that he does not preclude the very long-term possibility that the EU might evolve into a federal polity. The government is undergoing a rather rapid socialisation process, and its leaders are slowly coming to the conclusion that, in order to realize their priorities in an effective manner, they have to engage themselves more actively on the European stage.

<sup>214</sup> The leader of the biggest opposition party liberal conservative Civic Platform wrote an extensive article on the issue for Dziennik on the 06.06.2006 entitled "The Trap of the European Welfare State" in which he criticized European policies of the major players (especially their protectionism) and shared his negative views on the new power-sharing deal proposed by the Constitutional Treaty.

<sup>215</sup> <http://www.polonja.es/x.php/2,675/Intervencion-del-Presidente-L.-Kaczynski-en-la-Universidad-de-Humboldt.html>

<sup>216</sup> Interview given to the National TV 1st Channel on May 31.

The Constitutional Treaty has been ratified in 7 out of ten new member states (all through a parliamentary process). The situation in Poland is much more complicated and the decision to hold a referendum was postponed indefinitely<sup>217</sup>. The government is of the opinion that there is no need to jump the gun. Since any decision on the future of the treaty is controversial (the leaders of PiS do not like it, but they do not want Poland to take the blame for rejecting it), they use the reflection period as an alibi for inaction.

Polish public opinion is much more positive about the treaty - 53% declare support for the treaty, while only 21% are against its ratification. An astounding 57% of Poles would like the ratification process to continue and only 17% think that the treaty should be renegotiated. The support for the treaty has dropped, however, after the referendums in France and Holland (in July 2004 it was 64%, beginning of May 2005 - 61%). People had a problem assessing the referendums and they were confused by the results: 47 did not have an opinion, while 28% thought it was a good result and 25% thought it was bad).<sup>218</sup> The electorates of the Social-Democrats (67%) and Civic-Platform (EPP member, liberal conservatives- 52%) are largely supporting the Constitutional Treaty, but support for the treaty is much smaller in the electorate of the populist Self-Defence (43%). Among the Law and Justice electorate, there are more opponents of the treaty than supporters of it (42% and 29% respectively). Among the electorate of the League of Polish Families the situation is even clearer (21% of the people are for the ratification of the treaty, while 55% are against). If the referendum campaign were to start, however, and the issues were to be debated more broadly, there is no doubt that public opinion would shift in a rather radical manner.

The opponents of the treaty dominate the Polish Parliament. The political forces which are not very enthusiastic about European integration constitute more than half of the house - Law and Justice, Self-Defence and the anti-European League of Polish Families - which have just formed the governing coalition in May 2006. The Social-Democrats support

the ratification of the treaty in its current form. The Civic Platform is much less enthusiastic. It recognizes the need for a constitutional treaty as such but does not like it in the current form. Its delegation in the EP abstained in the vote on the favourable Parliament's resolution on the matter). The main reason for such a lukewarm attitude rests on the three premises: The re-weighting of votes changed the power equilibrium in the EU (Poland's position and coalitions); the inflated constitutional language found no support among the European electorates; and the Union should focus more on delivery than inflated institutional constructs. Moreover, the Civic Platform points to the fact that the Nice treaty works well in practice and that the problems connected with managing the Union are tied to the problem of the number of member states per se and not the system of vote apportionment. The future of the charter of fundamental rights is not a very important issue in the debate on the future of the EU, although the governing parties do have a rather critical view of some of its provisions, whereas the opposition does not seem to have a problem with the charter having a legally binding nature.

In general, the government is not very active in the debate on the future of the European Union, although debates on the issue of the future of the Constitutional Treaty were organized under the aegis of the foreign ministry and the Polish Parliament. The government sponsored think-tank PISM also is engaged in the debate (it has recently published a report along with the independent think-tank, Instytut Spraw Publicznych)<sup>219</sup>. Other think-tanks and research institutes, such as Natolin European Center and Independent Institute of International and European Law, European Institute in Lodz (the debate held on the 1 April on : "How to Re-connect the Citizen with the European Union") also hold debates and publishes literature on the issue. The media is not very active on the debate (with the exception of the leading newspapers – 'Dziennik', 'Rzeczpospolita' and 'Gazeta Wyborcza' – which publishes the opinions of the experts on the issue) unless the problem of the reflection period hits the headlines (as with the conclave in Klosterneuburg or the June 2006 European Council Summit).<sup>220</sup>

<sup>217</sup> See: Polska wobec reformy ustrojowej Unii Europejskiej – Co dalej a Traktatem Konstytucyjnym? PISM Warsaw, 25th of May 2006.

<sup>218</sup> CBOS, Opinie o ratyfikacji europejskiej konstytucji, czerwiec 2005, BS/105/2005, [www.cbos.pl/spiskom.pl/2005/k\\_105\\_05.pdf](http://www.cbos.pl/spiskom.pl/2005/k_105_05.pdf).

<sup>219</sup> The Future of the Constitutional Treaty, [http://www.pism.pl/zalaczniki/ISP\\_PISM\\_pl\\_06\\_1.pdf](http://www.pism.pl/zalaczniki/ISP_PISM_pl_06_1.pdf)

<sup>220</sup> See the daily references to those Journals, which can be reviewed through the PAP search tool (euro\_pap@pap.com.pl;).

## Portugal

The second half of 2005 and the first months of 2006, after the ratification failures in France and the Netherlands, did not witness any kind of serious or continuous debate on the future of Europe or, more concretely, on the fate of the Constitutional Treaty. As explained in the previous report, the Portuguese government opted for a “wait-and-see” approach to the issue of whether or not to continue the ratification of a document which had very little chances of ever coming into force. The so-called “reflection period” was, thus, essentially understood as a time for pause, much in line with what happened in the majority of the other EU Member States. As one political commentator wrote, “the reflection period was used essentially for realising what was already evident, that is, that Europe is undergoing a crisis of identity, leadership and conviction”<sup>221</sup>.

This state of affairs has slightly changed in the last couple of months, as a number of initiatives, both from the state and civil society, seem to have triggered a series of statements. The delegation of the European Commission in Lisbon also actively promotes the debate on European affairs, through several public conferences and seminars, as part of the so-called “Plan D”. Opinion articles on the subject of the future of Europe and the ratification of the Constitutional Treaty have also re-emerged in the media. The approaching of the next Portuguese EU Presidency (in the second semester of 2007) is certainly one explaining factor for the revival of the European debate.

In general terms, it can be said that there is a remarkable convergence of views among the main participants in the public debate, around two central ideas: first, the need to deepen the public debate on European issues, no longer simply on intergovernmental terms but rather according to a ‘citizens’ logic’; second, the priority of identifying measures that will reconnect citizens with the EU. Divisions emerge in relation to the issues that should be at the centre of the debate.

The government’s decision to associate itself with the national parliament (*Assembleia da República*) in the organisation of a new debate initiative called the “Forum on the Future of Europe” was the backdrop to the first speech by Prime Minister José Sócrates dedicated to European affairs since the Constitutional crisis

<sup>221</sup> Teixeira, António José, “Europa” in *Diário de Notícias*, 9 May 2006.

erupted in May 2005. In his speech, the Prime Minister restates the governments commitment to the content of the current Constitutional Treaty, described as a balanced text that reinforces the democratic legitimacy of the Union, simplifies the decision making process and allows a more efficient action of the EU in the international sphere<sup>222</sup>. As for the prospects of the Constitutional text, the Prime Minister recognised the difficulties of it ever coming into force, yet he announced that a final decision on the fate of the text should be taken as “a collective decision of all Member States”<sup>223</sup>. In other words, the seriousness of the crisis affecting Europe should not lead countries to take unilateral decisions. Only the European Council can decide on the direction the integration process should take.

At the same occasion, the Prime Minister has also expressed his commitment to holding a referendum on the Constitution, in case the ratification process resumes. The referendum would be the first opportunity for Portuguese citizens “to express their opinion on Portugal’s participation in the European project”, as well as a crucial catalyst to a “wide national debate around European issues, which are rarely discussed outside experts’ circles”<sup>224</sup>.

The government’s views on the issues the debate on the future of Europe should tackle have also been made clear in recent months. To a certain extent, such views share the European Commission’s current approach, focusing on the need to deliver in the areas that matter most to citizens, such as the economy, employment and security. However, in the government’s view, such efforts need to be sustained by a serious effort to reinforce the democratic mechanisms of the Union. In Socrates’ words, “a series of actions or even policies are not enough to maintain and develop the European project.”<sup>225</sup> Future reform efforts should thus ensure that the core principles of European integration are made clear, so that citizens can distinguish between essential values and the orientation of specific policies. In that respect, the Charter of Fundamental Rights is an important element, as it lays down some of the basic values on which the Union is founded.

<sup>222</sup> Intervenção do Primeiro Ministro no lançamento do Fórum para o Debate Europeu, 31 March 2006.

<sup>223</sup> Idem.

<sup>224</sup> Ibidem.

<sup>225</sup> Intervenção do Primeiro Ministro no Seminário Dia da Europa 2006, 8 May 2006.

The recently elected President of the Republic, Aníbal Cavaco Silva, has taken an approach similar to that of the government. He also admits that Europe is undergoing a serious crisis, which paradoxically results largely from Europe's success: more countries wish to join the Union making it harder to manage, while citizens expect the EU to deal with today's economic and social challenges.<sup>226</sup> Moreover, within the limits of the current Treaties, there is much the Union can do to address citizens' expectations, such as furthering the Economic Union or ensuring the fulfilment of the Lisbon Strategy.

However, just like the Prime Minister, Cavaco Silva is clearly in favour of centring the debate on the need to strengthen the political dimension of the European Union: "Without reinforcing its political dimension, without making its decision making process more efficient, (...) without strengthening its democratic legitimacy, the European Union will face serious difficulties sustaining EMU and earning its place as an influential player in the emerging global world (...)." <sup>227</sup>

One important source for assessing the state of the Portuguese debate on the future of Europe was the public questionnaire prepared by the National Parliament's European Affairs Committee (chaired by former European Commissioner António Vitorino) and conducted next to the main actors of civil society, including academic institutions, think-tanks and social partners.<sup>228</sup>

The questionnaire's results show a sharp division in what concerns the Constitutional Treaty, with half of the respondents defending the continuation of the ratification process, and the other half in favour of scrapping the whole process. Only a very small majority also favour the holding of new referenda in France and the Netherlands. However, if ratification fails in one or more Member States, respondents clearly favour the abandonment of the present text and the negotiation of a new one. Interestingly, a majority also supported the Convention method to prepare the new Constitutional Treaty, which should be the object of a simultaneous referendum in every Member State. Peace and security should be

highlighted as the foundations of the European project, with most respondents also stressing the need to reinforce in future reforms the political dimension of the integration process. Nevertheless, the political priorities picked by respondents are clearly in the socio-economic field: employment, cohesion, as well as education and research.

Opinions expressed by political commentators reflect to a large extent the same uncertainty regarding the future course of European integration. Long-time supporters of the European project have in general adopted a low-profile since the failure of the Dutch and French referenda. Exceptions to the rule come mainly from Members of the European Parliament, who advocate the continuation of the Constitutional debate. Socialist MEP Ana Gomes believes the referendum on the Constitution should go ahead, even if some minor changes are introduced in the current text. For her, the political relevance of the referendum remains and a positive outcome would be an important boost to the Portuguese presidency of 2007.<sup>229</sup> Along the same line, PPE MEP Assunção Esteves stresses the need to preserve the essential aspects of the Constitution in any debate on the future of Europe. These include the post-sovereign nature of the Treaty, the attempt to make the EU a manageable entity, as well as the Union's basic values and objectives, which the MEP describes as the EU's "chromosomes".<sup>230</sup> This view is reinforced by other analysts, who believe that future reforms of the Treaties should clearly underline the political nature of the integration process, especially at a time when there is a tendency to use cultural, civilisational or even religious arguments to explain political phenomena.<sup>231</sup>

Others, such as António Vitorino, believe that the debate on the future of Europe should not be held hostage of the fate of the Constitutional Treaty. There are certainly legitimacy issues that need to be addressed, but the efforts of European political leaders should be directed to reconnecting with the citizens and addressing their day-to-day

<sup>226</sup> Speech by His Excellency the President of the Republic in Europe's Day 2006 Seminar, 8 May 2006.

<sup>227</sup> Idem.

<sup>228</sup> Comissão de Assuntos Parlamentares da Assembleia da República, Futuro da Europa – Relatório de Análise sobre os Resultados da Consulta Pública, Lisbon, April 2006.

<sup>229</sup> Gomes, Ana, A Europa e o Futuro, Intervention at the debate on the Future of Europe, Assembleia da República, 2 May 2006.

<sup>230</sup> Esteves, Assunção, "Constituição Europeia: Como segue o debate", Público, 3 March 2006.

<sup>231</sup> Contributo do Instituto de Estudos Estratégicos e Internacionais para a audição pública sobre o futuro da Europa, 1 May 2006.

concerns<sup>232</sup>, even if this may mean different things for different actors.

It may imply, what some on the euro-sceptical side of the debate<sup>233</sup> have called the end of the “Monnet method” of presenting the electorate with a number of *faits accomplis* of an “ever closer Union” built by a vanguard political elite. According to this line of reasoning, the future debate and reform process should aim at more modest results, far from the ambitious political order laid out in the Constitutional Treaty.

Reconnecting with citizens may also mean addressing the serious social cleavages that can be found today in most European societies. Economic policies geared towards job-creation and the mitigation of the effects of globalisation should take priority over other political areas. At the European level, the debate should thus focus on how to deepen the social dimension of the European project, strengthening initiatives in areas such as training and innovation, industrial policy and competitiveness.<sup>234</sup>

Finally, an issue which some commentators identify as a crucial dimension of the debate, is that of the limits of the Union and, more broadly, how further enlargement may affect the identity of the integration process. The government remains supportive of the enlargement process to all current candidates. Nevertheless, there is now a clear concern with the discussion on “the extension of the European project and its geographic limits (...) so that the coherence of the European integration process can be preserved”<sup>235</sup>, denoting a more reserved position than in the past. In civil society, most of those who value this issue believe that one of the lessons to be taken from the negative referenda is that European citizens oppose enlargement, and therefore political leaders should reconsider its over-ambitious enlargement strategy.<sup>236</sup> However, there are also those who see a slowdown or even a halting of enlargement as seriously undermining the whole integration process. For example, EU affairs commentator

Teresa de Sousa thinks that an inward-looking EU is at odds with its own founding principles of an open, diverse and integrative process.<sup>237</sup> The same reasoning applies to the plans for tougher immigration policies at EU level.

## Romania

During the first half of 2006, the key themes of the period of reflection launched after the European Council in June 2005 did not turn out to be a priority issue in Romanian public debates. Issues such as the future of the European Union generally and, in particular, the Constitutional Treaty have been very rarely discussed, and only tangentially, in the context of the debates centered around the future role of Romania as a EU Member State.

The months preceding the publication of the latest European Commission’s monitoring report have been marked by an exclusive focus of Romania’s public opinion, mass media and political class attention on the most sensitive areas connected to the meeting of the last accession-related requirements. In that context, the debates of that period created a de facto obsession regarding the date of the 1 January 2007, which has been amplified by national and European mass media allegations. The pressures concerning the potential application of the safeguard clause, the compliance with the schedule imposed by the European Commission, the signals regarding the reduction of the number of “red flags”, transmitted through the warning letters of the Commission, the frequency of the last visits of the European Commissioners, in particular of the Commissioner for Enlargement Olli Rehn, monopolised the entire national agenda dedicated to the European debates.

However, several initiatives, originating in the Romanian academic and think-tank area, may be mentioned, as they tried to make the Romanian civil society and political class aware of the need to define national visions on the evolution of the EU and to draft different scenarios concerning the reform of the European institutions. In February 2006, the European Institute of Romania launched, in partnership with the Delegation of the European Commission in Romania, a series of

<sup>232</sup> Intervention at a Seminar on the Constitutional Treaty, Lisbon, 6 April 2006.

<sup>233</sup> For instance Gaspar, Carlos, A Crise Europeia, Contribution to the III Congress of the Portuguese Association for Political Science, 30 March 2006.

<sup>234</sup> Posição da UGT para a audição sobre o futuro da Europa, 2 May 2006.

<sup>235</sup> Intervenção do Secretário de Estado dos Assuntos Europeus Embaixador Fernando d’Oliveira Neves no Fórum de Debate do Futuro da Europa, 31 March 2006.

<sup>236</sup> Queiró, Luís, Contributo para a audição sobre o Futuro da Europa, 2 May 2006 and Gaspar, Carlos, op. cit.

<sup>237</sup> Sousa, Teresa de, “Se a Europa for uma fortaleza não terá futuro” in Público, 1 November 2005.

monthly debates<sup>238</sup>, with the participation of specialists in European topics, in order to analyse the most ardent subjects concerning the accession of Romania to a Union which continues to redefine its own integration project.

Also, the national conference of the Romanian European Community Studies Association (RECSA) – *Romania – Member State of the EU. What added-value?* – had a session dedicated in particular to the implications of Romania's accession to the EU, both on the national and European levels. In that context, the debates included issues related to the operation of the EU in an enlarged formula, Europe's *fatigue*, the European Constitution as a response to the problems of the enlargement, the possibilities and consequences of flexible integration, alternatives to the constitutional deadlock, and the EU crisis as a "virtual collapse of a common vision on the aim and objectives of the EU"<sup>239</sup>.

Except for these events, one could say the reflection on the future of the EU was not a major issue in the Romanian public debate, which, according to some specialists, is a "clear proof of disconnection from the larger issues of the EU"<sup>240</sup>.

At an official level, the support for continuing ratification of the European Constitution has been maintained and the recent ratification of the Constitutional Treaty in Estonia has been welcomed by the Romanian Ministry of Foreign Affairs<sup>241</sup>. On the same line, Leonard Orban considers that: "The Treaty establishing a Constitution for Europe is a landmark, taking into account that the main objective of this document is to create the necessary premises for a good working of the enlarged Union, with

Romania as a member"<sup>242</sup>. He also states on the same occasion that "after the June European Council in Brussels, Romania will initiate a series of debates and public actions concerning the solutions to be adopted for the institutional changes at the Community level, debates involving not only members of the political class, but the entire society".

From the point of view of Prof. Mihail Ionescu, the director of the Institute of Defense Political Studies and Military History, it is the Romanian government that, generally speaking, takes initiatives in a proactive way: "Since Romania is not yet an EU member, the European Constitution has not been a subject of public reflection, but only referred to within a general framework and more specifically with regards to the link between European citizens' position to the document and their attitude towards candidate countries, including Romania. Therefore, the references focus on the impact of the Constitution on EU's enlargement process."<sup>243</sup>

Not being a predilect issue for Romanian public opinion, the alternative of ratifying the current version of the European Constitution, in the context of the two rejections last year, seems to have less and less supporters within academic circles in Romania, and the scenario to revive the Constitution is considered unrealistic and with minimal chances in the close future.

## Slovakia

Thus far in Slovakia the so-called reflection period has produced a rather limited debate both on the fate of the EU Constitution and on the future of the EU more generally. The government's strategy can largely be summed up as a wait-and-see approach. Shortly after the failed referenda in France and the Netherlands, Slovakia's leadership emphasized the fact that the ratification period originally set to last two years might be extended. And indeed, during a bilateral meeting between Prime Minister Mikuláš Dzurinda and his Czech counterpart Jiří Paroubek in June 2005, both leaders agreed that their countries would support the extension of the ratification process.

<sup>238</sup> EIR Guests at Infoeuropa: Romania in Europe. The themes of these debates include: In what kind of Europe will Romania enter?; What is Romania looking for on the Single Market?; EU enlargement and its implications for the EU itself.

<sup>239</sup> Nicolae Idu: Romania-What Kind of Member State?, paper presented by Nicolae Idu, director general of the EIR, at the conference Romania – Member State of the EU. What added value? on 16 May 2006.

<sup>240</sup> Interview with Prof. Daniel Dăianu, President of Romanian Economic Society, former Minister of Finance.

<sup>241</sup> Ministry of Foreign Affairs: "The Romanian MFA follows with a particular interest the ratification process of the European Constitution and restates, on this occasion, its support for its continuation according to the agenda and internal procedures individually established by the Member States", press release, 9 May 2006.

<sup>242</sup> Interview with Leonard Orban, Secretary of State within the Ministry of European Integration, former Chief Negotiator with the EU.

<sup>243</sup> Interview with Prof. Mihail Ionescu, director of the Institute of Defense Political Studies and Military History.

In the run-up to the parliamentary elections in Slovakia held on 17 June 2006, Slovakia's political parties hardly mentioned the issue of the EU Constitution and they touched on the broader question of the future of the European Union only marginally.

The largest opposition party and winner of the parliamentary elections on 17 June 2006, SMER-Social Democracy (SMER-SD), does not mention the issue of the EU Constitution in its electoral manifesto at all. On 17 May 2006 a group of people around the shadow foreign minister of SMER-SD, Juraj Zervan, presented a background document for the electoral program of the party in the area of foreign policy, in which the authors stated that they would support some revision of the primary law of the EU/EC but would not insist on the present text of the EU Constitution.<sup>244</sup> It is, however, important to underline that the political position of Juraj Zervan in SMER-SD is marginal.

Current Prime Minister Mikuláš Dzurinda's Slovak Democratic and Christian Union – Democratic Party (SDKÚ-DS) does not mention explicitly the EU Constitution but it does outline several institutional and political priorities for Slovakia in the European Union. It underlines the importance of the successful completion of the 2004 enlargement, especially through the full implementation of the four EU freedoms across the whole Union and through the extension of the Schengen area to new member states. The SDKÚ-DS stresses the general principle of subsidiarity and places importance on the proximity of the EU to its citizens. In terms of more specific proposals it states that the next EU financial perspective (for 2014 – 2020) must focus on a reform of the Common Agricultural Policy and agree on more money for science and research.<sup>245</sup>

<sup>244</sup> Východiská pre zostavenie volebného programu strany SMER – sociálna demokracia. Zahraničná politika, 17 May 2006.

<sup>245</sup> This information as well as the positions of other political parties are drawn from election manifestos available on websites of individual political parties. KDH party manifesto available at: [http://volby.kdh.sk/dokumenty/volebny\\_program.pdf](http://volby.kdh.sk/dokumenty/volebny_program.pdf); KSS party manifesto available at: [http://www.kss.sk/index.php?option=com\\_content&task=blogcategory&id=49&Itemid=90](http://www.kss.sk/index.php?option=com_content&task=blogcategory&id=49&Itemid=90); ĽS-HZDS party manifesto available at: [http://www.hzds.sk/index.php?option=com\\_content&task=view&id=1586&Itemid=51](http://www.hzds.sk/index.php?option=com_content&task=view&id=1586&Itemid=51); SDKÚ-SD party manifesto available at: <http://www.sdkuonline.sk/program/index.shtml>; SF party manifesto available at:

Among other parliamentary parties, the Christian Democratic Movement (KDH) seems most specific in its stance. It states in its electoral manifesto that it will initiate a declaration on Slovakia's tax supremacy, which is going to protect the country's sovereignty in decisions on direct taxes in the European Union. The KDH sees the EU as a treaty among states and "is therefore against the EU Constitution", which it views as a significant step toward the creation of a European state and a substantial transformation of European integration into a process that threatens the national and economic interests of Slovakia. The KDH is also against the repeat of a ratification of the EU Constitution after its rejection in the Netherlands and in France.

The Slovak National Party (SNS) will support a referendum on the EU Constitution if an opportunity arises. The Coalition of Hungarian Parties (SMK) in its program does not mention the EU Constitution explicitly but it postulates "the present, somewhat infertile, discussion about European matters focused almost exclusively on institutions must be re-oriented toward common problems of Europeans in the whole EU."

One outstanding domestic issue with respect to the EU Constitution is its ratification. Although on 11 May 2005 the National Council of the Slovak Republic approved the EU Constitutional Treaty by a vote of 116 out of 150 deputies, i.e. a clear constitutional majority,<sup>246</sup> President Ivan Gašparovič has yet to ratify the EU Constitution with his signature. On 8 July 2005 a group of 13 citizens appealed to the Constitutional Court, claiming a violation of their fundamental constitutional right to participate in the country's political life through a referendum. The plaintiffs argued that, by ratifying the EU Constitutional Treaty, the

<http://www.slobodneforum.sk/program/document.2006-05-15.8987930671>; SMER-SD party manifesto available at: [http://www.strana-smer.sk/uploads/tx\\_dokument/Volebn\\_program\\_strany\\_SMER\\_-\\_soci\\_ina\\_demokracia\\_pre\\_Vo\\_318\\_by\\_do\\_N\\_rodnej\\_rady\\_Slovenskej\\_republiky.pdf](http://www.strana-smer.sk/uploads/tx_dokument/Volebn_program_strany_SMER_-_soci_ina_demokracia_pre_Vo_318_by_do_N_rodnej_rady_Slovenskej_republiky.pdf); SMK party manifesto available at: <http://www.mkp.sk/index.php?t=&p=&xp=&MId=1&Lev1=&Ind1=186&MId=1&P=index.sl.&Ind1=189> SNS party manifesto available at: [http://www.sns.sk/images/dokumenty/program\\_sns\\_2006.pdf](http://www.sns.sk/images/dokumenty/program_sns_2006.pdf).

<sup>246</sup> The main opponents of ratifying the EU Constitutional Treaty in the National Council of the Slovak Republic were members of parliament for the ruling KDH and the opposition KSS.

Slovak Republic would join a new state formation. According to the Slovak Constitution, the country's accession to a new state formation must be confirmed in a referendum that was not held. The Constitutional Court accepted the motion and on 14 July 2005, and its senate issued a preliminary ruling in which it suspended the effect of parliament's ratification of the EU Constitutional Treaty.

It is expected that the Constitutional Court will adjudicate on the complaint in 2006. Until the Constitutional Court issues its ruling on the matter, the ratification process in Slovakia cannot be considered completed. Therefore, the so-called reflection period provides Slovakia with an opportunity to discuss and clarify the essence of the EU Constitutional Treaty and, in compliance with the Constitutional Court's ruling, decide on the fate of the document but, equally importantly, get prepared for future discussions on the Union's institutional reform. Thus far, political actors, the media and academic circles have largely focused on more current debates relating to Slovakia's ability to make the most out of membership in the EU as well as with the big political issues in the EU over the past few months, such as the future of the EU budget and EU enlargement.

### Slovenia<sup>247</sup>

One could hardly claim there is a debate on the future of the European Union (EU) going on in Slovenia. The Slovenian public space is saturated with the ongoing debate on the development strategy of Slovenia, which spurs heated reactions on a regular basis. The European Union is entering the Slovenian media and policy mostly through the preparations on the introduction of the Euro, which seems to be the second constant in Slovenian media, concentrating the discourse over the EU around the 'success story' of Slovenia's compliance with the criteria for the introduction of the Euro.

Therefore, we can only talk of sporadic statements and occasional debates, surrounding visits of European politicians in Ljubljana or symbolic events, such as those on the occasion of the Europe Day. It is worth mentioning that in numerous interviews with members of Slovenian political elite in the most

read daily newspapers or in their Saturday supplements, we did not find questions, therefore also no answers, opinions, reflections or ideas, concerning the future of the EU. We did not find questions on the future of the EU in public surveys, nor is there an official campaign or a series of debates going on (as already mentioned, the "Euro campaign" is occupying the EU-related public space).

An analysis of statements and ideas, presented at various public occasions and found in the media, coming from academia, politicians or media, gives an impression of a relative consensus on the root of the problems related to the 'Constitutional crisis' and a very reserved, or maybe even absent, view on possible scenarios for the future of the Constitutional Treaty and of the EU.

A number of views on the fate of the Constitutional Treaty was presented at the roundtable discussion, organised on the occasion of a visit of the president of the European Parliament, Mr. Borell. While MEP and president of social democrats in Slovenia, Borut Pahor, would prefer a rewritten document taking after the American constitution, Professor Anton Bebler, a political scientist from the Faculty of Social Sciences at the University of Ljubljana and president of the Euro-Atlantic council of Slovenia, blames it on the name. According to him, Constitution is an overblown word, alluding to the EU wanting to become a state.<sup>248</sup>

At the same round table, former justice, Peter Jambreč, stressed that by a halt with the Treaty, the EU is losing momentum in building its identity in terms of respect for human rights. Mr. Jambreč's statement is the only statement we found in reference to the Charter of fundamental rights of the EU.<sup>249</sup>

<sup>248</sup> Dnevnik (21 February 2006) EU je zgodba o uspehu, a uspeh lahko tudi ubija [EU is a success story, but success can also kill], p. 6., 21 February 2006.

<sup>249</sup> Dnevnik (2006) EU je zgodba o uspehu, a uspeh lahko tudi ubija [EU is a success story, but success can also kill], p. 6., 21 February 2006. On the question of fundamental rights, we found also an indirect reference in the Declaration on the directions for activities of the Republic of Slovenia in the EU institutions in 2006, [Deklaracija o usmeritvah za delovanje Republike Slovenije v institucijah EU v letu 2006], adopted by the National Parliament of the Republic of Slovenia on 28 March 2006, Uradni list RS 36/2005 of 6 April 2006. The Declaration states: Slovenia will strive to bring negotiations in the Council concerning the establishment of the Agency for fundamental rights to an end, in order for the Agency to start functioning as of 1 January 2007. Slovenia supported the broadening of competences of the European Monitoring Centre on Racism and Xenophobia, with a view to its restructuring

<sup>247</sup> The authors wish to thank Zlatko Šabič and Sabina Kajnič for their helpful comments.



The leading academic commentator on the constitutional issue of the EU and on the future of the EU is Ms. Irena Brinar from the Faculty of Social Sciences at the University in Ljubljana. Sharing her opinion on the matter with Professor Bebler, Ms. Brinar<sup>250</sup> stressed on a number of occasions that to call a Constitutional Treaty 'constitution' is one of the flaws of an entire discourse on the future of the EU. The arguments are manifold: the Laeken Declaration did not give a mandate to the Convention to bring about a document called constitution and a big part of the text is taken from the previous treaties. Thus calling the document 'constitution' is unnecessarily causing unease over the new and therefore unknown. However, it is clear, adds Ms. Brinar, that by only renaming we can not solve the problem. Exactly the opposite, silence around the fate of the Treaty during the reflection period, lack of any grand proposals, is causing a new problem.

While one commentator in a commentary in a newspaper *Dnevnik*, identifying the 'no' votes in France and Netherlands as two major failures of the EU in the last year, concluded that the European Commission reacted promptly with the Plan D for Dialogue, Democracy and Debate,<sup>251</sup> Ms. Brinar is more critical towards the role of the Commission. According to Ms. Brinar, the Commission should take a more active role during the reflection period in order to guide the debate and to direct the process of further integration and bring an end to the constitutional crisis.<sup>252</sup> The discourse over the constitution also gave an opportunity to some European leaders to seize the moment and blame the EU and the new document for a number of domestic problems. This view on the Constitutional Treaty, stressing the national issues and not ascribing the real problems to the EU as such, was present through out the debate following the French and the Dutch referenda (see the report on Slovenia in EU 25 Watch No. 2) and

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into the Agency for fundamental rights and wants the Agency to have a strong role in the field of implementation of human rights policy.

<sup>250</sup> Radio Slovenia, Studio ob 17h, 17 February 2006 (main thematic debate programme on public radio).

<sup>251</sup> Bojana Rožič (2006) Kje leži prihodnost EU? [Where is the future of the EU?], *Dnevnik*, 9 May 2006.

<sup>252</sup> TV Slovenija 1 (2006) Sprašujemo predsednika [We ask the president], 1 March 2006 (a special programme on Slovenian public TV on the occasion of the visit of the President of the European Commission, Mr. Barroso, and the Commissioners Walstroem and. Potočnik in Slovenia. The Commissioners, Slovenian Prime Minister and a number of other political actors in Slovenia were answering questions from the public audience in the studio.

is still present at the rare occasions when debated. Acting director of the Government's office for European Affairs, Ms. Katja Rejec Longar, restated that national issues were behind the resentment of the Constitutional Treaty and the EU as such in France and the Netherlands. This seems to be the prevailing and consensual view on the French and the Dutch 'no', interesting enough, comments in the media as well as the Slovenian government's approach towards the present situation are based on the same footing. While rising concerns about national interests in many member states can hinder further deepening and widening of the Union, they can not endanger the single European market.<sup>253</sup> The Slovenian government adopted a very pragmatic approach, as expressed by Prime Minister Janez Janša: in order to overcome the constitutional crisis, the economic growth and employment in the EU have to be higher.<sup>254</sup>

We asked a number of political actors<sup>255</sup> on their position on the future of the Constitutional Treaty and the Charter of Fundamental rights. The answers from the oppositional Social Democrats (SD) and the coalition party Nova Slovenia (NSi) show that the political parties in Slovenia share the opinion that the question of the Constitutional Treaty will not be solved soon and see the need to achieve an agreement on institutional changes in the EU, especially in line of more efficient inter-institutional work and the coordination of the foreign policy and diplomatic network of the EU. As far as the Charter is concerned, both political parties, the New Slovenia and Social Democrats, see the need for the clarification of the status of the document and make it a binding document,<sup>256</sup> but also point out that it already has such status, indirectly given to it

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<sup>253</sup> Saša Vdimajer (2006) Vračanje nacionalne države [Restoring of the national state], *Delo*, 17 March 2006

<sup>254</sup> Delo, Slovenian Press Agency – STA (2006) Janša: EU potrebuje Slovenijo kot pozitiven primer [Janša: EU needs Slovenia to set a positive example], 23 March 2006.

<sup>255</sup> Questions taken from the Questionnaire and adapted according to suitability for each particular actor, were sent to political parties (Socialni Demokrati – SD, Liberalna demokracija Slovenije – LDS, Nova Slovenija – NSi; New Slovenia, Slovenska ljudska stranka – SLS; Slovenian People's Party and Slovenska demokratska Stranka – SDS; Slovenian Democratic Party, the last three are in the coalition government), trade unions (Zveza svobodnih sindikatov Slovenije – ZSSS; Union of free trade unions of Slovenia), Chamber of Industry and Agricultural and forestry chamber. The answers were received from Union of free trade unions of Slovenia, New Slovenia and Social Democrats.

<sup>256</sup> Union of trade unions of Slovenia also endeavours for the Charter to become binding, as it also includes provisions on fundamental trade union rights.

through the judgements of the European Court of Justice.

The official position of Slovenia's government is that "the text of the Constitutional Treaty should not be changed, however, during and after the reflection period, temporary solutions, which would be based on the text and enable functioning of the EU and its institutions, should be found."<sup>257</sup> This standpoint has not changed since the French and the Dutch referenda.<sup>258</sup> The nature of this position partly explains the lack of debate and proposals on the fate of the document. Only at the May meeting of General Affairs and External Relations Council, Slovenian Foreign Minister, Dr. Dimitrij Rupel, presented the proposal developed by the Slovenian Foreign ministry. The main characteristic of the proposal is the idea of a some kind of transitional treaty to be adopted that would settle the most troublesome issues such as questions of decision making, functioning of the Council (rotation of the Presidency) and structure of the Commission.<sup>259</sup>

We can conclude that the Constitutional Treaty has not been occupying the media,<sup>260</sup> the public, maybe not even the political elite in Slovenia in the first months of the 2006. The latter is changing though in the last weeks (as from the beginning of May 2006). Just prior to the Europe Day the foreign ministry held discussions on the future of Europe in its newly opened Centre for the future of Europe, which was also ceremonially opened with high ranking guests such as former German Foreign Minister Hans Dietrich Genscher and numerous politicians from the former Yugoslav republics. The participants at the discussion

<sup>257</sup> Press release of the Ministry of Foreign Affairs of Republic of Slovenia, 15 May 2006 ([http://www.mzz.gov.si/index.php?id=13&tx\\_ttnews\[pointer\]=3&tx\\_ttnews\[tt\\_news\]=11084&tx\\_ttnews\[backPid\]=141&Hash=992a10ac56](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[pointer]=3&tx_ttnews[tt_news]=11084&tx_ttnews[backPid]=141&Hash=992a10ac56), 28 May 2006).

<sup>258</sup> Just prior to the General Affairs and External Relations Council meeting at the end of January 2006, a commentator in 24 ur (main daily news on POP TV, a private TV channel), acknowledged that Slovenia strives for the text of the Treaty to remain as it is, but recognised that the reality suggests that certain elements will have to be excluded, (24 ur, 27 January 2006).

<sup>259</sup> Radio Slovenija 1, Dogodki in odmevi [Events and echoes]. 15 May 2006 (news programme of the public radio).

<sup>260</sup> The only reference to debate on the future of the Constitutional Treaty or the EU as such we found in Slovenian media (that was not related to an event in Slovenia) was an article commenting Guy Verhofstadt's book, with comments from Guillaume Durand from European Policy Centre (Brussels) (Delo (2006) Politiki ne mislijo resno [Politicians do not think seriously], 16 January 2006, p. 4).

agreed that the achievements of the EU in the economic and social field need to be presented to the citizens, as well as the positive effects of the 2004 enlargement of the EU in order to show that the EU does not endanger the national identities of the member countries.<sup>261</sup>

Recent talks about the timeframe for the future of the Constitutional Treaty also included the document on the list of Slovenian priorities during its 2008 (first half) presidency over the EU.<sup>262</sup>

## Spain

Spain ratified the Constitutional Treaty (CT) by combining a consultative referendum and Parliamentary ratification, both won by an overwhelming majority.<sup>263</sup> Considering these circumstances, the Spanish government's position is clear: to defend the political project represented and embodied by the Constitutional Treaty and to seek its entry into force.

The Constitutional Treaty is considered to be a good text which suits well Spain's needs and vision for the immediate future of the EU. Spain considers the CT to represent the best possible text member states could agree on in the past. In fact, the CT represents a larger and better consensus than any text which member states would be able to agree on in the near future. Therefore, Spain sees no need to rush to abandon the CT or to cherry-pick in its contents. Having said that, if and when the CT is to be pronounced dead and new alternatives are laid on the table, Spain would want these alternatives to improve rather than downgrade the current text. In that event, Spain would seek to safeguard core elements of the CT, such as the Charter, the provisions on Justice and Home Affairs and the provisions on CFSP and ESDP.

<sup>261</sup> Press release of the Ministry of Foreign Affairs of Republic of Slovenia, 4 May 2006

([http://www.mzz.gov.si/index.php?id=13&tx\\_ttnews\[pointer\]=8&tx\\_ttnews\[tt\\_news\]=11033&tx\\_ttnews\[backPid\]=141&Hash=3662d3601f](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[pointer]=8&tx_ttnews[tt_news]=11033&tx_ttnews[backPid]=141&Hash=3662d3601f), 28 May 2006).

<sup>262</sup> Prime Minister Janša in 24 ur (main daily news on POP TV, a private TV channel) on 2 March 2006, and Foreign Minister Rupel in his speech to the students at the Faculty of Social Sciences on the occasion of the Europe Day, on 9 May 2006, mentioned that due to internal politics and election schedules of other countries, an important task concerning the fate of the document might fall onto the Slovenian shoulders at the time of its presidency over the EU in the first half of 2008.

<sup>263</sup> See EU-25 Watch 2/05. The Spanish Parliament ratified the Treaty establishing a Constitution for Europe (TCE) by 337 votes in favour, 19 against and no abstentions.

Concerning the reflection period, the government holds the view that it must thus be used to help governments put the text to ratification and reconnect citizens to the European project.<sup>264</sup> Special attention is paid to the need for all European institutions and national governments to make an extended effort to communicate that the European Union is an effective instrument to manage problems such as illegal immigration, delocalisation, etc. Moreover, action should be taken to bring the European Union closer to its citizens. Actions in this direction comprise: the “*Hablamos de Europa*” (We Talk about Europe”) campaign started in January 2006 in order to promote debate within Spanish society on issues related to the European Union<sup>265</sup> as well as the launching of a joint study group about the future of Europe between the Foreign Affairs Ministry and the Elcano Royal Institute for International Affairs.

Besides, other academic institutions are organizing different activities related to the future of the European Constitution, including seminars, conferences, etc. Also, a number of European MPs and some of the former members of the European Convention are attempting to boost debate in the media as well as in the academic sphere. Despite all these efforts, however, it must be recognized that having already ratified the CT, neither the media nor the general public find incentives to actively participate in these initiatives, which are not widely known.

## Sweden

The Swedish debate can best be characterized by two - probably interrelated - aspects. One is that public debate itself has been rather absent. Secondly, the government's position that it is yet too early to move forward regarding the future of the constitutional treaty has been largely unchallenged. As for the first aspect, there has been a special committee appointed for debate on the EU, but its work has thus far not resulted in any widespread debate on the future of the EU. The Swedish daily newspaper *Dagens Nyheter* recently

<sup>264</sup> The Spanish Ministry of Foreign Affairs mentions in its Report to the Congress of Deputies (WP n° 2/2006) different options, such as the “Citizens Compact: Reaching out to the Citizens of Europe”. An initiative proposed by members of the European Policy Institutes Network (EPIN), September 2005, published as the ARI n° 116/2005. All the documents are available in the Elcano Royal Institute's web.

<sup>265</sup> <http://www.hablamosdeeuropa.es/hdeu>

commented that “...approaching the [Swedish general] election in the fall, the European question seems stone-dead.”<sup>266</sup>

As for the second aspect, two things become evident when looking at the position of the government and the major opposition parties. One is a sort of consensus that it is too early to move forward, the other is to focus the debate on substantial issues rather than on visions about the future. Deputy Prime Minister Bosse Ringholm, in charge of EU coordination in the Central Government Offices, recently stated that “it is too early to take further steps regarding a new EU treaty... we deem it reasonable to prolong the reflection period.

Opinion polls show that citizens in Sweden and the rest of the EU would like to see the results of EU cooperation in concrete political issues and are less interested in the pure constitutional and institutional issues.”<sup>267</sup> This focus on substantive issues and also the development of current institutional conditions (such as increased transparency in Council proceedings) is also noted in the government's EU work program for the spring of 2006.<sup>268</sup>

It should be underscored however that the government itself maintains the position that the constitutional treaty is a well-balanced comprehensive proposal. Opposing this, the Green Party, in its recently launched election program for the fall, reiterated its calls for a referendum regarding the ratification of the treaty.<sup>269</sup> This points to the likelihood that once the government and other parties in favour of parliamentary ratification move forward on the ratification issue, the fierce debate regarding the form of ratification from the spring of 2005, also within the Social Democratic party, may be repeated.

## Turkey

The constitutional crisis in the EU is not much debated in Turkey even among the well-informed observers of the EU. The main reason is that Turkish public opinion in general has for a long time been used to conceiving the EU process within the context of Turkey-

<sup>266</sup> *Dagens Nyheter* May 7 2006 (<http://www.dn.se>)

<sup>267</sup> Ringholm, Bosse, speech June 7 2006

(<http://www.regeringen.se>)

<sup>268</sup> “Regeringens EU-arbetsprogram för våren 2006”, pp. 2-3 (<http://www.regeringen.se>)

<sup>269</sup> *Dagens Nyheter* April 20 2006 (<http://www.dn.se>); also see Swedish daily *Svenska Dagbladet* May 27 2006 (<http://www.svd.se>)

EU relations rather than within the European debates or within the dynamics of European integration. This is primarily due to a long and rather problematic relationship between Turkey and the EU.

To the extent that the future of the constitution is debated, it focuses on the issue of enlargement and Turkey's place within that process. Due to the negative nature of these debates, public support for Turkey's EU membership has decreased. Moreover, the current government started to question the basic premises of the accession negotiations as the main opposition party in the Parliament adopted a more sceptical and critical attitude towards the EU. Thus, scepticism towards Turkey in the EU reinforced Euroscepticism in Turkey. Moderate actors in the political spectrum became more cautious and more marginalised by extremist tendencies.

The nature of the debate in Turkey on the future of the EU points to the fact that the importance attached to the reflection period is limited.

## United Kingdom

In the UK the European Constitution is widely seen as dead, an opinion which the government encourages. Indeed, there is probably no one among the UK political class who believes the Constitution can be revived. Government ministers often hint that some of the organisational and administrative problems addressed by the Constitution are still in need of solution and that, in the long run, the EU member states will have to come back to the question of treaty revision.

Some process of institutional reform is widely regarded in the UK as necessary if the EU is to work effectively at 25 or 27 countries. Tony Blair has said in a recent speech that he accepts the "need to return to the issues around the European Constitution. A European Union of 25 cannot function properly with today's rules of governance".<sup>270</sup> This thought echoed in Peter Mandelson's (ex-Labour Cabinet minister and now EU trade commissioner) recent declarations to the BBC, in which he stated that the rejected treaty was

a "very good basis" for reforming EU institutions to accommodate an enlarging Europe.<sup>271</sup>

Mr. Mandelson's declarations provoked criticism from the Conservative Party, which fiercely opposes the kind of "institutional reforms" the Constitution contains. Although supporting administrative reform of the EU, the Conservatives fear that some proposals might lead to the introduction of reforms by the "back door", namely the removal of national vetoes in criminal law and justice matters, the adoption of the Charter of Fundamental Rights, and agreement on delegating to the EU new powers with "statehood" features, such as the single diplomatic service, the single EU legal entity and the figure of a EU President. The UK Independence Party (UKIP), which favours Britain's withdrawal from the EU, has also complained that some parts of the rejected constitution have been introduced "piecemeal" into European rules in the wake of the French and Dutch 'no' votes, particularly in the areas of legal harmonisation and moves towards a single EU defence policy.

During the "pause for reflection" agreed at the European Council in June, "pause" has perhaps been the dominant theme on the part of the UK rather than "reflection". In fact, the past eleven months have not produced concrete ideas for proceeding with EU institutional reform, nor have there been proactive initiatives from civil society or concrete proposals from the British government.

After the annual local elections, the Labour government appointed a new Europe Minister, Geoff Hoon, an enthusiastic European and a former MEP, in the hope of enlivening the debate about Europe in the UK. A new "Britain in Europe" section of the Foreign and Commonwealth Office website has been launched as well as a new "Guide to the EU".<sup>272</sup>

The new Minister has recently said that Europe's period of reflection should concentrate primarily on areas in which Europe can add "real value". In his words, "this means getting the political and economic direction for

<sup>270</sup> Tony Blair speech, "Europe emerging from darkened room", Speech at St. Anthony's College, Oxford, 2 February 2006, accessible at: <http://www.oxfordprospect.co.uk/Tony%20Blair%20Oxford.htm>

<sup>271</sup> BBC, "Mandelson's EU constitution call", 6 April 2006, accessible at:

[http://news.bbc.co.uk/1/hi/uk\\_politics/4882332.stm](http://news.bbc.co.uk/1/hi/uk_politics/4882332.stm)

<sup>272</sup> See "Britain in Europe" section accessible at: <http://www.fco.gov.uk/servlet/Servlet?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391674>

Europe right. It means tackling the opportunities for reform offered by globalisation confidently. And by doing just this, it means addressing the issues that our citizens really care about".<sup>273</sup> In this regard, Britain's former Europe Minister, Denis MacShane has recently said that the EU cannot reconnect with its citizens without economic growth. "Europe has been out of touch with its citizens since it gave up on economic growth and job creation. (...) The European political structures cannot be built on the foundations of mass unemployment, social unrest and declining economic opportunities."<sup>274</sup>

Recent calls by the Austrian chancellor Wolfgang Schüssel to revive the Constitutional treaty in the course of 2007 met with no enthusiasm in the UK. EU leaders have already agreed that the "period of reflection" is to be extended for another year. Perhaps after France has elected a new president in Spring 2007, the question of the future of the European Constitution can be reconsidered.

Little has been said amongst the British

political class with regards to the future of the Charter of Fundamental Rights. The inclusion of the Charter in the Constitution was only agreed after the UK government had received reassurances that the legal force of the Charter would be diluted. The Conservative Party and the Confederation of British Industry (CBI) strongly opposed a binding Charter, fearing it might undermine Margaret Thatcher's legacy of restrictive labour laws with limited powers for the trade unions.<sup>275</sup> The Trade Unions Congress (TUC), who were in favour of a Charter with mandatory effect over member states and EU institutions, have rarely made their views heard on this subject in the British media over the past two years. The prospect of "cherry picking" the Charter of the Constitution raised by France and Germany has awoken Conservative voices of mistrust within the UK. In short, under the present circumstances, fundamental reconsideration of the Union's structure is clearly off the agenda in the UK and problems currently faced by the EU within the context of "liberal" vs "social" Europe are dominating political, media and think-tank comments during this "period of reflection".

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<sup>273</sup> Geoff Hoon, "How Patriotic is economic patriotism?", Speech City Hall, London, 9 May 2006, accessible at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1145894535076>

<sup>274</sup> Nicholas Watt, "Europe reflects on its Future", E-sharp, May-June 2006

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<sup>275</sup> Andrew Duff, *The Struggle for Europe's Constitution*, The Federal Trust, 2005

# 2

How are the costs and benefits of EU membership perceived in your country?

- **Is this a high salience issue in your country?**
- **What are the arguments that are used in this respect?**
- **Who are the actors that are most actively engaged in this discussion?**
- **Include general trends in public opinion regarding the mood towards the EU and refer to related national polls.**

## Austria

This question is a highly salient and very sensitive issue in Austria. Due to the fact that Austria is regarded as “net-payer“, all political players as well as interest groups and academic institutions are highly concerned about this aspect.<sup>276</sup> The social-democrats (SPÖ), currently the biggest opposition party argue that Austria is paying too much into the EU and criticise the lack of transparency of the financial transfers<sup>277</sup>. On the other hand, the biggest governing party, the conservatives (ÖVP), stress the high benefits of EU membership<sup>278</sup>.

Overall the survey during the reflection period has brought up three main arguments of concern regarding the comparison of costs and benefits of EU-membership:

First, the Euro is perceived as being responsible for inflation. Although most Austrians got used to the new currency and the end of the Austrian Schilling, the majority of the population still believes that consumer goods and prices have become more expensive<sup>279</sup>.

Second, open university access has been lively discussed. A ruling of the European Court of Justice in July 2005 concerning the access of students from the European Union has caused a big problem for Austrian universities and Austrian students. In the judgement, all students from all member states should have equal access to local universities. This has caused the sudden influx of a high number of mainly German students, and as a consequence caused difficulties for Austrian students seeking to enter Austrian universities. This of course has caused a large political debate in Austria and put high pressure on the government, especially on the minister of education, Ms. Elisabeth Gehrler from the conservative ÖVP.

Finally, enlargement is perceived as one of the crucial aspects of costs and benefits of the EU in the Austrians' minds. Referring to the latest

Eurobarometer survey on enlargement<sup>280</sup>, Austria is at the very end of the list of member states supporting EU-enlargement. The majority of the Austrians<sup>281</sup> believe that the costs of enlargement outweigh its benefits, especially regarding employment. On the other hand, the government as well as the Green party, the Austrian economy and industry strongly support enlargement, especially with respect to Austria's Eastern neighbours<sup>282</sup>. It is here where the most crucial and confronting debate is taking place within the national political parties as well as among interest groups. While opponents focus on the costs, other groups point out the economic benefits for Austria.

## Belgium

The costs and benefits of EU membership seems not to be *per se* at the top of the agenda of Belgian political forums. The focus is more on which Europe can be achieved in relation to the debate around Prime Minister Verhofstadt's manifesto, and on the most discussed topics such as the Services Directive and the multi-annual budget.

The results of the *Eurobarometer* in autumn 2005 showed that despite the fact that the Belgian citizens are the biggest defenders of the project of the Constitutional Treaty (77%), their support of the EU and the image they have of it suffered a sensible decline compared to the *Eurobarometer* of Easter 2005<sup>283</sup>. The three principal indicators of the general attitude towards the EU (sustaining EU membership (-4%), the benefits of the membership (-3%) and image of the EU (-3%)) were lower than 6 months before.

According to Didier Donfut<sup>284</sup>, in order to convince the citizen of the benefits of the European construction, it is necessary to realize that previously no mechanisms or strategy to continue to improve the well-being of all citizens really existed. He therefore pleaded for the adoption of a *Pact for a social dynamic* that would encourage member states to collectively develop a *Life area* in which

<sup>276</sup> All political parties (government and opposition) asked as well as the main interest groups (chamber of commerce, chamber of workers) and the media pointed out the fact that Austria is a net payer.

<sup>277</sup> Interview with a member of Parliament from the SPÖ in May 2006.

<sup>278</sup> Chancellor Wolfgang Schuessel in a TV interview with the Österreichische Rundfunk (ORF) in April 2006.

<sup>279</sup> Answer given by an analyst from the Austrian Chamber of Commerce in May 2006

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[http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_251\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_251_en.pdf)

<sup>281</sup> 52%, see Eurobarometer

<sup>282</sup> Interview with an expert for foreign affairs from the Greens (Bundesparteibüro) in April 2006.

<sup>283</sup> La Libre Belgique, 21 December 2005 (+ Belga & Reuters)

<sup>284</sup> Le Soir, 21 February 2006

human dignity is the top priority. Each state would be free to go at its own pace, provided that a minimum threshold of rights and obligations along with sufficient budgetary means were assured.

## Croatia

The questions of costs and benefits of EU accession were raised in a number of public debates by representatives of social partners, academia, civil society institutions and others. However, a comprehensive study on the sectoral level has not been prepared yet in Croatia. Croatian Government announced that a detailed cost-benefit study will be prepared on the model of similar studies in some new member states by the end of the year<sup>285</sup>. Polish cost-benefit analyses were chosen as a model and starting point for the study. The study will be focused on areas that are considered to be financially most demanding, rather on individual chapters in negotiation. Public institutes were announced to be involved in preparation of the study, but this issue has not been much debated in the public so far.

Estimations on budgetary sources needed for legal harmonisation, its implementation and institution- building in Croatia were made by the Government and presented in the National Programme for the Accession to the EU, 2006<sup>286</sup>. Estimations, prepared for the three-year period 2006-2008 indicate that the overall budgetary costs for each of the mentioned years is lower than 1% of the GDP (ranging from 0.87% in 2006, to 0.84% in 2008). For example, free movement of goods is one of the areas where Croatia has to finish harmonisation of legislation by the time they enter the EU. The costs of legal harmonisation and its' implementation is estimated to range from 3.4 million Euro in 2006 to 4.7 million Euro in 2008.

During the screening process the question of high costs was raised in some sectors such as environment. The Chapter Environment is considered to be one of the most comprehensive and expensive ones. It includes more than 300 directives and

<sup>285</sup> This was agreed on the Government session, devoted to economic development issues, held on April 9<sup>th</sup>, with participation of Croatian President, Mr Stipe Mesic. Novi list, 10 April 2006.

<sup>286</sup> Government of Croatia, Ministry for Foreign Relations and European Integration, February 2006.

regulations and will require high investment, which is estimated by experts to reach 10-11 billion euro<sup>287</sup>. These investments are required for implementing the activities that are necessary for achieving the priorities envisaged by the Accession Partnership for Environment, including implementation of investment-heavy directives.

The question of the cost of integration is becoming an issue in public debates in many areas (real estate, agriculture, fisheries, and other negotiation chapters). For example, the chief negotiator on agriculture stressed during the recently held round table in the Croatian Chamber of Economy<sup>288</sup> that the benefits of integration in agriculture were higher than it was expected in new member states. The key issue in Croatia at the moment is to raise the absorption capacities for implementing the SAPARD and IPARD pre-accession programmes and to reduce the adjustment costs.

Several Research Networks<sup>289</sup> that monitor the Progress of the Pre-Accession Process examined with interest the last EC paper<sup>290</sup> on the impact of the enlargement for the new EU member states, and reflected on that on the meeting in Zagreb at the beginning of May, 2006<sup>291</sup>. Among others, FDI inflow was mentioned as important contributor to growth during the last enlargement (inflows per capita 2001-04 were 840 euro in the EU 15, and 252 euro in EU 10), although the fears of "delocalisation" still persist.<sup>292</sup>

## Cyprus

Two years after the Republic's accession to the EU, there is an emerging, but limited, debate over the costs and benefits of membership in the Union. Nevertheless, all Cypriot TV channels have their own Brussels

<sup>287</sup> Nikola Ruzinski, negotiator for chapter Environment.

<sup>288</sup> Ruzica Gelo, negotiator for agriculture and fisheries, on round table on Preparations of Croatian Economy for the EU, organised by Croatian Chamber of Economy organised on 8 May 2006 .

<sup>289</sup> Such as the those organized by at Institute of Public Finance and Institute for International Relations (IMO), Zagreb, around the research projects that monitor the progress of negotiations and accession to the EU..

<sup>290</sup> European Commission, "Enlargement two years on: all win as new Member States get richer", IP/06/557, Brussels, 03.05.2006.

<sup>291</sup> "Croatia on its road to the EU Accession: Lessons learned and challenges" Zagreb, 09.05.2006.

<sup>292</sup> Prof. Iain Begg, European Institute, London School of Economics and Political Science, on the mentioned Conference.



correspondents, who frequently appear on the main (evening) News programmes to inform the public on European developments related to Cyprus. The subjects presented are mainly concerned with EU-Turkey negotiations and Turkey's convoluted accession process, Cyprus' anticipated adoption of the Euro, and the Council's and the Commission's discussions and decisions regarding economic aid to the Turkish Cypriots.

During the campaign for the 21 May parliamentary elections, the costs and benefits of EU membership were broadly discussed. Politicians and media analysts converged on the general notion that Cyprus' accession to the EU has strengthened its political status, as regards primarily the country's political problem. Simultaneously, it was acknowledged that accession has created other challenges, mainly in the macroeconomic field, such as a rise in unemployment and the cost of living. Furthermore, citizens responding to a street opinion poll by SIGMA TV, on 2 May 2006, appear to agree on the following views: that accession had brought about a rise in prices; that no progress could be noted on the Cyprus question; but also that substantial pressures were now being brought to bear on Turkey.

Moreover, according to a survey conducted by the Special Eurobarometer in May,<sup>293</sup> 21% of Cypriot citizens observed that the words "European Union" are above all synonymous with price increases.<sup>294</sup> In the same survey, the majority of Cyprus' citizens considered that their economy would be more competitive if the Euro were not introduced in their country. Furthermore, according to the results of a survey carried out by the Research Centre of the Cyprus College for the Central Bank of Cyprus, 59% of Cypriots would prefer that accession to the Eurozone would be delayed beyond the official 2008 target, while 26% favoured its adoption by the target date and 15% said they did not know. The results of the survey – using a reliable sample of 847 persons – demonstrated that Cypriots fear the possibility of profiteering from the introduction of the Euro<sup>295</sup>.

The debate over the Euro escalated when the leader of Left-wing Party AKEL, the largest in the government coalition, requested a one year

postponement of Cyprus' entry to the Eurozone. AKEL's Secretary General, Dimitris Christofias, stated that the heavy harmonisation taxes and the rise of oil prices have led to negative economic consequences. He argued that delaying the adoption of the Euro would help stabilize the economy.<sup>296</sup>

On the opposite side of the debate, we find the government, the parties DYKO, EDEK as well as the opposition party, DISY. These parties believe both that Cyprus is ready to adopt the Euro and that this outcome will be highly beneficial to the Cypriot economy. For their part, Finance Minister, Michael Sarris, and the Governor of the Central Bank, Christodoulos Christodoulou, appeared confident that Cyprus could join the eurozone. They acknowledged, however, that a lot of work is needed in order to inform the public about the benefits of the Euro's introduction and to pre-empt, as far as possible, various associated problems. Mr. Sarris announced that a one million Euro communication campaign would be launched on 31 May.<sup>297</sup>

In order to improve the people's understanding of European issues, the Government of Cyprus decided to establish a central mechanism which will monitor the developments in the EU and evaluate the challenges and opportunities for the country. The new institution will be staffed by public functionaries and run under the Presidency of the Republic.

## Czech Republic

On the first of May 2006 the Czech Republic celebrated two years of EU membership. In the weeks following this occasion some attempts were made to evaluate the consequences of membership. In a speech widely quoted in the Czech media, President Václav Klaus argued that the high number of regulations and 'bureaucratisation' of the EU has led to the costs outweighing the benefits of membership. According to Klaus, the benefits the Czech Republic enjoyed as a result of EU membership were largely gained before the accession.<sup>298</sup> Conversely, the governing

<sup>293</sup> See Special Eurobarometer, 251, The Future of Europe, May 2006.

<sup>294</sup> Ibid.

<sup>295</sup> CYBC News, Survey shows Cypriots have reservations about the introduction of the Euro, 19 January 2006.

<sup>296</sup> Phileleftheros, "AKEL insists on 12 month euro entry delay", 13 March 2006.

<sup>297</sup> Phileleftheros, "Cyprus can join Eurozone now but communication campaign needed", 30 March 2006.

<sup>298</sup> Klaus, V. Evropa: od integrace k unifikaci. Přednáška na valném shromáždění Učené společnosti Karolinum (Europe: From Integration to Unification, lecture at the Karolinum, Prague), 15 May 2006,

coalition more favourably evaluates membership, even if the Christian Democratic foreign minister, Cyril Svoboda, has pointed out that it is too early for an evaluation, since membership has the character more of an “evolution than of a revolution”.<sup>299</sup>

Some commentators have criticised the Czech debate on the EU as too focused on economic issues and ignoring other topics.<sup>300</sup> It should be emphasised that in the debate before the referendum on Czech membership in 2003, the economic benefits were often used to argue in favour of membership. For the ODS in particular, the foremost reason for accession to the Union seemed to be the high costs of non-membership.<sup>301</sup> The party still favours a model of European integration based on trading and collaborating nation states that cooperate only where cooperation is more efficient than unitary action, and rejects any step that would bring the EU closer to a state-like formation. The pro-European parties of the governing coalition also used economic arguments in their arguments for membership, yet since they are more positive about other aspects of European cooperation this did not make it the sole reason for membership for them.

Even in the debate before the referendum some voices highlighted doubts about cost-benefit calculations of membership, pointing at risks that the Czechs would be unable to claim all the economic resources available from the various EU funds, with the possible effects that the Czech Republic would end up a net-contributor to the EU. Economists at the Centre for Economics and Politics think-tank, close to the Civic Democratic Party, still argue that the Czech Republic is not a net-receiver of European funds and that the European redistribution system is harmful for the country. They argue that even if the European Commission’s dates show that the Czech Republic was a net beneficiary to the tune of

235 million EUR in 2004, but this is only true since the Commission does not count all actual costs.<sup>302</sup>

The Social Democrats argue that their pro-European view is more in line with Czech public opinion than the criticisms of the opposition, as there is strong public support for the EU in the Czech Republic. This view is not supported by opinion polls carried out in the Autumn of 2005 and presented in Eurobarometer 64. This survey suggests that only 44 percent of Czechs consider EU membership a good thing, below the EU average of 49 percent.<sup>303</sup> Hence, Prime Minister Paroubek preferred to draw from the figures from a later poll, in January 2006, indicating that 60 percent of the public support the EU, at a press conference devoted to the release of the Eurobarometer poll.<sup>304</sup>

## Denmark

In recent years, Danish public opinion has not perceived negatively of the costs of EU membership: to a considerably higher extent than EU average, Danes have on the contrary perceived high economic benefits from integration. In 2005, when asked about their opinion of the EU’s impact on specific economic areas, Danes’ perception of a positive impact was generally 20 percentage points higher than average in the EU.<sup>305</sup> It is possible that these opinions reflect the fact that Denmark was for many years a net beneficiary of EU-funds. This is no longer the case, and under last year’s budget discussions in the EU, it became clear that the price of Danish EU-membership would continue to grow over the next decade – from 17 billion Danish Kroner in 2007 to approximately 17.7 billion Kroner in

<http://www.klaus.cz/klaus2/asp/clanek.asp?id=12gchjBV1xLd>

<sup>299</sup> Svoboda, C. Rozšíření vneslo do EU svěží vítr (Enlargement brought fresh air to the EU), 2 May 2006, Lidové noviny

<sup>300</sup> Zahradník, P. Proč je pro nás dobré být v Evropské unii? (Why is it good for us to be in the EU?)

[http://www2.euroskop.cz/data/index.php?p=detail&c-id=47694&h\\_kat\\_id=5352&id=5713](http://www2.euroskop.cz/data/index.php?p=detail&c-id=47694&h_kat_id=5352&id=5713)

<sup>301</sup> For example, the vice chairman of the party, Ivan Langer, rejected membership while arguing that the economic benefits associated with membership could actually be obtained without membership. For a discussion see Braun, M., The Troublesome Concept of Sovereignty – The Czech Debate on European Unity, Perspectives Winter 2005/2006, pp. 7-22

<sup>302</sup> Mach, P. Evropské dotace jsou škodlivé (European subsidies are harmful)

<http://cepin.cz/cze/prednaska.php?ID=678>, Cf. European Union, Financial Report 2004.

[http://ec.europa.eu/budget/library/publications/fin\\_reports/fin\\_report\\_04\\_en.pdf](http://ec.europa.eu/budget/library/publications/fin_reports/fin_report_04_en.pdf)

<sup>303</sup> Eurobarometr 64 Podzim 2005 národní zpráva Česká republika (Eurobarometer 64 – National Report Czech Republic)

[http://ec.europa.eu/public\\_opinion/archives/eb/eb64/eb64\\_cs\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb64/eb64_cs_nat.pdf)

<sup>304</sup> Prezentace výzkumů Eurobarometru a následná diskuse předsedy vlády ČR Jiřího Paroubka s novináři v Poslanecké sněmovně (Presentation of the Eurobarometer surveys and following discussion with Prime Minister of the Czech Republic Jiří Paroubek), 25 January 2006, [www.vlada.cz](http://www.vlada.cz)

<sup>305</sup> Eurobarometer 64, 2005.

2013.<sup>306</sup> While it is of course too early to know whether or not this will have an impact on public opinion, Danish Prime Minister, Anders Fogh Rasmussen, has defended the increase in the Danish EU-contribution with reference to Eastern Enlargement, which the Danish fervently supported. He is being backed by the Confederation of Danish Industries.

As to the main opposition party, the Social Democrats, there is also full understanding of the increase in Danish EU-contributions, which is seen as an expected and necessary consequence of Eastern Enlargement. However, the Danish People's Party not surprisingly argues that the EU has become a 'loss-making undertaking'.<sup>307</sup>

Perhaps reflecting momentary dissatisfaction with the general crisis over the failed ratification of the Constitutional Treaty, public opinion polls give mixed signals as to Danes' support for a Constitution. A Danish poll (Catinet) found 46 percent in support of the claim that the EU needs a new Constitutional Treaty,<sup>308</sup> while the European Commission's latest Eurobarometer poll (EB64) showed that Denmark was the member state where fewest citizens wanted a Constitution. The latter poll, however, also showed that Danes were more positive than the EU-average towards the issue of membership: 56 percent of Danes believed membership was a 'good thing', compared to 50 percent on average in the EU-25.

There has been continuous Danish support for abolishing three of the four Danish opt-outs from EU-cooperation. In November, a Greens poll for the Danish daily, *Børsen*, showed a majority in favour of giving up the opt-outs on the euro, defence and justice and home affairs. In fact, a majority of 29 percentage points supported giving up the defence opt-out. Meanwhile, the opt-out on citizenship continues to meet with Danish support.

## Estonia

The question of costs and benefits was hotly debated around the time of accession but has

since largely disappeared from the public debates. The reasons are simple enough: EU membership has both coincided and further boosted rapid economic growth (11.6% in first quarter of 2006; predicted annual growth for 2006 is 8.1%<sup>309</sup>). Rapidly rising salaries, an improved quality of life, increased domestic consumption, new job opportunities (including in other member-states, especially Finland), and reduced unemployment combined with low interest rates, budget surpluses, increased public spending, a highly visible construction boom and EU-supported infrastructure projects have created a favorable context for public opinion.

The positive domestic context explains why the EU's recent crisis (failure of the constitution, social and political malaise and ethnic tensions in many old member-states) was perceived as a rather distant problem. Most pre-accession fears of the Estonian public have not materialized. EU bureaucracy and rules have not slowed economic development, even if they have produced unreasonable and undesirable results in some prominent cases, including the multi-million euro fine that Estonia has to pay for excessive sugar supplies accumulated before accession.<sup>310</sup> Politically, there are no real negative manifestations of "reduced sovereignty," at least as far as the general public is concerned. The fears about Estonia being treated as a „second-rank“ member also seem to have lost prominence, even though the continued protection of labor markets by most old member-states was largely regarded as discriminatory, and some took offense in the the construction of the „Polish plumber“ enemy figure. Finally, there has been no mass exodus from Estonia: while significant numbers have sought employment in other member-states (mostly Finland, Ireland, UK), the outflow of labor has not been as pronounced as in the case of Latvia and Lithuania. Significant shortages of workforce in certain sectors, notably in construction, medicine, police and other emergency services, have received considerable attention in the media but generally, the blame is placed on the government (for not providing adequate wages), not on the EU.

This positive climate of opinion is clearly evident from the results of public opinion surveys. Recent Eurobarometers show that in

<sup>306</sup> Flensburg, T., T. Lauritzen & M. Aagaard (2005): 'EU bliver tre gange så dyrt for danskerne', Politiken, section 1, page 8. 18. dec.

<sup>307</sup> Flensburg, T., T. Lauritzen & M. Aagaard (2005): 'EU bliver tre gange så dyrt for danskerne', Politiken, section 1, page 8. 18. dec.

<sup>308</sup> Quoted inter alia in Politiken, Dec. 25th 2005 ([www.politiken.dk/VisArtikel.i.asp?PageID=426381](http://www.politiken.dk/VisArtikel.i.asp?PageID=426381))

<sup>309</sup> "Eesti majanduskasv on endiselt kiire," Eesti Päevaleht, 17 05.06.2006.

<sup>310</sup> For specifics, see the Estonian report in EU-25 Watch No 2.

Estonia, the number of people who think that during EU membership their lives have improved is twice as great as the number of those who think otherwise. More than half of the people find that that Estonia and the whole European Union are developing in the right direction. Support for further widening and deepening of integration is also well above EU average.<sup>311</sup>

Support for EU membership has been rather stable and strong (compared to pre-accession figures). According to a survey conducted in April 2006 by EMOR (Estonian Market Opinion Research), 67 per cent of voting-age citizens were in favour of the country's membership in the EU, 21 per cent were opposed while 11 per cent were undecided. There are no major generational differences (although support is slightly higher among the under 35 age group) and the assessments of Estonians and Russian-speakers are also quite similar.<sup>312</sup> Individuals with higher income, however, are considerably more supportive of EU membership than others. Overall, these figures confirm the assessment by Foreign Minister Urmas Paet: „Since accession to the European Union, life has gotten better. In the attitudes regarding the European Union, there is more openness and interest.”<sup>313</sup>

## Finland

The question of costs and benefits of EU membership is an issue of high salience in the Finnish public debate. Several recent opinion polls indicate a rise in anti-EU attitudes among the Finns, which is partly due to the rising costs and shrinking benefits of membership.

In the 1994 referendum 57 % of voters approved EU membership. According to a survey by Taloustutkimus, if the referendum on membership had been held in late 2005, the result would have been “no”: when asked how they would vote now on EU membership, 49% of the respondents said “no” and only 44% “yes”. However, according to the same study, only less than one third of the respondents (31 %) held the opinion that Finland should withdraw from the EU. As before, there is more support for the Union in urban than in rural areas.<sup>314</sup>

According to a survey by an independent think tank, the Finnish Business and Policy Forum (Elinkeinoelämän valtuuskunta - EVA), more than one in four (27 %) respondents want Finland to withdraw from the EU, whilst nearly a half (48%) support membership.<sup>315</sup> Lack of democracy is seen as a fundamental problem of the EU by 85% of respondents, and 60% believe the EU does not listen enough to people's views.<sup>316</sup> Nearly nine out of ten (89%) consider the influence of the big member states excessive<sup>317</sup>. Confidence in the economic competitiveness of the member states is not sturdy; nearly half of the respondents (47%) fear for the EU to slip behind the rest of the world as far as this issue is concerned.<sup>318</sup>

While the Finns are one of the most EU-sceptic nations in the EU, expressing antipathies towards a strong EU, federalism and enlargement, a uni-polar world order does not please them either. Contradicting the general euroscepticism, two-thirds of Finns (67%) would like the EU to play a significant role as a political counterweight to the US.<sup>319</sup>

The Advisory Board for Defence Information (Maanpuolustustiedotuksen suunnittelukunta, MTS, that operates under the Ministry of Defence) published a similar public opinion poll in November 2005. The outcomes of this study put the EU in a slightly more positive light: half of the respondents consider that EU membership has had a positive impact on Finland, whereas around one in five (21%) see a negative impact. A quarter of the population (25%) thinks that the membership has not had any effect on Finland's situation<sup>320</sup>. Just over a half (53%) has maintained their confidence in the future of the EU, whilst 39% say that their confidence in the future of the EU has diminished.<sup>321</sup>

The rise of a national anti-EU movement has been expected in Finland since 1994. Yet,

<sup>311</sup> Standard Eurobarometers No 63 and 64.

<sup>312</sup> Ministry of Foreign Affairs, Public Opinion on the European Union, 10 May 2006, [www.vm.ee](http://www.vm.ee)

<sup>313</sup> See footnote 92.

<sup>314</sup> Turun Sanomat, 28.11.2005

<sup>315</sup> Elinkeinoelämän valtuuskunta EVA - Kai Torvi ja Pentti Kijunen, “Ikkunat auki maailmaan. EVAn Suomi, EU ja maailma -asennetutkimus 2006, [http://www.eva.fi/files/1523\\_ikkunat\\_auki\\_maailmaan.pdf](http://www.eva.fi/files/1523_ikkunat_auki_maailmaan.pdf), pp. 25, 32.

<sup>316</sup> Ibid., pp. 28-30, 37

<sup>317</sup> Ibid., pp. 37-38

<sup>318</sup> Ibid., pp. 47-48

<sup>319</sup> Ibid., pp. 57, 62

<sup>320</sup> Maanpuolustustiedotuksen suunnittelukunta MTS, “Suomalaisen mielipiteitä ulko- ja turvallisuuspolitiikasta, maanpuolustuksesta ja turvallisuudesta.” Tiedotteita ja katsauksia, marraskuu 2005, [http://www.defmin.fi/index.phtml?463\\_m=464&s=263](http://www.defmin.fi/index.phtml?463_m=464&s=263)

<sup>321</sup> Ibid.

although 43,1 % of the Finns voted against EU membership in the referendum, a significant national movement opposing the EU never developed. Anti-EU forces have lacked credibility, support of the masses and charismatic leadership.

During the past year, the Union has given new reasons for anti-EU positions. Last year Finland's net payments to the EU reached an exceptional level of € 562 million.<sup>322</sup> The new EU budget frames will reduce the amount of EU funds to be received by Finland. The WTO negotiations and the sugar production re-organisation plans have put pressure on farmers. Also the disagreements about the Constitution have fractured confidence in the EU.<sup>323</sup>

The EU is expected to be a central topic of the parliamentary election campaign early next year. The parties of the coalition government will be pushed to defend their policies. The EU Presidency means that some national benefits may have to be sacrificed for the common good, which will not make it easier for the coalition parties to prepare for the elections. It might be possible that an anti-EU political agenda will mobilise more support than earlier. In other Nordic countries EU-critics have already had notable success in parliamentary elections. One should keep in mind, however, that the major parties in Finland are committed to EU membership, even though there is little enthusiasm towards European integration among the current leadership.

## France

Europe remains very popular in France. It should be perfectly clear that last year's "no" vote was not a refusal of European integration, but rather a call for different policies and orientations. The Eurobarometer on France, published in January 2006, confirms that analysis. 74% of the respondents agree that Europe is making us stronger in front of the rest of the world and 67% think that Europe contributes to the prosperity of France. In many areas covered by the poll, the French think that the impact of European integration is positive (environment, training, daily life, consumer protection, economic growth, etc.). They think that Europe has a negative impact in four key areas: the cost of living, jobs, agriculture, and small businesses. Similarly,

54% think that Europe allows us to improve our control over the negative effects of globalisation, which is a rather low figure. It shows the concern of the French with the "liberal" nature of Europe. The French think that Europe is the right tool, but that we don't use it properly.

These results are perfectly understandable. No political party calls today for the abolition of the Union. Even the Front National, the far-right nationalist and xenophobic party, wants "another Europe". On the left, all parties, with differences in intensity, criticize the economic and social choices of Europe: liberalisation, deregulation and free trade. They want more regulation and barriers set in front of the dangers of globalisation. But, with the exception of the extremists, they agree that European integration is a necessity and an opportunity.

The poll quoted above reveals that this "anti-liberal view" is the dominant view in France. Even full blooded liberals like Nicolas Sarkozy have had to pay lip-service to it. He now calls for a more "protective" Europe in front of the risks of globalisation. In other words, European integration is largely regarded as a "Trojan horse" of liberalism while the French think it should do exactly the contrary. Pro-European intellectuals and politicians have usually understood the message and conscious today that full reconciliation of the French with the Union will not occur unless the French see real changes in European social and economic policies.

## Germany

Since the mid-1970s, the costs of the European integration project have been discussed more critically than during the founding years of European Communities.<sup>324</sup> Yet because of the prosperity of the West German economy, these questions did not affect the pro-European attitude of the broader public sphere. This situation has changed to some extent since the beginning of the 1990s. The main reasons for this development are Germany's economic problems, caused mostly by structural deficits, the impact of globalisation, and the burden resulting from

<sup>322</sup> Helsingin Sanomat, 12.4.2006

<sup>323</sup> Turun Sanomat, 22.2.2006

<sup>324</sup> Bernhard May: Kosten und Nutzen der deutschen EG-Mitgliedschaft, 2. Aufl. Bonn 1985

German reunification.<sup>325</sup> European integration therefore seems no longer a sufficient overall objective to justify Germany's budget contributions, but all expenditures related to the EU now have to be justified in respect to the expected benefits for Germany. This general change in popular attitudes towards the European integration process has been intensified by a tense economic and labour market situation during recent years. Because the decrease in public revenue led to painful spending cuts in many areas (and especially in the social systems) the transfer-payments to the European Union have been more frequently criticised and the question of the cost of Europe has moved to the centre of attention among the German public. In this light, Wolfgang Wessels and Udo Diedrichs point out in a recent research study that without sufficient benefits no member state will be disposed to support the European Union in the long term. This logic also applies to the case of Germany.<sup>326</sup>

Yet Germany's recent debate on the cost of Europe is not only focused on economics, but rather also emphasises possible negative social effects. In light of the recent EU enlargement, discussions of the Bolkenstein-directive and the relocation of whole factories to Central and East European countries, the European Union – or more precisely the liberal economic policy of the European Commission – serves as a scapegoat for Germany's economic problems. This represents a significant change in public and, to some extent, in party opinion, since the European integration process – in the view of some – no longer represents a means to the prosperity and wealth of the population as a whole, but is rather seen to serve only the interests of big business at the expense of ordinary citizens, who are placed at a disadvantage by the EU's free-market economic policy. This view is particularly widespread among trade unions<sup>327</sup> the left-wing opposition parties, "Die Linke"<sup>328</sup>

<sup>325</sup> Daniel Göler: *Europapolitik im Wandel. Deutsche Integrationsmotive und Integrationsziele nach der Wiedervereinigung*, Münster 2004, p. 123.

<sup>326</sup> Wolfgang Wessels and Udo Diedrichs: *Deutschland in der Europäischen Union. Vitale Interessen in einer EU der 25*, in: Wolfgang Wessels und Udo Diedrichs (Hrsg.): *Die neue Europäische Union: im vitalen Interesse Deutschlands? Studie zu Kosten und Nutzen der Europäischen Union für die Bundesrepublik*, Berlin 2006, p. 14.

<sup>327</sup> Cordula Eubel: *DGB und Grüne für „soziales Europa“*, in: *Tagesspiegel* vom 6. Februar 2006.

<sup>328</sup> Press release of the parliamentary group „Die Linke“: *„DIE LINKE will neue EU-Verfassung und keine faulen Tricks“*

(the former state party of the GDR) and the WASG (a secession of the Social Democrats, which forms a common parliamentary group with "Die Linke" in the German Bundestag), and in minor parts of the Green Party<sup>329</sup>.

In the public discourse, these new developments create a situation in which we not only have pro- and anti-European attitudes, but rather three different trends: (1) pro-Europeans, who support the current economic model of the EU, (2) pro-Europeans, who aim for a different EU with a new social and economic policy and (3) anti-Europeans. The last point of view prevails in significant parts of the population. During the last 15 years, between 30% and 45% of the population see the whole integration process with scepticism.<sup>330</sup> Yet this traditional euro sceptic attitude is not reflected in the party landscape (with a few exceptions in some extreme right- and left-wing parties and a few individuals from other parties). This absence of a strong anti-European party has to be considered as one of the most significant differences from many other European political party systems. In Germany, despite all critical discussions about the cost of Europe, all major political parties, business and the majority of the population still have a distinctly pro-European attitude and support the current model of the EU (trend 1). The second opinion (i.e. pro-Europeans, who aim for a different EU with a new socio-economic policy), finally, can be found among the left-wing opposition parties, "Die Linke" and the WASG, some parts of the Green Party (even if the majority of the Green Party does not share an anti-free-market attitude), employee organisations, trade unions and other anti-globalisation civil society actors such as Attac. Concerning the costs and benefits of Europe, the last group does not criticise Germany's net-contribution, but rather the social costs of the free-market policy.

The combination of this "new" (anti-globalisation) Euro-scepticism and traditional Euro-scepticism has led in the end to a general increase in EU-sceptical attitudes. This tendency is also reflected in the latest Eurobarometer surveys, which show that public approval for the current system of the European Union is considered problematic.

([http://www.linksfraktion.de/presse/mitteilungen/view\\_html/zid1594](http://www.linksfraktion.de/presse/mitteilungen/view_html/zid1594)).

<sup>329</sup> *ibid.*

<sup>330</sup> See: Standard Eurobarometer, volume 35 to 64, ([http://ec.europa.eu/public\\_opinion/archives/eb\\_arch\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_arch_en.htm)).

Only 46 % of the German population considers the European Union to bring advantages for Germany.<sup>331</sup> So, for some analysts, the concept of Euro-scepticism is spreading quickly in Germany, and the Germans are competing with the Swedes and the Austrians for the second lowest approval ratings of the EU. Only the British cannot be beaten in their disapproval of the EU.<sup>332</sup> One of the main reasons for this increased Euro-scepticism is the fact that for large parts of the population the costs of European integration seem to outweigh the benefits. In this context, "Germany as the paymaster of Europe" becomes a frequently used notion in the arguments of Euro-sceptics and EU-frustrated citizens.<sup>333</sup>

The discussion accompanying the negotiation and agreement on the financial framework 2007-2013 in December of last year, for example, focused to a great extent on the development of Germany's net-contributions, while the added political value of the agreement was largely ignored.<sup>334</sup> Moreover, there is an evident gap between the population and political, academic and economic elites concerning their perception of the costs and benefits that EU membership brings about: Whereas elites still consider the introduction of the Euro to be one of the most important successes of European integration,<sup>335</sup> large parts of the population blame the Euro for price increases of many products. Even the internal market, which is regarded as the key to Germany's economic development,<sup>336</sup> is criticised by the population because of its negative social effects, such as competition from low-wage EU member states, restrictions concerning subsidies for national industry, etc.

These discrepancies are highly problematic. In the long run, it will create problems of credibility and frustration among the German public if Germany's main political parties and

civil society organisations continue to highlight the positive benefits of European integration, while neglecting that a large proportion of the population increasingly views this process in a strongly negative light. In order to close this gap, many pro-European organisations are demanding that policy-makers, political parties, and other elites clearly and comprehensively communicate the EU's critical importance for Germany in the years to come.<sup>337</sup> In this respect it is crucial that this does not only remain an abstract attempt to explain the benefits of EU membership for Germany as a country in general. Worn-out and vague arguments of European integration having brought peace and prosperity are not capable of carrying or even re-vitalising future support for further integration. What is needed is an honest analysis and a communication of the direct impact and the value added for the citizens themselves, pragmatically responding to their voiced concerns, fears and needs. In this context a new debate in academia concerning the costs and benefits of the European Union has emerged.<sup>338</sup>

However, the effects of such a (if) successful communication strategy must not be overestimated. Reiterating the benefits of European integration will not suffice to fundamentally change citizens' attitudes regarding the Union. Given the earlier argument that a deteriorating economic and labour market situation have fuelled a new Euro-scepticism and that many citizens do not differentiate between national and EU politics when expressing their discontent, it seems reasonable to assume that more successful communication would have to coincide with an upward trend in the economic and personal situation of citizens to improve their general mood towards the EU.

Concerning perceived costs and benefits of the European Union, a slight change in the political debate has contributed to closing the existing gap between large parts of the population and the political elites. In recent years German governments have considered the cost-benefit question in a more pragmatic way, even if none of the major political parties have called the European Union into question, and even though the benefits of the European Union, such as peace, stability and the advantages of

<sup>331</sup> Eurobarometer 65/2006, First Results, p. 14.

<sup>332</sup> „Deutschland ist kein EU-freundliches Land“, Europa aktuell, Interview with Helmut Kuhne, German MEP, europa-digital, 11 April 2006, <http://www.europa-digital.de/text/aktuell/dossier/oeffentlichkeit/kuhne.shtml>.

<sup>333</sup> Wessels and Diedrichs, Deutschland in der Europäischen Union, p. 14.

<sup>334</sup> „Merkels Triumph wird wohl teuer fürs Land“, in: Handelsblatt from 23. December 2005.

<sup>335</sup> Thomas Straubhaar and Günter Weinert: Deutschland und der Euro. Die Bedeutung des einheitlichen Währungsraumes, in: Wessels and Diedrichs, Die neue Europäische Union, p- 45-71.

<sup>336</sup> Elmar Brok and Frank Sauer: Europa rechnet sich. Warum die EU für Deutschland unverzichtbar ist, Analysen und Argumente der Konrad Adenauer Stiftung 24/2005, p. 4.

<sup>337</sup> EU-Kommunikation in Deutschland: „Sonntagsreden reichen nicht mehr aus“, euractiv, 31 January 2006, <http://www.euractiv.com/Article?tcaturi=tcm:31-152128-16&type=News&print>.

<sup>338</sup> Wessels, Diedrichs, Die neue Europäische Union.

the free market, have been stressed in most political statements on the EU. Thus, in the case of the financial framework, the renegotiation of the service directive or the port-package discussion, the new German government sought to minimise the social and financial cost for Germany. And in the same sense, decisions from Brussels are criticised if they contradict German interests. As Wolfgang Wessels put it: An analysis and evaluation of German interests in European integration is no longer seen as a *lèse-majesté* of a sublime and unquestionable imperative. Europe is no longer sacrosanct, i.e. not everything that emerges from the Brussels apparatus is a binding aim in itself.<sup>339</sup>

### Greece

The cost/benefits balance has been an ever-present angle in public debate over the EEC/EC/EU membership in Greece, ever since the country opted for accession (in the late 1970s, when public opinion was deeply divided into pro- and anti-European camps). Indeed, it was the gradual realisation of EU-derived financial benefits – agricultural subsidies and Structural Funds’ financing of infrastructure – that turned Greek public opinion into one of the most pro-European. This approach is still valid even now: the 20.1 billion Euro that Greece “has won” under the 2007-2013 budget/Financial Perspectives deal has been front-page material, while the Government’s pride over it operated as a substantial political asset. In a negative way, the impact of CAP restructuring is playing an important role even in voting patterns in the countryside.

The rising volume of cheap imports from third countries (“the Chinese wave”), as well as business delocalisations (mainly in clothing and apparel sectors located in Northern Greece) have been loosely attributed to the EU/WTO liberalisation. But then again, the culprit for such problems is often “globalisation”, with the EU accused only as camp-follower. The latest wave of social unrest in France about youth unemployment (and against labour-market flexibility initiatives to combat it) has brought to the surface resentment against “Brussels” as breeding ground for “neo-liberal” solutions to economic problems, operating against social cohesion.

<sup>339</sup> Wessels, Wolfgang: Deutsche Europapolitik – Strategien für eine Wegweiser: Verstärkter Nutzen durch verbesserte Integration, in: Wessels/Diedrichs, Die neue Europäische Union, p. 138.

Such an analysis springs increasingly not only from the left of the political spectrum, but also from the center-right and the populist right. Persisting unemployment, especially among the young, put together with growing concerns over the future of the social security/pensions system, supplies an alibi to fresh Euro-scepticism.

### Hungary

In Hungary the benefits of EU membership are not very widely discussed. Even if there are already tangible benefits, according to opinion polls<sup>340</sup> in autumn 2005 only 41 percent of the population affirmed that Hungary profited from EU membership: a rate down by 6 percentage points as compared to spring 2005. With this level Hungary is in the lowest third among the 25 Member States. In terms of money flowing from the EU budget to Hungary, a sharper attention to this issue was paid by the public during the 2005 December European Council negotiations on the key figures of the 2007-2013 financial perspective. The general outcome was that, in the end Hungary managed to reach a good position and that substantial amounts of EU support will benefit the country in the coming years. At the same time, it is becoming increasingly obvious that in the EU the budgetary discussions are determined not by solidarity but by the net payers’ contra net beneficiaries’ “clashes”. This points to the vulnerability of the EU budget as it functions today, and (according to many Hungarian experts) the issue of a general European tax should be revisited.

The costs of EU membership are not really discussed in Hungary either. In this respect, fortunately the EU has so far not become the scapegoat for conducting a much tighter budgetary policy, or for complying with higher environmental or consumer protection standards – even if these and many other measures entail costs for the country. At the same time, many entrepreneurs and consumers would expect higher protection from e.g. Chinese textiles or lower quality food products landing on the Hungarian markets (consequently the lack of such protection is sometimes – indirectly – perceived as a cost of membership).

<sup>340</sup> Eurobarometer 64, December, 2005



## Ireland

Eurobarometer 64 revealed that 73% of Irish people believe that EU membership is a 'good thing'; 86% believe that Ireland has benefitted from EU membership – the highest figure in the Union. 87% feel that the EU has been good for the standard of living and 84% for exports. Feelings are less strong about the effects on security and agriculture – 62% positive; 20% negative

The same poll revealed that Irish respondents are circumspect about political union with 53% in favour of a European political union and 18% against with as many as 29% having no opinion. Irish people are more likely than those in other Member State to trust each of the nine EU Institutions. However, a sizeable proportion of Irish people do not trust any of the EU institutions (28%), reflecting a degree of alienation. About one-third of the electorate have voted 'no' in the various EU-related referenda since the 1980s.

The commentary on the Eurobarometer findings states that:

"In December 2005, after a prolonged period of negotiation, the European Council agreed the 2007-2013 EU Budget. Since joining the European Union, Ireland has benefited from transfers from the EU, in particular from agricultural subsidies and structural funds. However, Ireland's budgetary position is changing as a consequence of reforms in the Common Agricultural Policy and Ireland's improved economic performance. In November 2005, sugar beet growers and those employed in Ireland's remaining sugar producing factory protested at changes to price supports and export subsidies that look likely to result in the closure of the Irish sugar industry. Ireland's improved economic performance suggests that it will become a net contributor to the EU. Furthermore, Europe in the guise of the European Central Bank has a direct impact on people's pockets. It is believed that interest rates will rise by about a percentage point over the next year. In time, these economic changes may contribute to shifts in Irish attitudes towards the EU."

A number of recent controversies have highlighted the perceived costs and benefits of EU membership:

- European Commission rulings on state aid to foreign direct investment (Intel case);

- the proposed Services Directive (country of origin issue);
- developments within the Doha Round of WTO negotiations, notably in respect of agriculture and trade in services;
- the implementation of the Nitrates Directive;
- the implications of free movement of workers following the 2004 enlargement for the Irish labour market (displacement; wage levels, exploitation etc.).

## Italy

The idea that Italy's membership in the EU produces more benefits than costs is widespread in public opinion and is not challenged, if not by a minority group, in the political or academic debate. Being in the EU is considered an advantage by most Italians, even though there is a gradual loss of attraction and trust and a growing awareness that integration involves some difficulties. This is not necessarily a negative signal. For too much time Italy's participation in the European Union has been considered almost as a matter of fact, and accepted as "a good thing" with an almost uncritical attitude: the product of external, uncontrollable factors<sup>341</sup>. A wider variety of opinions can stimulate the debate and help the construction of a more conscious and responsible adhesion to the integration process. A wider debate can, in turn, contribute to raise the level of information. According to recent polls, there is a minority of Italians who do not always have a clear opinion about the EU, due to lack of information, and consequently are indifferent, even if not hostile, to the European Union.

A German Marshall Fund survey<sup>342</sup> analysed Italians' feelings towards the EU. The range of feelings goes from 1 (strong disapproval) to 100 (strong approval). The average approval level was 72 in 2005: a positive result, even if slightly decreasing compared to previous years (it was 80 in 2003, and 79 in 2004). Similar results, reflecting a more critical attitude towards the EU, were found in an October 2005 Istituto Doxa survey<sup>343</sup>. It shows that 69% of Italians consider Italian membership in the Union "a good thing", while 9% consider it a

<sup>341</sup> See Ettore Greco, in Michele Comelli and Ettore Greco eds., *"Integrazione europea e opinione pubblica italiana"*, IAI Quaderni n. 25 May 2006

<sup>342</sup> Project "Transatlantic trends 2005", German Marshall Fund of the United States

<sup>343</sup> Documents available on [www.agcom.it](http://www.agcom.it)

“bad thing”. A good 22%, though, consider it neither positive nor negative.

The Istituto Doxa survey also asked to specify the most important costs and benefits of European Union membership. According to the survey, the main benefits are: the abolition of frontiers with free movement of people and goods (22%), economic benefits in general (16%), a strong and stable currency (12%), followed by the improvement of relations with other European countries, being part of a group of strong and competitive countries, and others. The main costs are: the rise in prices linked to the introduction of the Euro (30%) and the introduction of the Euro in general (16%), followed by a poor economic performance (14%), the rise of import and the entry of foreign companies into Italy, and others. According to an Osservatorio del Nord-Ovest study<sup>344</sup>, it seems that Italians expect and trust the Union to deal with some crucial issues such as immigration and employment, research and development as well as the environment. Moreover, the Italians would trust the EU, seen as an impartial actor, to deal with problems that national politics proved unable to solve, namely conflicts of interest, the efficiency of the judicial system, and the fight against corruption.

As far as the political forces are concerned, their europeanism clearly emerged during the ratification of the Constitutional Treaty. The Italian Parliament approved the treaty with a large bipartisan vote both in the Chamber (25<sup>th</sup> of January 2005, 436 votes for, 28 against and 5 abstained) and in the Senate (6<sup>th</sup> of April 2005, approved with 217 votes for and 16 against). The Treaty was not actually welcomed with great enthusiasm, due not to anti-European feelings: rather, because wider institutional reforms and a deeper integration were expected. Only two political forces, relatively small but quite influential in their respective coalitions, voted against the Treaty. The devolutionist Lega Nord (Northern League, 3.9% in general elections) feared the creation of a centralizing and potentially anti-democratic super-state, situated too far from the citizens. The radical leftist Rifondazione Comunista (Refounded Communists, 5%) voted against ratification because, in their opinion, the Treaty does not give adequate guarantees on social rights, and has been elaborated without a

<sup>344</sup> Documents available on [www.nordovest.org](http://www.nordovest.org), published also in Michele Comelli and Ettore Greco eds., “Integrazione europea e opinione pubblica italiana”, IAI Quaderni n.25 May 2006

public debate. For the same reasons, the Green Party abstained from the vote.

## Latvia

On the face of it, the question of the costs and benefits of EU membership is a low salience issue in Latvia. This impression is indirectly substantiated by the results of the public opinion polls cited above. Consequently, there is a systematic effort made by the media, non-governmental organisations and official entities to increase public awareness of the EU and its role and impact on life in Latvia, and to kindle discussions about topical issues.

Looking at the question of the costs and benefits of EU membership from different perspectives, it becomes apparent that this issue is dealt with more frequently than is readily apparent. A good example is provided by the farmers. When deciding what fields to till, what crops to grow, what machinery to purchase, farmers have to weigh their decisions in the context of the CAP regulations and the conditions for receiving EU subsidies; inevitably they compare their current situation with their situation when Latvia was not an EU member, when their own planning, decision-making and record-keeping was less complicated and their net incomes could not be supplemented by EU monies. To illustrate, given the EU quota reductions on the production of sugar, some farmers had to make difficult choices this spring: whether to continue to plant sugar beets when the prospects of selling the entire crop were meagre; whether to switch to other crops; whether to seek compensation for not raising sugar beets and hope to utilise the expensive specialised machinery for harvesting sugar beets for other farming tasks; or whether to simply maintain the landscape and receive compensation for this EU-approved activity.<sup>345</sup> What is more, the Ministry of Agriculture issued a protest against the EU regulations on the restructuring of the sugar-processing industry on 14 June 2006.<sup>346</sup> It can be assumed that similar discussions occur also among professionals in other areas. Understandably, the content of such discussions differs

<sup>345</sup> For more information about the challenges facing the sugar beet farmers and Latvia's struggling sugar industry, see

<http://www.zm.gov.lv/search.php?searchtxt=cukurbietes&search.x=20&search.y=9>.

<sup>346</sup> See

[http://www.mk.gov.lv/lv/aktuali/zinas/2006qads/06/zemkopi\\_ba14062006/](http://www.mk.gov.lv/lv/aktuali/zinas/2006qads/06/zemkopi_ba14062006/).

enormously and their frequency is very difficult to quantify.

## Lithuania

There are articles in the most popular national newspapers and recognized internet magazines, which try to sum up the costs and the benefits of the Lithuania's membership in the EU. While both the advantages and disadvantages of the membership are demonstrated, the general conclusion is that there are much more benefits than costs. However, it has to be recognized that the advantages of membership are displayed much more frequently than the disadvantages. Some state officials also underline that membership in the EU does not automatically bring benefits. It is claimed that membership opens great possibilities, which Lithuania should strive to use.

The large majority of Lithuanians support Lithuania's membership in the EU. 72 % of Lithuanians treat membership as a beneficial thing for Lithuania while only 15 % do not. Therefore, Lithuanians remain among the biggest supporters of the EU<sup>347</sup>. Support for membership has always been very high and it has not changed much with an exception of the December 2004, when support reached as high as 80% (12% of Lithuanians were against)<sup>348</sup>. Usually support was around 70 % - in September 2005 the support was 70.9 % (17.3% were against)<sup>349</sup> in June 2005 – 70.3 % (16.3% were against)<sup>350</sup> and just a few days after Lithuania's accession to the EU the support level was 70.2 % (16.7% were against)<sup>351</sup>.

Therefore, attention is concentrated not on weighting the costs and benefits of membership in the EU, but rather on how to use the benefits of membership effectively and on some specific benefits of membership such as EU financial support for Lithuania. The

financial support of the EU is one of the major EU related subjects in some most popular national newspapers. Lately this subject was of great importance, and different state institutions tried to engage civil society in the discussion on using the EU financial support foreseen for Lithuania by the new financial perspective.

The discussions related to the benefits and costs of membership is initiated by various actors – both state institutions and civil society organisations. The topic is also covered in the media by journalists.

According to the results of the last public opinion poll on the attitudes towards the EU conducted by "Vilmorus", after Lithuania's accession to the EU, 53.3% of respondents have not changed their attitude towards membership in the EU. There are more of those who are now more positive towards membership in the EU (21.9%) than those who became more negative towards the EU (16.4%) – that means that there are more of those who see the benefits of the EU. The main reason for becoming more positive towards the EU is the possibility to freely move and work in the EU (30.5%), followed by the reasons that life is getting better (11.2 %), that the support of the structural funds is evident (10.8%) and that support is provided for agriculture (10.8%). The main reasons for becoming more sceptical towards the EU are that life is getting worse (35.3%) and that prices are rising (34.1%).

The question about the benefits, which the EU brings, was also included in the survey. To the question what benefits from the EU would be felt in the future, the majority of the Lithuanian respondents indicated that people could work in other EU member states (611%). 48.0 % indicated that there would be more possibilities to study abroad, 35.7 % expected that the level of unemployment will decrease, 27.8% expected an increase in foreign investment, 24.6 % believed that there will be the possibility to use the support of the structural funds, 22.2 % said that the economic situation of Lithuania will improve, 20.2% noticed that the situation in agriculture will improve, 18.3 % indicated that Lithuania could use the advantages of the large EU market, 16.5% hoped that social security will be better, 16.1% said that the security of Lithuania will increase, 9.6% expected the situation in education to be better, and 9.4% hoped that there will be more justice. 5.8% claimed that there are no

<sup>347</sup> Eurobarometer 64, Autumn 2005, national report: Lithuania, [http://europa.eu.int/comm/public\\_opinion](http://europa.eu.int/comm/public_opinion)

<sup>348</sup> Public opinion poll on the Lithuanian society attitudes towards the EU conducted by "Vilmorus", in December of 2004, [www.euro.lt](http://www.euro.lt)

<sup>349</sup> Public opinion poll on the Lithuanian society attitudes towards the EU conducted by "Vilmorus", in September of 2005, [www.euro.lt](http://www.euro.lt)

<sup>350</sup> Public opinion poll on the Lithuanian society attitudes towards the EU conducted by "Vilmorus", in June of 2005, [www.euro.lt](http://www.euro.lt)

<sup>351</sup> Public opinion poll on the Lithuanian society attitudes towards the EU conducted by "Vilmorus", in May of 2004, [www.euro.lt](http://www.euro.lt)

advantages while 6.1% could not tell the advantages.

The results of the opinion poll<sup>352</sup> conducted by the Europe direct information centers in April 2006 indicate that the advantages of the EU are an increase in salaries, the increase in living standards, the possibilities to work and study abroad, more foreign investments, less corruption in Lithuanian institutions and better social protection.

To the question of what disadvantages of the membership in the EU would be felt in the future, the large majority of Lithuanian society responded that prices will rise (73.5 %). 62.4 % were afraid of the "brain drain" – that the most talented people will leave Lithuania, 52.6 % indicated that the foreign countries would use the cheap labour force. 38.9 % were afraid that the EU will dictate the conditions for Lithuania, 37.7% feared that immigrants will flood Lithuania, 31.9 % indicated that the foreigners will buy all the land in Lithuania 21.0% assumed that the living standards will decrease, 16.7 % were afraid that Lithuania will be governed by foreigners, 16.0% had a related fear that Lithuania will lose its political sovereignty, 15.5% believed that the situation in the agriculture might worsen, 8.5% indicated that Lithuania will become a backward European province, 7.9% thought that the local economy might collapse and 7.7% were afraid of the growing unemployment level. Only 1.0% indicated that there are no disadvantages while 3.3 % were undecided<sup>353</sup>.

The results of the opinion poll conducted by the Europe direct information centers indicated that the biggest fears of the respondents concern the rise in prices after the introduction of the euro, the youth emigration, the loss of identity, the ineffective use of EU support in Lithuania, the possible wave of poor immigrants to Lithuania and the further increase in the differences among the social layers.

## Luxembourg

Generally speaking, no political party in Luxembourg seriously contests the fact that

the benefits largely outweigh the costs of Luxembourg EU membership. Some points such as the extension of the Union, the possible admission of Turkey and the discussion around the reshuffled Bolkestein service directive in the European Parliament led to some discussions on the benefits and costs of Luxembourg EU membership.

The European Peoples' Party member Astrid Lulling was disappointed that the directive had been softened. She said it even remains behind the EEC treaty. Her statement is astonishing if one considers that Lulling is a defector from the Luxembourg Socialist Labour Party, and as such defended labour and trade union standpoints in the past<sup>354</sup>. Now she declares herself shocked about the "lies" the detractors of the original Bolkestein directive tell the European citizens about labour rights. The Polish worker who wants to work in Luxembourg will be employed in accordance to the Luxembourg legislation<sup>355</sup>. Robert Goebbels of the European Socialist Party, former Luxembourg Minister of Economic Affairs, hails the Gebhardt-Harbour compromise as a good way to open the service market and avoid wild-west-style competition. Every member state will have the right to maintain its own model of civil service. Luxembourg companies who want to do business in neighbouring France, Belgium and Germany will have to fight bureaucratic barriers. This is no benefit for the Luxembourg economy especially when French, Belgian and German competitors can operate in the Grand-Duchy as they do at home<sup>356</sup>.

Claude Turmes of the Green Party sees the new reshuffled service directive as a resounding victory in the fight of the NGO's and trade unions. But a shaky compromise cannot be accepted; especially consumer rights have to be strengthened. Furthermore, the directive should only apply to profit making services and should exclude public services. The Christian Democrat Erna Hennicot-Schoepges, former Luxembourg Culture Minister, points out that most members of the European Parliament had to listen to their constituents' complaints. Even Lydie Polfer, as head of the Luxembourg Liberal Party, former

<sup>352</sup> The survey is not representative as only the participants of the events organized by the Europe direct information centers were interviewed.

<sup>353</sup> Public opinion poll on the Lithuanian society attitudes towards the EU conducted by "Vilmorus", on November of 2005

<sup>354</sup> Jaques Maas e.a. « 100 Joer sozialistesch Deputéiert » 100 ans de députés socialistes à la Chambre Luxembourg. 1998

<sup>355</sup> Luxemburger Wort (LW)17.2.2006 –Gerd Werle: „Dienstleistungsrichtlinie im Europaparlament“

<sup>356</sup> Letzebuurger Land (L.L.)10.3.2006 – Robert Goebbels: „Bolkestein und Sozialdumping“

Foreign Affairs Minister, opposing the present government, accepts that no social dumping can be tolerated. However, she recalls that 85% of GNP in Luxembourg is produced by the service sector alone. In the interest of Luxembourg, the liberalisation of the sector must be organized in a way that the economy his not harmed<sup>357</sup>.

Trade unions in Luxembourg have ever since the early-1950s expressed their fear that a Luxembourg working class would not benefit from levelling the social legislation in the European community because they had fought and obtained better conditions in Luxembourg than in most of the member states.

### Malta

Two years into EU membership the majority of the Maltese public believe it was the correct political and economic decision. It is however also clear that as expected, the first few years of membership are proving to be tough when it comes to implementing EU legislation and also carrying out necessary economic reforms.

The first two years of EU membership have seen a general increase in the cost of living in Malta even though several increases have either been the result of higher international energy prices or the result of rampant speculation as for example has been happening in the property sector.

Another development is that EU membership has emerged as an insurance policy type mechanism when it comes to safeguarding the environment and promoting a culture of sustainable development. Several non-governmental organisations have started to refer on a more regular basis to the EU cases that infringe upon the environment of Malta. The most recent example of this trend is noticeable in the public's reaction to the government's decision to extend the boundaries of development in both Malta and Gozo. Several petitions have been organised to try and block the further erosion of so-called "green areas" throughout Malta.

### Netherlands

In last year's referendum campaign the costs and benefits of EU membership was a

prominent issue with special attention to the dissatisfaction regarding the contributor position of the Netherlands. At that time people generally felt that the benefits were no longer outweighing the costs and called for a slowing down of European integration and enlargement for the time being.<sup>358</sup> After improving the net contributor position in the negotiations on the financial perspectives at the European Council of December 2005, the issue no longer figures high on the agenda. In general the discussion now focuses much more on aftermath of the referendum, the Constitutional Treaty and the future of Europe.<sup>359</sup>

Almost a year after the referendum, public opinion towards the European Union is still critical. In the Eurobarometer poll of the European Commission 61 % of the Dutch people qualify the EU as inefficient and one out of seven say it is a waste of money.<sup>360</sup> Although, 71% say that EU membership is a good thing. The past enlargement is regarded as a positive development by 61% of the Dutch people. Remarkable is that the research also shows that one third of the Dutch think that a common constitution is the best way to secure the future of the Union. On the other hand, only 42% believe that the EU is developing in the right direction.<sup>361</sup>

### Poland

On 1 May 2006 Poland celebrated the second anniversary of its membership in the European Union. This occasion constituted a suitable opportunity to evaluate the initial effects of EU membership.

The overwhelming majority of the Polish political class and public opinion<sup>362</sup> is satisfied with Poland's membership in the EU. For PiS and PO it is the participation in the decision-making process in the EU that is perceived as the main benefit of accession. For the media and public opinion it is CAP and regional policy, access to the labour market in some of the EU countries, and freedom of movement (however Poland is not yet in the Schengen Area). Even Eurosceptic parties (LPR, Self-

<sup>358</sup> See: previous issue EU25 Watch for detailed information regarding this issue in the referendum campaign.

<sup>359</sup> Frans Dijkstra en Teun Lagas, 'Nog steeds invloed, ondanks het 'nee'. Nederland en de EU', Trouw, 29/12/05.

<sup>360</sup> 'Nederlanders vinden EU inefficiënt', Staatscourant, 5/05/06.

<sup>361</sup> 'Nederlanders kritisch over EU', NRC, 6/05/06.

<sup>362</sup> Polish support for the EU membership Report, The Polish Institute of International Affairs, Warsaw May 2006).

<sup>357</sup> L.W. 17.2.2006 G. Werle.

defence) have given up their radical rhetoric about withdrawal from the EU and have shifted to the slogans on the enforcement of the Polish position in the EU. There is a shift in public opinion on European integration towards a certain disillusionment in comparison to the pre-accession period. The EU is seen as weaker than it had been expected to be especially in its dealings with energy and European solidarity towards Russia<sup>363</sup>.

A series of conferences were organized with the aim of assessing the costs and benefits of accession. This is not an easy task for methodological reasons. First of all, it is difficult, if not impossible, to separate Poland's accession to the EU from other circumstances (such as ongoing process of transition from a centrally-planned to a market economy) affecting the socio-economic situation of the country. In other words, it is not possible to say what part of changes have occurred due to EU membership and what part have resulted from other factors independent of the EU. Secondly, it is difficult to put certain processes and phenomena that have happened into the category of advantages and disadvantages. This is best exemplified by the mass imports of second-hand cars from the EU. According to unofficial data, after the accession some 1,5 million of "old" vehicles have been imported to Poland, which may adversely affect the state of the environment and safety on the roads. Such imports are also harmful from the standpoint of Polish car manufactures and dealers. On the other hand, there are also some advantages. The availability of cars for the Polish society has increased, and having a car is no longer a symbol of luxury for the average Pole. Moreover, local authorities have additional sources of income due to registration fees. What is more, imports of second-hand cars create new jobs in the maintenance service sector. Another process that precipitated after the accession and that cannot be unanimously described as a cost or

a benefit is the strengthening of the Polish currency. On one hand, it is a sign of the enhanced credibility of the Polish economy, but on the other hand, it is a real nuisance for exporters, as the strong zloty makes Polish exports more expensive to foreign consumers and undermines the profitability of export activity. Another difficulty arises from the fact that, as the theory of economic integration teaches us, the majority of effects manifest themselves in a longer term perspective. Hence, it is still too early to assess all the effects of Poland's membership in the EU.

Nonetheless, some preliminary conclusions can be formulated. One of the most obvious facts that should be noted at the beginning is that many fears expressed before the accession have not materialized, mainly those relating to the flooding of the Polish market with food from the EU, mass-scale bankruptcies of Polish SMEs or the buy-out of real estate by foreigners. In some cases, quite opposite processes have taken place<sup>364</sup>.

#### *The macroeconomics of the accession*

The Polish economy copes exceptionally well with merging into EU structures<sup>365</sup>. The transition into the Internal Market has been progressing smoothly. Since 2004 Poland has been on a fast growth track, being one of the fastest developing countries in the EU<sup>366</sup>. Impressive economic growth was due to the pre-accession boom, i.e. revival of economic activity during the months preceding the membership, dynamic growth of exports as well as improvement of trust in Poland (see table 1). According to the forecasts by the Polish authorities and the European Commission, growth rates are likely to remain higher than in the EU-15, which is promising for future convergence and bridging the development gap between Poland and the "old" Union.

*Table 1. Economic growth in % (previous year = 100)*

2000	2001	2002	2003	2004	2005
4.0	1.0	1.4	3.8	5.3	3.2

Source: derived from data of the Central Statistical Office

<sup>364</sup> UKIE, Poland in the European Union. Experiences of the First Year of Membership, <http://www1.ukie.gov.pl/WWW/news.nsf/0/0CB1247C23DF5689C1256FF2003996BE>, date of access: 14.05.2006, p. 8.

<sup>365</sup> Elaborated after the Author's paper "Socio-economic effects of Poland's integration with the European Union. A tentative assessment after two years of the membership" presented at the "Jean Monnet" International Conference "The European Union between First and Second Wave of Enlargement towards Central and eastern Europe, 19-21 May 2006, Iasi, Romania.

<sup>366</sup> European Commission, Enlargement. Two Years After. An Economic Evaluation, "European Economy Occasional Papers", no 24, May 2006.

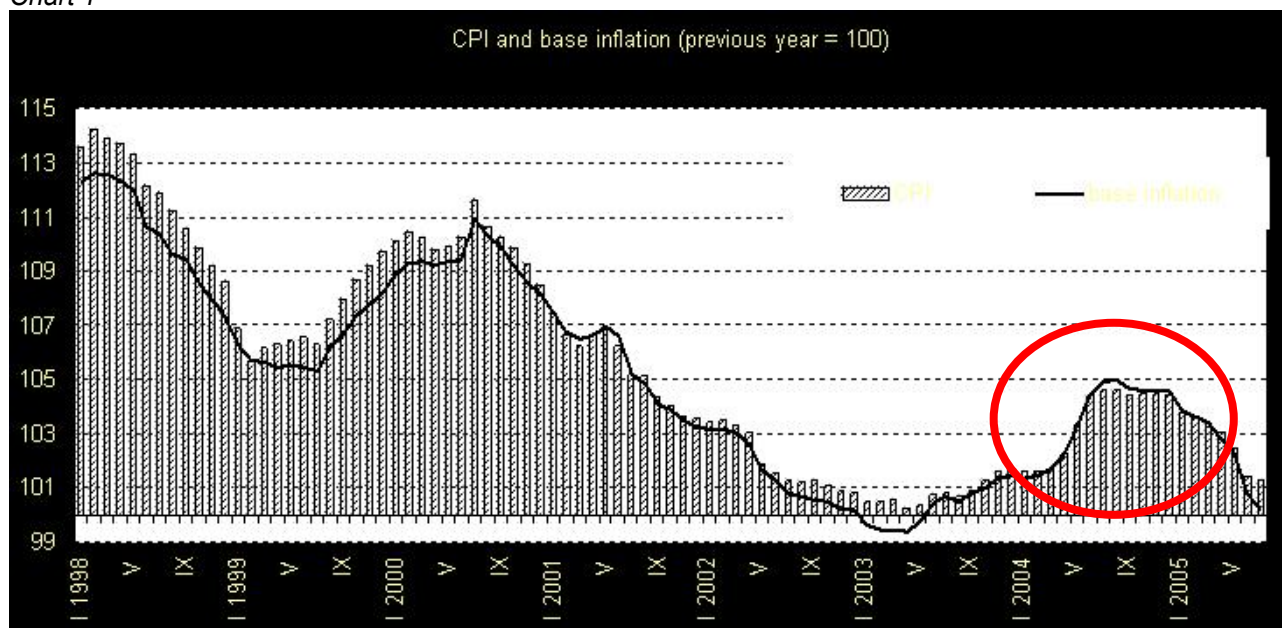
<sup>363</sup> As at the reference no. 329.

However, the inflation level exceeded expectations. In the 1990s inflation went down a long way towards the EU-15 level and reached single-digits in 2001 due to the overall clear orientation of monetary policy. In 2004 inflation made a leap from 2.2% in April to 4.4-4.6% in subsequent months (see chart 1). The biggest rise took place in May and June 2004 and was more violent than in other newcomers, such as the Czech Republic or Hungary. Such a phenomenon resulted from a few factors, such as: an increase in prices of agro-food products due to the demand from foreign consumers, a rise in prices for raw materials, which is EU-independent factor, inflationary expectations within the society and tax alignments. Although, a sudden rise in prices was a temporary phenomenon, containing inflationary pressure remains a challenge for policy-makers.

EU membership has improved the country's credibility and hence Poland's attractiveness to foreign investors, which resulted in a significant inflow of capital, in the form of both portfolio investments and foreign direct investments (FDI). Since 2004, the presence of foreign firms in the economy has grown. FDI are expected to be a key factor in the process of modernisation. They complement domestic sources of funds, which is of utmost importance in the context of insufficient national savings and investments. They also contribute to raising productivity growth through changes in sectoral composition of

production, technology transfer and greater competition pressure. As the largest economy in the region, Poland absorbs a majority of the capital invested in Central and Eastern Europe. However, the ratio of FDI to GDP is merely 20%, twice as low as in the EU-15. With regard to the structure of FDI in Poland, it is worth noting that privatisation-related FDI is declining, whereas some 60% of capital was invested in the form of greenfield investments. These were mainly reinvested profits. Three quarters of the capital comes from the EU and the largest investors are the Netherlands, Germany and France. However, the sectoral structure of the inflow of capital might be a source of concern. The majority of FDI is concentrated in "traditional" industries, such as food processing, textiles and clothing, wood products and transport equipment. The latter is classified as medium-tech industry. This classification is of particular relevance for Poland, as the common pattern of specialisation in the automotive sector is such that R&D and sophisticated production takes place in the EU-15, whereas automobile assembly is located in plants in the new Member States<sup>367</sup>. Nonetheless, Poland faces three challenges with regard to the inflow of foreign capital. The first is to sustain competitiveness by hosting multinational firms' activity. The second is to promote spill-overs to consolidate industrial restructuring and – last but not least – prevent the emergence of a dual economy characterized by performance differences between foreign- and the

Chart 1



Source: National Bank of Poland

<sup>367</sup> Ibidem.

domestically-owned firms. The implementation of structural reforms, namely these aimed at improving market functioning and the promotion of knowledge-based society, is crucial, but Poland lags behind other Member States on the way to Lisbon and occupies distant positions in the rankings of accomplishments of structural reforms.

Since 1 May 2004, Poland has been experiencing an unprecedented boom in trade exchange. As export dynamics exceed import growth, the negative trade balance ameliorated and in 2005 settled at 11.5 billion US dollar. Buoyant exports are driven by agro-food exports whose growth exceeded 60% for the EU-15 and 50% for the EU-9, but also by the remarkable performance of the automotive, machinery and equipment sector<sup>368</sup>. The geographical structure of Polish foreign trade shows the progressing trade integration with the EU-15 as well as with the EU-9. The EU purchases 80% of Polish exports and some 70% of Polish imports come from the EU countries. Before 1 May 2004, there were misgivings – not without reason – that Poland's entry into the EU would lead to a drop in trade with the former USSR, due to – among the others reasons – border restrictions. It seems that this has not happened. On the contrary, in 2004 exports to Russia grew by 80% and exports to Ukraine rose by 30%. What is more, Polish companies are beginning to undertake FDI in the Eastern markets to take advantage of an absorptive domestic market, a cheap labour force as well as to jump border impediments and to get ahead of competitors from the "old" Union. They are very competitive on this market in comparison to the Western firms thanks to geographical proximity and knowledge of the market.

### *Sectoral issues*

Small and medium sized enterprises have occupied much space in the debate on the costs and benefits of Poland's membership in the EU because of the role they play in the Polish economy and fears about their future in the Internal Market<sup>369</sup>.

<sup>368</sup> Ministerstwo Gospodarki i Pracy, *Ocena sytuacji w handlu zagranicznym Polski w 2004 r.*, Warszawa, czerwiec 2005.

<sup>369</sup> Grabowski, M. et al, *Sektor MSP rok po akcesji – próba oceny*, <http://www1.ukie.gov.pl/WWW/news.nsf/0/0CB1247C23DF5689C1256FF2003996BE>, date of access: 14.05.2006.

Two years after the accession, one can observe the process of concentration: there is a decline in the total number of microenterprises and start-ups, and an increase in the number of small firms employing up to 49 persons. It is a positive phenomenon, as Polish SMEs are too disperse, and concentration among them shall improve their competitive position. Although competition growth is noticed by the majority of firms, some branches are doing quite well after the accession, as they have recorded improvements in profitability from sales. This process was observed in the manufacturing of timber and timber products, straw and wicker products, clothing and fur products as well as furniture. Unfortunately, Polish SMEs build their competitive advantage taking into account price and much less the quality of the products and services offered. This is evidenced by the focus of investment on improving manufacturing and servicing capacities rather than R&D or innovations.

In the context of the capacity to compete in the Internal Market after the accession, there were misgivings about the necessity to adjust to Community regulations: technical norms and standards, work health and safety requirements, and environmental law. According to the survey conducted among the small businesses, three quarters of them have not made any special adjustments, so they have not incurred any additional costs, but another study points out that not all entities are prepared in this respect. Such dubious results might indicate that adjustments are postponed, as they are too costly.

There were expectations in business circles about the improvement of the institutional environment and a more stable economic and legal order after the accession. Studies suggest no improvement in this respect. On the contrary, there are new regulations. SMEs also complain about the interpretative vagueness of the new legal order. There is high interest among the Poles in structural funds. However, only 3.6% of businesses see more opportunities to take advantage of the EU support. 25% are willing to apply for the assistance. However, businesses are interested in direct support to investments. There is hardly any interest in guarantee funds and funds for consulting and training.

During the 1990s Poland experienced a sharp decline in employment and a rapid increase in unemployment. Developments on the Polish



labour market resulted from a combination of cyclical factors, structural adjustments associated with the transition process as well as rigidities in the labour market. The situation in the labour market has gone to a standstill, and there has been no improvement with regard to either employment or unemployment.

Many positive changes have occurred in agriculture. Farmers are one of the few social groups to feel the beneficial effects of the membership the fastest and most clearly. They are beneficiaries of financial transfers under direct payments and support to semi-subsistence farms under the Rural Development Programme. They also benefited from instruments aimed at guaranteeing fixed sale prices, ensuring the profitability of farming production and an increase in the prices of agro-food products by 6.3%. Farmers' incomes have increased due to the rise in agricultural exports.

#### *Fiscal effects*

For many years, Polish public opinion has viewed and still views financial transfers from the European Union to Poland after the accession as the greatest advantage of membership in the Union<sup>370</sup>. This opinion is based on two assumptions. First of all, financial transfers are easily measurable, quantifiable benefits and costs of Poland's membership in the EU. Secondly, one of the key priorities of the accession negotiations was for Poland to attain the position of a net beneficiary with regard to the EU general budget, which – due to the horizontal nature of budgetary provisions – influenced Poland's position in many fields, such as agriculture, structural operations as well as the environment. As a result, the assessment of the outcome of the financial negotiations was one of the most prominent lines of cleavage on the Polish political scene, determining political parties' attitudes towards European integration and the line of division of the Polish society into proponents and opponents of Poland's entry into the European Union. Regardless of whether the transfers are the greatest benefits of the integration and independent from their role in the Polish public discourse on the issue, they are important. The inflow of additional financial aid from the Common Agricultural

Policy and from structural funds can promote economic growth and the modernisation of the Polish economy. They also play an important role in mobilising both foreign investments and domestic capital. However, it is definitely premature to evaluate these effects as they only manifest themselves in a longer term perspective. What we can do at present is to look at the impact of Poland's membership in the EU on fiscal policy – balance sheet of the country, state budget as well as public finance sector. These effects demonstrate themselves short-term, although they also have long-run implications.

After two years of Poland's membership in the European Union, the country achieved the position of a net beneficiary in transfers between Poland and the EU budget. Accumulated financial flows from the first day of the accession until the end of January 2006 amounted to slightly less than 3 bn EUR. Although the overall balance of the Poland-EU budget settlements is positive, the advantages are not evenly distributed among the beneficiaries. The state budget is a net-payer to the EU general budget. There are two main factors determining the fiscal consequences of EU membership for the state budget: Poland's contribution to the EU budget, which amounted to approximately 1.1% of GDP, and the amount of EU transfers directly channelled to the government sector. For the majority of funds, which go directly to public and private beneficiaries (self-governments, farmers, enterprises, NGOs and others), the state budget acts as a postman. However, the contribution to the EU budget is not the only cost for the state budget originating from the EU accession. A serious membership-related pressure on public finance stems from the co- and pre-financing of the projects financed from EU structural funds.

Another fiscal pressure borne by the state budget results from the implementation of the *acquis communautaire* in some costly areas such as environmental protection, infrastructure, border control and public administration.

To sum up, total net fiscal effects of accession for the state budget in 2004 were estimated at 8.3 bln PLN, which was equivalent to 0.94% GDP. In light of preliminary data, the situation deteriorated in 2005, when the costs for the state budget increased to 14 bln PLN, equal to 1.5% GDP. According to the study by Dabrowski, Antczak and Gorzelak, overall

<sup>370</sup> This part was elaborated on the basis of the Author's paper "The first effects of Poland's membership in the EU. The financial dimension", presented at EU-CONSENT workshop of team 18 "Perspectives for the EU Fiscal Constitution" on 24 March 2006, Budapest, Hungary.

fiscal costs for the state budget would stand at 0.8% GDP in the years 2004-2006 on average<sup>371</sup>.

In this context, it is worth reminding that Poland entered the European Union with serious budgetary imbalances, breaching the fiscal deficit criterion established under the Maastricht Treaty and the Stability and Growth Pact. This was reflected in the Council decision of 5 July 2004, which acknowledged the existence of an excessive deficit in Poland and issued a recommendation. However, it should be noted that the Council took account of country-specific circumstances such as the initial level of the deficit and the ongoing structural shift related to the convergence process, and recommended that the excessive deficit be corrected by 2007. As Poland was requested to correct its excessive deficits in a multi-annual framework, the effective action, which should be taken to bring the situation into an end, is understood as keeping in line with the country's path toward budgetary consolidation as set out in its convergence programme<sup>372</sup>.

Accession-driven transfers and expenditure has resulted in a deterioration of Poland's budgetary situation, bringing additional fiscal pressure to bear. In order to avoid increasing the deficit in the near future, the government will have to take up fiscal adjustments and reduce the so-called domestic component of the deficit. Such an effort has been undertaken by the Ministry of Finance in the state bill for the year 2005. It was assumed that a rise in accession-driven expenditure will constitute 61% of expenditure growth. It can be concluded that the budget has tried to accommodate the transfers from the EU, by reducing the domestic component of the deficit in favour of "the European" part.

Significant advantages stemming from Poland's membership in the European Union are not guaranteed, nor is the majority of transfers from the EU general budget. The latter depends on the capacity of the Polish economy to absorb external financial aid. Yet another issue is its effective use. At the present state a complete and a reliable assessment of the level of absorption of EU

<sup>371</sup> Dąbrowski, M., M. Antczak, M. Gorzelak, *Fiscal Challenges Facing the UE New Member States*, Centrum Analiz Społeczno-Ekonomicznych, „Studia i Analizy”, Warszawa, kwiecień 2005, nr 295.

<sup>372</sup> Further details can be found in: Radziwińska, T., *Wdrożenie procedury nadmiernego deficytu wobec Polski*, „Wspólnoty Europejskie”, nr 7(152), 2004, pp. 48-54.

funds is impossible. Nor is its effectiveness. It will not be possible until all projects are completed, i.e. after the so-called final reports are known. There were misgivings before the accession took place, that Poland will not be able to benefit from all opportunities offered by EU structural assistance due to three main risk factors. The first stumbling block was to be the requirement of co- and pre-financing. The second impediment was the degree of organisational and institutional preparations of the Polish public administration. And the third potential risk factor was insufficient bottom-up initiatives, i.e. a small number of projects to be financed under the structural funds<sup>373</sup>.

At present, i.e. two years after the accession, it can be seen that the interest among the potential beneficiaries in the use of the EU structural assistances is significant and it is constantly growing. It is evidenced by the large number of applications for the co-financing of projects in relations to the level of commitments, which were set by the European Commission at 12.8 bn EUR for the years 2004-2006. According to the data of the Ministry of Regional Development, by the end of October 2005 the applications that were evaluated positively constituted 152% of the ceiling of the EU assistance for Poland. The contracts signed accounted for 51% of commitments. However, merely 4.35% of commitments were actually spent. This means that the beneficiaries received merely 370 million EUR of the assistance<sup>374</sup>. What are the reasons behind such poor absorption? It seems that at least one of the pre-accession fears has materialised. Polish public administration is not well prepared to managing the EU financial assistance. Legal preparations for the absorption of the structural funds were delayed. All necessary provisions were set up in the fourth quarter of 2004. The procedures are multistage, cumbersome and time-consuming<sup>375</sup>.

<sup>373</sup> Korzyści i koszty członkostwa Polski w Unii Europejskiej, Centrum Europejskie Natolin, Warszawa, 2003, p.

<sup>374</sup> Zuber, P., Absorpcja funduszy strukturalnych w Polsce na tle innych krajów członkowskich Unii Europejskiej, „Zeszyty BRE Bank – CASE”, nr 81, 2005, p. 17.

<sup>375</sup> Antczak, M., R. Antczak, Krótkookresowe skutki integracji dla polityki fiskalnej – bilans kraju, budżetu państwa i sektora finansów publicznych, CASE, [http://www2.ukie.gov.pl/HLP/files.nsf/0/59259EB33BA80593C12570130032EA44/\\$file/case.pdf](http://www2.ukie.gov.pl/HLP/files.nsf/0/59259EB33BA80593C12570130032EA44/$file/case.pdf) (date of access: 14.05.2006).

## Portugal

### *National debate*

The debate over the costs and benefits of Portuguese membership in the EU can be traced back to the very beginning of accession negotiations. Because in 2006 we celebrate the twentieth anniversary of Portuguese integration in the EU, the debate regained a special relevance.

Given the current particular context of the European integration process, the debate on the costs and benefits of EU membership has also been coupled with the debate on the future of Europe. It focuses essentially on the analysis of what Portugal won and lost with EU membership, as well as on how the lessons-learned can work as a useful guide to address the main challenges Europe is facing today.

The fact that the anniversary of Portuguese accession coincided with the campaign for the Presidential elections of January 2006 has also stimulated the debate. This was reinforced by the fact (underlined by various opinion-makers) that the two main candidates – former President Mário Soares and former Prime Minister Aníbal Cavaco Silva - played an important role in the process of Portugal's integration with the EU.<sup>376</sup>

The debate on costs and benefits of EU membership has caught the attention of many political actors: from the President of the Republic, who focused his first public statement on Europe on this topic, to the Prime-Minister, as well as other governmental figures. MPs and MEPs have also engaged in this discussion, as well as other high-profile personalities, who marked the Portuguese European policy throughout the last 20 years. In the discussion on economic and social impacts of EU membership, trade unions and industrial organisations representatives expressed their views too.

In general, analysts from the two mainstream parties (PS and PSD, who headed every government since EU accession) tend to stress the benefits, while the extreme left parties (PCP and BE) and die-hard nationalists from the far-right are those who strongly point out the negative effects of EU membership. Nevertheless, there is a general perception that Portugal benefited in several aspects from

<sup>376</sup> Ferreira, Medeiros, "O ciclo da Comunidade Europeia", in *Diário de Notícias*, 3 January 2006.

EU membership, even if a lot more could have been done with the opportunities offered. The main difference lays in the vigour with which these arguments are presented.

Civil society also played an important role in the debate on the costs and benefits of EU membership, through a number of activities organised in the framework of the 20<sup>th</sup> anniversary commemorations, such as exhibitions, TV documentaries and programmes, interviews, forums and seminars.

### *Public Opinion Perceptions*

After 20 years of EU membership, the assessment of the Portuguese public opinion is positive (47% consider EU membership as a "good thing", while only 15% consider it as a "bad thing").<sup>377</sup> Indeed, throughout this period, there has always been a majority considering EU membership to be a "good thing" and believing that the country has benefited from being a member. According to the Autumn 2005 Eurobarometer polls<sup>378</sup>, the percentage of national citizens considering EU as a "good thing" and believing that the country has benefited from being a member has always been above 50% and 60%, respectively.

In fact, up to now, the Portuguese have revealed more positive attitudes than the EU average. However, since 2004 the gap between Portuguese and EU- average public opinions has been closing and, in April 2006, the percentage of those in Portugal considering EU membership as a "good thing" dropped to a level below the EU average (47% - 49%).<sup>379</sup>

### *Main Positive Arguments*

On the top of the list of arguments explaining the positive assessment of Portuguese EU membership is the modernisation and socio-economic development of the country. As Cavaco Silva underlined in his first public statement on European topics as President of the Republic: "Portugal's integration into the European Union was the most important factor for economic growth and the improvement in the quality of life of the Portuguese in the last twenty years. Because it helped three decisive elements to converge: the modernisation of our

<sup>377</sup> Special Eurobarometer, *The Future of Europe*, Portuguese Factsheets, April 2006.

<sup>378</sup> Eurobarometer 64, *Public Opinion in the European Union*, National Report: Portugal, Autumn 2005, p.15.

<sup>379</sup> Special Eurobarometer, op.cit.

legal and administrative framework, favouring an open and competitive economy, access to community funds and the attraction of direct foreign investment”.<sup>380</sup> Among these elements, structural funds acquire a particular relevance in Portuguese perceptions, being considered as the main factor for economic and social development.<sup>381</sup> Their impact in the modernisation of infrastructures, accessibilities and collective equipments that cover today the whole country is indeed the most visible expression of EU membership and, thus, the main argument in its favour.<sup>382</sup>

Another relevant positive argument present in the national debate is the impact EU had in the consolidation of democracy, the stabilisation of the political system and the modernisation of public administration.

Furthermore, the Portuguese share the perception that EU membership has contributed for strengthening the country’s influence on the international stage. The 20 year-period of membership “has been a singular period of growth that gave us the unique opportunity for asserting our position, in Europe and in the world, as a modern and forward-looking country”.<sup>383</sup> On the one hand, according to Cavaco Silva, Portugal overcame one of the greatest challenges it was facing when it joined EC: credibility. “The country managed to overcome the mistrust and came unanimously to be considered as a serious and stable partner”. Portugal has not only managed to secure a place at the forefront of European integration, but it has also consistently contributed towards the process of integration: the single currency, the Schengen Agreements, the promotion of the Lisbon Agenda, CFSP and ESDP, as well as Europe’s relations with its partners in the East, Africa, Asia and Latin America”.<sup>384</sup> On the other hand, “with accession, Portugal has improved its ties with its traditional extra-European partners, specifically with the Portuguese-speaking world and also (...) with the Mediterranean countries. The cause of East Timor (...) benefited our status of a Member State of the

European Union, when we had to defend this stance on the international stage. Our capacity to interact with the Portuguese speaking countries of Africa (...) was also improved, and our participation in the European Union granted our partners greater access to resources.”<sup>385</sup>

The Portuguese participation in the European project is also considered positive by the impact it had in the relations between Portugal and Spain. As the Portuguese Prime Minister pointed out in the inauguration of the photo exhibition on the 20<sup>th</sup> anniversary of Spanish and Portuguese accession, “This path has not only made us find Europe and modernity, it has also made Spain and Portugal rediscover themselves, evolving from simple neighbourhood to a bilateral relationship of complicity.”<sup>386</sup> “In 1986 we discovered new dimensions for relations with our neighbour, which was no longer a mere competitor in a relationship often exacerbated by a history of antagonism, but above all a partner in the European Union. And we discovered a market with enormous potential.”<sup>387</sup>

#### *Main negative arguments*

Even if the benefits of EU membership are the prevailing perception, one cannot underestimate the growing expression of negative arguments, especially in the face of the sluggish performance of the Portuguese economy in recent years.

The “costs” discourse associates Portuguese economic and social difficulties to the country’s EU membership. In particular, and in line with their traditional position regarding the EU integration process, both the PCP and the BE point out that: “After 20 years, and despite all the structural funds, one witnessed the destruction of important sectors of the economy (industry, agriculture and fisheries), increasing external dependency; increasing inequalities (...); unemployment and precarious labour conditions; growing poverty; (...), decrease in the speed of economic convergence and even divergence with the EU; and abdication of key aspects of national sovereignty.”<sup>388</sup>

<sup>380</sup> Speech by His Excellency the President of the Republic in Europe’s Day 2006 Seminar, op.cit.

<sup>381</sup> Edite Estrela, in

[http://www.europarl.europa.eu/news/expert/background\\_page/011-3782-349-12-50-902-20051215BKG03779-15-12-2005-2005-PT-false/default\\_p001c004\\_pt.htm](http://www.europarl.europa.eu/news/expert/background_page/011-3782-349-12-50-902-20051215BKG03779-15-12-2005-2005-PT-false/default_p001c004_pt.htm)

<sup>382</sup> Vitorino, António, “Valeu a pena?”, in Diário de Notícias, 13 January 2006.

<sup>383</sup> Intervenção do Primeiro Ministro no lançamento do Fórum para o Debate Europeu, op.cit.

<sup>384</sup> Ibid.

<sup>385</sup> Speech by His Excellency the President of the Republic in Europe’s Day 2006 Seminar, op.cit.

<sup>386</sup> “Portugal e Espanha, uma história comum de sucesso”, in Público, 23 March 2006.

<sup>387</sup> Speech by His Excellency the President of the Republic in Europe’s Day 2006 Seminar, op.cit.

<sup>388</sup> Pedro Guerreiro, in

[http://www.europarl.europa.eu/news/expert/background\\_p](http://www.europarl.europa.eu/news/expert/background_p)

While recognising the economic stagnation of recent years and the divergence with the EU income levels, the general perception is that the difficult economic situation the country is living is not (only) due to the EU, but also to the national elites who did not know how to make good use of all development opportunities opened by the community funds. As António Vitorino (currently Socialist MP) highlighted, “(...) before starting complaining about Europe and its impositions, we should look first at our own national responsibilities.”<sup>389</sup> The Portuguese share the conviction that successive governments have not efficiently managed the application of community funds: there has not been an intensive use of all available resources; management of funds did not take sufficiently in account the need to ensure solid economic and social progress.

Indeed, analysts repeatedly mention that there was a problem of priorities-setting: “priorities chosen were not always (...) the most adequate for the creation of solid conditions for our future development.”<sup>390</sup> In simple terms, this is the debate of “cement” (infrastructures) versus “education/training” (human resources) and which one takes priority. Many analysts, as Marçal Grilo (former Minister for Education in António Guterres’ socialist government), believe that Portugal clearly failed in areas such as training and education programmes, the restructuring of economic sectors and the use of structural funds.<sup>391</sup> Nevertheless, other opinion makers, such as former Secretary of State for European Affairs Vítor Martins, argue that despite the “cement” choice, “education and formation” was not disregarded: 30% of the funds were applied in education and formation programmes, and Portugal was the first EU Member State using community funds for these programmes.<sup>392</sup> According to this line of argumentation, the main problem lays in the managing and application of structural funds, not in the choice of priority areas.

## Romania

As the accession is closing in, the interest in the costs and benefits of Romania’s accession

[age/011-3782-349-12-50-902-20051215BKG03779-15-12-2005-2005-PT-false/default\\_p001c008\\_pt.htm](http://age/011-3782-349-12-50-902-20051215BKG03779-15-12-2005-2005-PT-false/default_p001c008_pt.htm)

<sup>389</sup> Vitorino, António, “Valeu a pena?”, op.cit.

<sup>390</sup> Idem.

<sup>391</sup> Intervention of Marçal Grilo at Europe’s Day 2006 Seminar, Lisbon, 8 May 2006.

<sup>392</sup> Intervention of Vítor Martins at Europe’s Day 2006 Seminar, Lisbon, 8 May 2006.

to the EU was much higher than the attention dedicated to the European Constitution. The main actors of the debates on the costs and benefits of the accession were the mass media and the researchers that, with different tools and arguments, tried to quantify and analyse the effects of the accession, taking into account its costs and benefits.

### *The costs*

As regards the costs, the specialists think that the “propensity of the mass media to emphasize the costs of the accession – with no solid basis – generates a distorted perception of the public opinion by oversizing them”<sup>393</sup>. A similar trend may be noted in the way some politicians position themselves as regards the costs, “trying to blame on the integration the domestic failures they are responsible for”<sup>394</sup>.

Concerning the governmental positions, the area where a series of costs inherent to the accession are identified is the “adoption and implementation of the *acquis communautaire* imposing many constraints, but on the medium and long term they will generate significant economic and social benefits”<sup>395</sup>. However, according to Leonard Orban, “European integration is a two-lane road, where some would gain, and some would have to work harder to face the new conditions. However, in the perspective of the integration, we have to look beyond the costs, taking into account the fact that these are the costs of Romania’s modernisation, which in the long term would lead to a series of benefits for the entire population”<sup>396</sup>.

While commenting on the tendency of the Romanian public opinion to take the perspective of an increased competition as a cost of the accession, Prof. Dragoş Negrescu notes however that, beyond that common perception, “increased competition may also be a benefit”<sup>397</sup>. According to him, one of the potential costs of the accession is connected to the fact that “the EU, which is not a bulwark of liberalism, may have an intrusive impact in some areas after the accession”.

<sup>393</sup> Interview with Dr. Nicolae Idu, director general, European Institute of Romania.

<sup>394</sup> Ibid.

<sup>395</sup> Interview with Leonard Orban, Secretary of State, Ministry of European Integration, former Chief Negotiator with the EU.

<sup>396</sup> Ibid.

<sup>397</sup> Interview with Dr. Dragoş Negrescu, Academy for Economic Studies.

One contribution better fitted to the research area concerning the assessment of the accession costs and benefits is the study prepared by a team of Romanian researchers within the PAIS II project, coordinated by the EIR<sup>398</sup>. According to that study, the main categories of costs directly related to the EU accession may be grouped as follows: a) *costs in adopting the European standards and policies* (costs generated by the establishment or change of the institutional framework for their implementation, costs to train human resources in these structures, costs related to the adoption of the Community objectives of economic policy); b) *costs related to the observance and implementation of standards defined by the European standards and policies*; c) *costs related to the member status* (contribution to the Community budget, participation to European institutions etc.); *costs related to the modernisation of the Romanian economy* (modernisation of productive capacities, increased competitiveness of Romanian goods and services to face the competitive pressures of the EU).

### Benefits

The perception of public opinion concerning the *benefits* of Romania's accession to the EU is almost exclusively centred around the financial opportunities, respectively grants, while the other advantages of the membership are not developed or analysed.

Besides the benefit of *increased and diversified financial resources* (through the access to structural and cohesion funds) – also identified by the PAIS-II-12 study mentioned above – the cost/benefit approach in that paper describes two other categories of benefits too: 1. those derived from the full member status (through participation in the single market, EMU, support of the national interest through participation in the decision-making process) and 2. benefits of accelerated reforms and transition support by providing the basic elements to define national economic policies. Other benefits resulting from the EU membership might be “the credibility gain for the investors and creditors, as well as a diminished perception of risks. An increased rigor in public policy management could be the effect of the community *acquis* supremacy and

<sup>398</sup> C. Ciupagea, L. Marinas, G. Turlea, M. Unguru, R. Gheorghiu, D. Jula: *Evaluarea costurilor și beneficiilor aderării României la Uniunea Europeană, PAIS-II*, coordinated by the EIR, 2004.

of the European Court of Justice' competences.”<sup>399</sup>.

Despite some inclination from on the part of the public to associate the accession with price increases, support for Romania's integration into the EU continues to be quite strong at around 64%.

The business community, however, has a more distinct position on the effects of Romania's accession. There are both opinions focused on identifying major opportunities after the accession, and more sceptical points of view concerning the impact of that moment on the development of the business environment.

### Slovakia

Given the prevailing consensus about the overall positive value of Slovakia's membership in the EU and the continued strong public support for Slovakia's place in the EU (see the latest *Eurobarometer* reports), there has not really been a visible domestic debate on costs and benefits of EU membership. A good illustration of this point is Slovakia's attitude toward the adoption of the EU's financial perspective for 2007 – 2013 where the country's overwhelming priority was to secure a deal since the prevailing perception was that any deal would be better than no agreement on the Union's future budget.

Indeed, reaching an agreement over the Union's financial perspective for the period of 2007 – 2013 has been one of Slovakia's main priorities in the EU since gaining membership. Needless to say, it was in Slovakia's strategic interest to reach an agreement that would allow Slovakia to draw funds from EU structural funds and the Cohesion Fund designed to support development of backward regions and infrastructure. There was no public debate over specific national priorities regarding the content of the Union's financial perspective; Slovakia's overriding priority seemed to be reaching a basic consensus over the Union's general budget outline for the next seven years as soon as possible.

During debates on EU institutional reform, which includes reforming its budget, Prime Minister Dzurinda declared that Slovakia would support reducing subsidies for farmers and increasing the funds allocated to education,

<sup>399</sup> Interview with Dr. Dragos Negrescu, Academy for Economic Studies.

innovations, information technologies and research and development; however, due to the bilateral agreement between France and Germany regarding agricultural subsidies from the EU budget, there was no real space for any substantial changes to the structure of the Union's outline budget for 2007 – 2013.

Therefore, Slovakia's leaders welcomed at least the strategically important fact that the European Council's meeting held in Brussels on 15 – 16 December 2005, reached a political agreement over the Union's financial perspective for 2007 – 2013. Tibor Mikuš, Chairman of Parliament's European Affairs Committee, called it a victory for the entire Union and an important signal for the future that Europe is able to agree and continue (*SITA* news agency, 17 December 2005). The recently approved EU financial perspective also offers several tangible benefits to Slovakia. During negotiations, Slovakia obtained additional an €375 million for decommissioning two blocks of the Jaslovské Bohunice nuclear power plant. Also, the time for implementation of projects was extended from two to three years and project administrators were allowed to calculate value-added tax into outlays, which should alleviate demands for co-financing. These technical amendments may increase the effectiveness and efficiency of drawing funds from the EU budget by Slovak actors. In the end, whether Slovakia makes a good use of these funds will depend on the new administration's ability to draw financial assistance from the EU and channel it to worthy projects.

## Slovenia

There is no wider debate on the issue of cost and benefit of Slovenian membership in the EU. Public debate concerning the EU is currently concentrated on the introduction of Euro and the cost and benefit of this move and not of the membership as such. In general the membership in the EU is regarded as being positive for Slovenia by all important actors of the public sphere and there have also been no public outrage or voices pointing to the negative effects of the membership.

The question, however, received more attention on the occasion of the second anniversary of the entry into the EU; indirectly it is debated in relation to negotiations over the financial perspective and the question of Slovenia's position as a net-contributor or net-

recipient and the cost and benefit of the introduction of the Euro.<sup>400</sup> The debate over the first issue that dominated last year, however, this year quickly restructured into a debate over the Slovenian capacity to acquire structural funds and not to the question of the financial position as such.

Generally, economic aspects or effects of Slovenian membership in the EU is by far the most important issue, upon which opinion leaders base their arguments when pointing out the costs and benefits of the membership. Albina Kenda, journalist and commentator for the only Slovenian economic and financial daily newspaper *Finance*, sums up well the general view of the two-year membership experience. Ms. Kenda points out that economic benefit can not be singled out in an overall membership balance, she shows that contributing factors to the economic changes are numerous. Nevertheless, the introduction of the Euro, financial resources of the structural and cohesion funds and a steady increase in trade with other member states since the accession show the positive effects of membership.<sup>401</sup> On the occasion of the second anniversary of membership, the Ministry of Foreign Affairs assessed the two-year experience as extremely positive. As major aspects contributing to this positive assessment it exposed the results of the financial perspective and the ability to co-decide (and being listened to) on all major questions on the continent, especially in relation to the Western Balkans, as well as starting to look beyond Europe and importantly contributing to peaceful relations and developments in other regions of the world.<sup>402</sup>

However, the debate over the financial perspective was more heated. In the last year's discussion over the new financial perspective, there was a debate exposing the necessity of the financial perspective being adopted before it comes to the so called 'statistical effect'

<sup>400</sup> Very rarely any other specific issues are singled out. Romana Jordan Cizej, Slovenian member of the European Parliament for example, pointed out benefits that are brought about by Slovenian participation in the European research area, enabling Slovenian research community a broader access to programmes financed by the European Commission. (Radio Slovenija, Studio ob 17h, 28 April 2006).

<sup>401</sup> *Finance*, Albina Kenda. (2006) Ločenih učinkov članstva EU ni, vsi se prepletajo [There are no separate effects of the membership, they all intertwine], 3 May 2006.

<sup>402</sup> Press release Ministry of Foreign Affairs, 30 April, 2006, [http://www.mzz.gov.si/index.php?id=13&tx\\_ttnews\[pointer\]=8&tx\\_ttnews\[tt\\_news\]=11024&tx\\_ttnews\[backPid\]=141&cHash=030d7229ab](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[pointer]=8&tx_ttnews[tt_news]=11024&tx_ttnews[backPid]=141&cHash=030d7229ab).

according to which the leverage for funding from cohesion funds for Slovenia would have changed because, being a single region at the NUTS2 level, it would reach the level above 75 % of the GDP average of the member states.<sup>403</sup> After the adoption of the financial perspective, the opinion leaders generally presented the result of the negotiations despite being negative for Europe as such, as positive for Slovenia.<sup>404</sup> Slovenia will remain a net-recipient of the EU funds, provided it will be able to take advantage of the structural funds. This view was presented by Dr. Mojmir Mrak, former negotiator of the Slovenian government for the financial perspective and previously also a member of the accession negotiating team.<sup>405</sup>

As already mentioned above, the debate over the costs and benefits is structured over Slovenia's ability to acquire funds from the EU. Minister for Local self-government and regional policy (head of the Government office with the same name, thus a minister without a portfolio), Mr. Žagar, presented the data on Slovenia's acquisition of the EU funds since the accession in mid-January.<sup>406</sup> This data showed a very positive trend, however, they spurred a lot of unease and criticism in the private sector and in academia.

The criticism was not without grounds. Ivan Žagar, minister for local self-government and regional policy showed that the absorption capacity of Slovenia at the beginning of the financial perspective 2004 – 2006 was one of

the lowest among new member countries, however in 2006 it became one of the best performing countries.<sup>407</sup> (therefore the presentation of data as a positive trend makes sense). The Commission's data showed that until the end of 2005, 86 % of available resources have been at disposal and contracts for 58 % of resources have been signed. In the first half of 2006 all should be signed. This was one of the rare occasions in Slovenian politics on which the opposition members of the Slovenian parliament Feri Horvat (Social Democrats ) and Milan M. Cvikl (Liberal Democracy of Slovenia) have praised without restraints the work of the minister Žagar regarding the absorption capacity of Slovenia. The main reason for the difficulties in 2004 and 2005, as identified by Andrej Horvat, state secretary of the Government Office for Growth,<sup>408</sup> was contributed to the fact that financial resources from the EU structural funds were too low on the government's political agenda.

Answers from both political parties which we obtained (*i. e.* New Slovenia and Social Democrats) point to the positive effects of the financial position of Slovenia in the EU as well. They both expose the necessity to better manage the access to the European funds. New Slovenia also sees the Slovenian position in the decision-making structures of the EU as very positive; it sees Slovenia as well presented and therefore holding a strong position in the EU, relative to its size and number of citizens.

The introduction of the Euro is another constant issue that indirectly contributes to opinions over the costs and benefits of Slovenian membership in the EU. Opinion leaders present the introduction of the Euro on 1 January 2007 as another major benefit of the EU membership and the Slovenian endeavours as a success story. Over the introduction of double pricing, the intensive debate began and continued through Commission's positive recommendation regarding the Slovene fulfilment of the convergence criteria, which was given on 24 May 2006. While politicians are satisfied with the positive recommendation by the Commission, thus proof of good work by the government and the Bank of Slovenia, the

<sup>403</sup> We thoroughly described the issue in EU 25 Watch No. 2.

<sup>404</sup> A commentator in the daily Dnevnik even identified the outcome of the negotiations on the financial perspective as being one of the major benefits of the EU membership 4,5 billion Euros will be available to Slovenia. (Suzana Lovec (2006) Dve leti v EU – Slovenija dobro zasidrana [Two years in the EU – Slovenia is well anchored], Dnevnik, 26 April 2006. Such comments, again, are in line with the predominantly, or exclusively, economic view on the EU membership experience of Slovenia as can be found in the media.

<sup>405</sup> Dr. Mrak resigned his post over a disagreement with the decision of the Slovenian government to introduce two regions at NUTS2 level, seeing the decision as premature and unnecessary, as it does not change our position in the next financial perspective and since according to his opinion a partition into three regions would be better for Slovenia. Dr. Mojmir Mrak in Studio ob 17h, on Radio Slovenia 1, 17 January 2006.

<sup>406</sup> Minister Žagar in Studio ob 17h, on Radio Slovenia 1, 17 January 2006. The interview with the minister followed the European Commission's announcement of 2005 payments from the structural and cohesion funds. The Government office for local self-government and regional policy prepared a cumulative report, including the state in 2006 at the beginning of February, which caused further debate on Slovenia's ability to acquire funds from the EU.

<sup>407</sup> Delo (2006) EU je notranja politika 25 držav [EU is the internal politics of 25 member states], 11 March 2006.

<sup>408</sup> TV Slovenija 1, Izzivi (a weekly programme on public TV on challenges in domestic and international politics), 20 March 2006.



public largely fears a rise in prices due to introduction of the Euro. The debate is thus structured over this fear and it does not question the decision over an early adoption of Euro.

A much more elaborated view on the costs and benefits of membership, which also departs from the overwhelming economic or material assessment, is present in the Union of free trade unions of Slovenia.<sup>409</sup> Though they do not see major changes in lifestyle nor do they ascribe changes in competition on the Slovenian market to membership in the EU, they recognise that due to the changed conditions (common external tariff), the Slovenian business sector lost some advantages on the markets of the South Eastern Europe and shares the fate of the EU in regard to economic relations with China. Pressures on certain business sectors also grew due to membership (which was foreseen, especially in agricultural and food-processing sector. The latter, however, is counterbalanced with consumer benefits as prices of food sunk), as well as fear of social problems (related to the liberal economic trends in some, especially new, members of the EU). As one of the benefits, they see the participation of labour representatives in the business sector in European labour councils, which gives them better access to information on business plans and possible moves of production to other countries (due to lower labour costs). Another beneficial consequence of membership is the adoption of higher health and job safety standards in Slovenia, which might contribute to better satisfaction with working conditions of Slovenian labour.<sup>410</sup>

## Spain

2006 marks the twentieth anniversary of Spain's membership in the European Union. Spain's membership has contributed decisively to consolidating the democratic state, both internally and externally, making it stronger and more viable, visible, legitimate and more influential on the international scene during these 20 years.<sup>411</sup>

<sup>409</sup> In answers to the questions we sent to the Union of free trade unions of Slovenia (ZSSS).

<sup>410</sup> In their answers the Union of free trade unions of Slovenia states that dissatisfaction with working condition of Slovenian workers is extremely high among the EU members, only second highest to Italy and twice as high as the EU – 25 average.

<sup>411</sup> Report "20 años de España en la Unión Europea (Twenty years of Spanish membership in the European

Spain's accession has had overwhelmingly positive consequences for the country and therefore EU membership is still widely supported by Spanish public opinion. Popular support remains spectacularly high considering the main indicators of pro-European attitudes in any country: 'support for integration' and 'benefits of integration'. Spanish support for integration is, according to the EB 64, at 66%, while the support in the EU-25 is at 50%. Moreover, 69% of Spaniards believe in the benefits of EU membership, while the EU-25 average is only 52%. According to the tenth wave of the Elcano Barometer,<sup>412</sup> on occasion of the twentieth anniversary of Spain's accession to the EU, 71% of the population believe in the benefits as an inherent part of the EU and 50% believe that Spain will continue to benefit from its European membership.

## Sweden

Looking at public opinion, Sweden remains a rather hesitant and unimpressed country when it comes to the value of the EU and Swedish EU membership. According to the most recent Eurobarometer survey on the future of Europe, 21 % of Swedes spontaneously answered that their EU membership is a waste of time and money, whereas 42 % answered that EU membership is a good thing (among the lowest figures of EU-25). The survey furthermore shows that Sweden tops the list regarding the perception of the EU as inefficient and has a positive impression of the recent enlargement.<sup>413</sup> According to the standard Eurobarometer in the spring, 32 % of Swedes feel that EU membership is/has been beneficial for the country (the lowest figure of any member state), whereas 56 % perceive that EU membership has been negative for the country (the highest figure of any member state). Furthermore, the trend seems to be

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Union) 1986-2006" by Elcano Royal Institute, European Parliament office and European Commission representation in Madrid, April 2006 available in Elcano's website, and Elcano Royal Institute second Report: "Building Europe from Spain by C.T. Powell, J.I. Torreblanca and A. Sorroza, march 2005, available in

<http://www.realinstitutoelcano.org/publicacionesinsti.asp>

<sup>412</sup> Tenth wave of the Elcano Royal Institute Barometer (BRIE), November 2005. An abridged English version is available at

[http://www.realinstitutoelcano.org/barometro\\_eng.asp](http://www.realinstitutoelcano.org/barometro_eng.asp)

<sup>413</sup> Special Eurobarometer survey 251 on the future of Europe, [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_251\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_251_en.pdf)

moving in the direction of less enthusiasm and more negative feelings and distrust.<sup>414</sup>

Turning to the political parties in the parliament, the picture is a bit different (just as in the past). The Green Party is openly against Swedish EU membership and has recently reinvigorated that position (see further the section on national developments below), and also the Left Party has historically been negative to Sweden's membership, although the rhetoric now is downplayed a bit. All other parties are officially in favour of Swedish membership, although it is well known that not least the Social Democrats are deeply split regarding EU matters. Having said this, there is a consensus among all parties that the EU could become more efficient, that enlargement is important and that reform of the Common Agricultural Policy is deeply needed.

## Turkey

### *Two Historical Images of Europe*

In Turkey, it is a widespread perception that relations between the EU and Turkey have historical roots. Better said, it is commonplace to refer symbolically to the 19<sup>th</sup> century Ottoman reforms of *Tanzimat* as the historical roots of contemporary relations between the EU and Turkey. In the late Ottoman era, Europe was conceived, on the one hand, as the contemporary level of civilization and on the other hand, as a symbol of imperialism. Putting aside an analysis of the factors (such as political, economical, social, cultural etc.) shaping these two images of Europe in the late Ottoman era, it is quite clear that these images were inherited by the newborn Republic of Turkey. One can similarly discern a dualist perception of Europe on the contemporary political landscape of Turkey, leading to opposite positions considering EU membership.

### *Plus and Minus Columns*

Depending on these two images of Europe, the political panorama of Turkey has long been set for ardent discussions concerning EU

membership. Mostly political, economic, emotional, and rarely analytical calculations of costs and benefits of Turkey's EU accession have been the main grounds for the arguments put forward in these not very well-informed general public discussions. On these grounds, the political actors that form opposite forces refer to different aspects of EU membership.

Carrying on from a view of Europe as the contemporary level of civilization and indicating to an 'already European Turkey', a whole bunch of political actors stress the benefits of EU membership for Turkey's national interest. In their plus column, it has been emphasised that even the accession process to the EU and the adoption of its *acquis communautaire* would bring about significant benefits for security, political structure, socio-economic development and cultural diversity of Turkey. As a result, citizens of Turkey would enjoy a better standard of living and prosperity, due to radical changes in working conditions, education, environment, institutions, and most importantly, fundamental rights and freedoms and also democracy. Thus, according to arguments stressing the benefits of EU membership, Turkey would rather follow the route of the contemporary level of civilization by trying to become a member of the EU than stay out of the flow of the contemporary world, especially on socio-economic terms; namely economic prosperity and social security.

Referring to the negative image of Europe as an imperialist, Christian club, etc., several other political actors engaged in this discussion stress the minus column of a possible EU membership for Turkey. From their point of view, whatever is done would not be enough to get Turkey into the EU, as it has an origin different from that of Turkey. According to the supporters of this view, this clearly explains the double standards of the accession talks held between the EU and Turkey. Besides this intrinsic difference in origin, it is emphasised that even if membership is achievable, it is not desirable. According to this point of view, EU membership with respect to its different origin would directly destroy what has been unique to Turkey on the grounds of its social/cultural identity stemming from its traditions and morality. One last common argument put forth by the forces against accession into EU would be their tendency to evaluate the accession process and the ultimate goal of EU membership as a series of compromises against the national interest of Turkey, mostly referring to the Copenhagen criteria, the

<sup>414</sup> Standard Eurobarometer 64, [http://ec.europa.eu/public\\_opinion/archives/eb/eb64/eb64\\_se\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb64/eb64_se_nat.pdf)

Cyprus issue tied up with EU accession process, a 'privileged partnership', etc. EU membership would mean the transfer of the most important aspects of national sovereignty to Brussels. Thus, according to the arguments stressing the costs of EU membership for Turkey, Turkey would rather preserve its uniqueness by looking for other alternatives in relating with the world than become a part of Europe and lose its identity.

#### *Actors: For and Against EU*

Almost everyone has a say on this matter with a set of assumptions concerning the identity and the national interests of Turkey with respect to the constitutive nature of this debate for the political scene of Turkey, dating back to the Ottoman era. Hence, despite the difficulty to discern the actors engaged in these discussions, the former point of view is mostly held by socio-political actors such as most of the political parties, contemporary government and its administrative extension, business community, entrepreneurs, most of the media, NGOs, minorities, the women's movement and youth. The latter point of view is mostly held by socio-political actors such as political parties to the right and left, feeding from nationalist sentiment and politico-religious conservatives.

While this analysis stemming from two different images of Europe and referring to two different aspects of EU membership by stressing benefits or costs takes place in the general public, among the well-informed observers in Turkey the debate focuses on a deeper analysis that takes the developments of the EU into consideration on its own right before calculating its costs and benefits for Turkey, especially since the rejection of the Constitutional Treaty in the Netherlands and France.

### **United Kingdom**

As regards to economic aspect of membership, the EU receives wide support from the general public and especially from the business community in the UK. A recent poll of business leader opinion carried out for Business for New Europe (BNE)<sup>415</sup>, a new independent coalition of business leaders, showed high levels of support: 78% of business leaders supported

EU membership, with only 18% against. Similarly, 68% supported the EU agenda of further economic liberalisation (e.g. Services directive) against 8%. Zaki Cooper, Director of BNE, has said that the poll results "demonstrate there is widespread support amongst UK business leaders for much of what the EU has achieved, as well as the UK's effective membership of the EU."<sup>416</sup> Thus, business leaders are keen to push forward the expansion of the single market and support the government's efforts for a better regulation agenda, greater investment in research and development, and continued reform of the EU budget.

However, the view that the EU brings economic benefits to Britain coexists with the universal belief that the European budget represents a clear net loss for the United Kingdom and the widespread belief that European regulations impose a substantial financial burden upon British businesses and consumers. The EU budget compromise reached under the UK Presidency for the financial perspective 2007-2013 was not as ambitious as the UK government would have wished. Opposition parties immediately criticised the asymmetry of the deal struck whereby a smaller UK rebate was agreed on the basis of a vague promise of reforming the Common Agriculture Policy (CAP) together with a decrease in total expenditure. The Liberal Democrats, the most pro-European party, have recently been trying to design a political stance on Europe that is closer to Labour's more pragmatic position. The British public, however, generally seem to be more open to giving up the rebate than politicians and than the media had supposed.<sup>417</sup> Still, as long as the CAP remains a significant component of EU spending, it will negatively influence the EU's image in Britain.

Because the fear that leaving the European Union would be economically damaging to the United Kingdom is stronger than the financial and regulatory burden the EU represents for the UK, there is still a majority in favour of British membership of the EU. Overall, despite the hostile British media coverage the EU receives, the latest *Eurobarometer* survey of UK public opinion revealed that more British citizens thought the EU was a good thing

<sup>415</sup> BNE, Poll of business leader opinion about the EU – FTSE100 and FTSE250 February/March 2006 (Yougov), accessible at <http://www.bnegroup.org/>

<sup>416</sup> BNE, "Business for New Europe Launches", 27 March 2006, accessible at <http://www.bnegroup.org/>

<sup>417</sup> Markus Wagner, "The European Debate in the UK", Federal Trust Newsletter, October 2005, accessible at [www.fedtrust.co.uk](http://www.fedtrust.co.uk)

(33%) than a bad thing (25%) while one third expressed indifference.<sup>418</sup> Yet, the majority of British people that supports EU membership is not a very enthusiastic one.

As regards to the political benefits of membership, leading politicians or commentators speak of the European Union's

important role in the areas of environment, the fight against terrorism, trafficking and organised crime, and foreign and defence affairs. Generally, however, a “political” European Union is regarded with great suspicion in the United Kingdom, both as a threat to national sovereignty and as a vehicle for illiberal micro-economic attitudes.<sup>419</sup>

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<sup>418</sup> Eurobarometer, “The Future of Europe”, May 2006, accessible at [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_251\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_251_en.pdf)

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<sup>419</sup> Open Europe, “The making – and breaking – of the New Labour’s European policy?”, 2 February, 2006, accessible at: <http://www.openeurope.org.uk/research>

# 3

Looking around in the EU and its member states, who are the actors that are considered to play a leading role?

- **Taking into consideration that the current situation of the EU has been widely interpreted as a crisis of leadership, who might be capable of playing a leading role – personalities, countries, institutions, the EU presidency?**
- **Please refer, whenever possible, to statements of political actors, academia or media within your country to underline your judgement.**

## Austria

The European Commission is regarded as being rather weak<sup>420</sup> while the European Parliament seems to gain more and more credibility within the Austrian population and political elite. It seems that the EU is deeply divided over whether it should continue to revive the constitutional treaty or not, and if yes, in what way. Since it is unlikely that there will be a political agreement on whether the ratification process should continue or not, the roadmap will rather consist of a list of options.<sup>421</sup> In this respect, the Parliament seems to be the institution most likely to bring the constitutional debate forward as the Commission seems to be paralysed in this context.

In general, Austria is not very much in favour of a single member state playing the leading role within the European Union<sup>422</sup>. The present internal problems of Italy and France have caused a general scepticism regarding leadership of the EU (this also refers to the debate on the so called "Core Europe"). The German Chancellor Angela Merkel does have a close relationship with Austria's Chancellor Schuessel, but is still too briefly in office to be fully supported by the Austrian conservative party.

Right now, Austria (i.e. the government) considers itself as playing a leading role during the reflection period due to its current EU-presidency. Most certainly, Chancellor Wolfgang Schuessel (ÖVP), together with Foreign Minister Plassnik (ÖVP) and Finance Minister Karl-Heinz Grasser (ÖVP) are defined as being influential and effective in terms of dealing with EU-aspects.

## Belgium

Among state leaders, three personalities are often regarded in Belgium as having a positive role to play in the future of Europe, especially in helping to solve the current crisis: Angela Merkel, Romano Prodi and Guy Verhofstadt.

<sup>420</sup> Günther Verheugen in particular is regarded as rather controversial among the Austrians: on the one hand because of his dominant role within the Commission and on the other hand, because of his criticism on Austria in terms of the country's scepticism of Turkish EU-membership and enlargement in general.

<sup>421</sup> Response by a member of the Brussels office of the Austrian Chamber of Commerce

<sup>422</sup> Especially the Green party strongly opposes the idea

German Chancellor Angela Merkel, since her first speech at the European Parliament is considered to have proven she is capable of resolving conflicts: from the passing of the multi-annual budget by the European Parliament to the positive diplomatic impact she brought to transatlantic relations (and notwithstanding the success she achieves in national issues), she is regarded as a major influence on the future of the EU.

Prof. Paul Magnette<sup>423</sup> considers Germany to be the sole country to have a strategy for the future of the European Union that puts maximum pressure on re-negotiating after the French elections, but with the condition of freezing enlargement and deep negotiations until the constitutional question is resolved.

Nevertheless, considering the energy issue as a salient example of the lack of solidarity towards the EU<sup>424</sup>, some argue that Germany's efforts might not be sufficient to build confidence in a strong community.

Romano Prodi's recent victory in the Italian elections was perceived as a crucial event for the future of the EU<sup>425</sup>, much saluted by Belgian politicians, including Premier Verhofstadt, who declared that Italy would now be considered as contributing to the solution and no longer to the problem<sup>426</sup>. The fact that Mr. Prodi publicly declared that "*Italy is now going to take back the role it traditionally played in the European Institutions*"<sup>427</sup>, and his decision to place Europe as a top priority make him considered a positive and credible influence on the future of the EU<sup>428</sup>.

Despite numerous criticisms of Prime Minister Guy Verhofstadt and his idea of a *United States of Europe*, the impulse and the energy he gives to the evolution of the EU are often saluted and frequently covered by the media.

## Croatia

Croatian positions on the current situation of the EU and potential leaders who could contribute to reviving the European project

<sup>423</sup> Director of the European Studies Institute of the ULB.

<sup>424</sup> De Standaard, 27 March 2006

<sup>425</sup> De Standaard, 19 April 2006.

<sup>426</sup> Het Laatste Nieuws, 19 April 2006.

<sup>427</sup> La Libre Belgique, 30 May 2006.

<sup>428</sup> La Libre Belgique 13 April 2006.

reflect the most important preoccupation of the country and its political elite – progress in the EU accession negotiations and full-fledged EU membership. Croatia's status as a candidate country and the accession negotiations agenda have a crucial impact on the political priorities of the government and key political actors but also on the focus of public debates in the country. In such a context, national government representatives adopted a rather tactical and defensive approach towards current EU internal problems, refraining from taking categorical positions on contentious issues of the EU Constitution, unless to prevent potential damage or threat to the pace of the country's accession negotiations. On this background, the potential of certain personalities, countries or institutions to play a leading role in the EU was predominantly viewed and interpreted in the light of their potential role in supporting further EU enlargement and in paving the way for the progress in Croatia's accession process.

Leading Croatian political actors generally pegged hopes on the Austrian, and then increasingly on the German presidency of the EU, starting 1 January 2007. The emphasis on reviving the EU Constitution as one of the most important priorities of German Presidency was very much welcomed by Croatian government officials. For example, Croatian chief negotiator on the EU accession of Croatia, Mr Vladimir Drobniak, expects considerable progress in the fight for the EU Constitution during the German presidency of the EU<sup>429</sup>.

German Chancellor, Ms Angela Merkel, is generally viewed by Croatian media as Europe's politically strongest leader, who could be able to provide a kick-start to the Franco-German motor that has driven the EU for decades.<sup>430</sup> After Romano Prodi's victory in Italy, and Merkel's announcement of German presidency priorities in the first half of 2007, different media noted the possibility of a new revival of the European project after French parliamentary elections in Spring 2007<sup>431</sup> - with Germany, France and Italy as a core Europe, jointly taking the lead in advancing necessary institutional reforms and enabling future EU enlargement.

<sup>429</sup> Statement by Vladimir Drobniak on the occasion of the public presentation of Croatian translation of the European Constitution organised by Croatian Academy of Science and Arts, in: Poslovni dnevnik, 09.03.2006.

<sup>430</sup> See for instance Aleksandar Orsic, 'German come back on centre stage', in: Vecernji list, 11.05.2006.

<sup>431</sup> For example, Vecernji List, 14.04.2006.

In addition, the European Commission and its president, Mr Barroso, are also perceived by Croatian media as potential providers of a new impetus for a revival of the EU Constitution. Barroso's hopes for a new institutional settlement before the end of this Commission (in 2009) have been regarded by some Croatian academics and experts as realistic<sup>432</sup>.

## Cyprus

The citizens of the Republic of Cyprus consider themselves pro-European. Judging from media commentaries and academic analyses, there is a general sense in Cypriot public opinion that the EU is marked by two dominant poles: the pro-European pole, led essentially by Germany and France, and the Atlantic pole, which is mainly led by the United Kingdom. During the December 2005 European Council, the Cypriot media and various political and academic elites emphasised Ms Angela Merkel's vital contribution to overcoming the budgetary deadlock and the broader crisis within the EU.

Now considering that the Republic's "political problem" (as it is euphemistically called)<sup>433</sup> is absorbing most of the concerns of most Cypriots, the second half of 2005 was marked by paying primary attention to the role being played by the British presidency of the EU with regard to the Union's responses to Ankara's 29 July declaration that it "does not recognise the Republic of Cyprus". Cypriot political elites, public opinion, and opinion-makers fastened on what was perceived as London's protracted attempt to exculpate Turkey. Of course, the 21 September 2005 "Anti-declaration" which concluded that Turkey's unilateral declaration has no legal effect, and the associated statements by the Council were causes of profound relief for Cyprus. Therefore, there was widespread consensus that London's initial aspiration to tolerate Turkey's "inconceivable behaviour" (in the words of French Premier Dominique de Villepin) was unfair and inimical to both Cypriot interests and the Union's political and legal culture. By implication, London's relevant "leadership" was

<sup>432</sup> Dr. Davorin Rudolf, Poslovni dnevnik, 09.03.2006

<sup>433</sup> "Euphemistically", because both the overwhelming majority of the people and the majority of the political elites concur that the "Cyprus problem" is primarily a legal problem of invasion and occupation. Several UN Security Council Resolutions and the relevant decisions of the European Court of Human Rights outline the legal dimension of the problem. Public opinion in Cyprus expects that EU accession will now familiarize most Europeans with the real nature of the problem.

judged as unfortunate, while the attitude of Paris, Vienna and numerous other capitals was appropriately praised. More generally, therefore, the sense emerged that on such a telling test-case for the Union's values, principles and norms, *even a small member state* like Cyprus, can mobilise full support by like-minded fellow members.

Thus, while the general issue of *EU leadership*, as such, was not seriously addressed in the Republic –where, to be sure, there is a widespread sharing of the sense that *there is* a “democratic deficit”- the Cypriot officials and diplomats that we have interviewed on this issue (i.e. “leadership”) do not perceive the current situation in the Union as involving a relevant “*leadership crisis*”. Rather, they believe that all the EU institutions are equally important in order to secure a unified multicultural Europe. Nevertheless, they stress that, due to the latest enlargement and the structural problems lately faced by the Union, several reforms are needed in EU policies and institutions in order to make the governance of the European polity more efficient and effective.

### Czech Republic

Czech Foreign Minister Cyril Svoboda has described the Czech position as balancing the federalist vision of the German/French engine and the English/Scandinavian focus on economic cooperation.<sup>434</sup> Generally, which actors are considered important for the future of Europe is determined for leading politicians by what vision of Europe they favour. From the perspective of the Czech President, the newly elected Polish President could be an ally in seeking an alternative to the Constitutional Treaty, which they both reject as overly restricting national sovereignty.<sup>435</sup> Prime Minister Jiří Paroubek, on the other hand, rejects the notion of the EU as being in a crisis, but argues for the need to wait for the result of the period of reflection. Clearly, from this point of view the French presidential elections next year will be crucial if the Constitutional Treaty, or a modified version of it, can be saved.

<sup>434</sup> Svoboda, C Rozšíření vneslo do EU svěží vítr, (Enlargement brought fresh air to the EU). 2 May 2006, Lidové noviny

<sup>435</sup> Klaus a Kaczyński pro nový dokument o uspořádání Evropy (Klaus and Kaczyński for a new document on the organisation of Europe). 17 February 2006, Czech News Agency

Some commentators have pointed out the importance of strong European institutions for a small country like the Czech Republic. Both the European Commission and Parliament enjoy a rather high level of confidence among the Czech population.<sup>436</sup> Still, when it comes to the future of the EU most analysts and journalists emphasise the importance of the bigger powers, most notably France, Germany, Great Britain, and sometimes also Italy. That the political leaderships of some of these countries are weakened by domestic concerns is seen as a problem. Angela Merkel is indicated as a possible solution: She received generally favourable comments after her intervention in the budget negotiations.<sup>437</sup> The Finnish ratification of the Constitutional Treaty received rather little attention in the Czech media, even though the country is next in line for EU presidency. This may reflect the lack of any widespread beliefs that the Finnish presidency can make a difference in such fundamental questions of the EU's future.

### Denmark

The Danish Government has stressed that just as Denmark was widely expected to take on assume a special responsibility after the Danish no to the Maastricht Treaty in 1992, the French and Dutch Governments ought to present some their ideas on how they believe the EU can move on forward after the double no<sup>438</sup>. The Danish referendum is postponed and there is no chance that a referendum on the Constitutional Treaty will be carried out as long as there is no French and Dutch response to their referenda.

In the public debate, German chancellor Angela Merkel and the upcoming German presidency in spring 2007 have been widely

<sup>436</sup> 56 and 53 percent which is slightly above EU average, Eurobarometr 64 Podzim 2005 národní zpráva Česká republika (Eurobarometer 64 – National Report Czech Republic), [http://ec.europa.eu/public\\_opinion/archives/eb/eb64/eb64\\_cs\\_nat.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb64/eb64_cs_nat.pdf)

<sup>437</sup> See for instance Černý, A. Angela Merkelová zářila na summitu Evropské unie (Angela Merkel Shined at the Summit of the European Union), 21 December 2005, <http://www.rozhlas.cz/evropskaunie/komentare/zprava/211804>

<sup>438</sup> Fogh Rasmussen, Anders (2005), “EU i arbejdstøjet”, Feature article, Politiken, September 27th, and Fogh Rasmussen, Andres (2006) Speech by Prime Minister Anders Fogh Rasmussen at the Europa Conference 2006 in Frederiksdal, on May 19, 2006, <http://www.stm.dk/Index/dokumenter.asp?o=2&n=0&d=2600&s=1#> (located on 30 May 2006)



seen as the place to look for leadership at the moment<sup>439</sup>.

MP Svend Auken, EU-spokesman for the Social Democrats, stated on March 3<sup>rd</sup> that, in spite of the constitutional crisis, the EU is still a dynamic entity<sup>440</sup>. He seemed to express a general attitude in Denmark when pointing to several actors that are already playing a leading role today. First, he mentioned Germany and especially its new leader, Angela Merkel. Second, he mentioned the new member states, which showed their dynamism under last year's budget negotiations. Finally, he also mentioned the European Parliament, which plays an increasing role in the European decision-making process. All these actors provide for an impression of a capable and dynamic EU. Auken drew a picture of an EU with several engines all promoting a forward-looking Union on its way out of the crisis.

## Estonia

In answering this question, I would first argue that both the politicians and the publics in Estonia perceive the EU's recent crisis as something that happened „elsewhere” and has to be solved „elsewhere” (these words are, of course, not used in official statements). Recognising its limited opportunities to influence economic, political and social conditions in old member states (which were largely responsible for the crisis), Estonia has been, not surprisingly, primarily concerned with playing its own part „right”. The decision to ratify the Constitutional treaty, as well as unwaivering support for further deepening and enlargement are meant to signal Estonia's pro-European attitude and present it as a reliable, cooperative partner. There has not been much discussion about who should take leadership in solving the current situation – partly because in the European multi-level system of governance, it is difficult to assign responsibility for outcomes to just a few actors.

<sup>439</sup> E.g. Erik Boel, president of the Danish European Movement sees Angela Merkel as the one to kick start the EU in an interview with the Confederation of Danish Industries. See: <http://www.di.dk/Opinion/Debat/EU/Nyt+om+EU/DI+DIREKTE+Fortsat+skyttegravskrig+om+EU.htm?>

<sup>440</sup> Auken, Svend (2006): „Ny fremdrift i EU kræver dansk nytænkning”, Feature article, Berlingske Tidende, March 3. The article has been translated into English and published as „New drive in European cooperation requires new thinking”, i EUObserver on March 22nd and can be found at <http://euobserver.com/?aid=21198&rk=1> (site last visited on 23 March 2006).

Yet, it is possible to make some assertions about prevalent positions in Estonia. First, there is the perception that the crisis is largely caused by the old member states (which routinely blame enlargement for the current troubles).<sup>441</sup> Politicians and analysts emphasize that enlargement has been a success, citing relevant studies and reports, and express concern that the message seems to have gotten lost in many old member states. Second, the Estonian government has repeatedly claimed that during the reflection period, the focus should be on national debates and decisions. Countries should proceed with ratification – once it becomes evident, who is in favor and who is opposed, it will be possible to decide the future of the treaty. Third, the EU presidency is regarded as an important actor. As evident from the Foreign Minister's speeches, Estonia expects greater achievements under the Finnish presidency (compared to Austria and UK where domestic opinion on deepening and enlargement is not favorable).<sup>442</sup> Fourth, the Commission has an important role to play - especially with regard to communication and „connecting with the citizens.” However, elements of the Commission's new communication strategy were ridiculed in some newspaper articles, although no one here seems to be able to offer a better recipe for generating interest and support among the public.

## Finland

The leadership problems in France, Italy and the UK have been widely discussed in the Finnish media. Domestic problems of the French President Jacques Chirac and the British Prime Minister Tony Blair have been noted with concern in Finland, as the two leaders are therefore less committed to the EU. The new Italian Prime Minister Romano Prodi received a warm welcome by the press and public, since his predecessor Mr Silvio Berlusconi was never a popular figure in Finland. This was partly due to his odd remarks on the dreadfulness of Finnish food, which Mr Berlusconi presented as an argument against locating the EU's Food Safety Agency in Finland, and claims that he had seduced President Halonen at an EU summit. Prime Minister Prodi and the German Chancellor Angela Merkel are longed to bring a new spirit of cooperation and readiness to make concessions to EU decision-making. This is

<sup>441</sup> See also the Estonian report in EU-25 Watch No 2.

<sup>442</sup> See footnotes 90 and 91.

considered particularly important for the smaller member states.

The discussion on European leadership problems has focused on the leaders of the major EU powers, not on the EU institutions. The poor economic performance in several old member states is at least as serious a concern for the Finns as the leadership problems. Furthermore, the excessive influence of large member states in EU decision-making at the cost of the smaller states has been a continuous concern of both the Finnish elites and public. The EVA survey shows that nearly nine out of ten (88%) Finns regard the influence of the bigger member states too overwhelming. Almost the same number (86 %) see the complexity, ineffectiveness and uncertainty of EU decision-making as problematic.<sup>443</sup>

The Finnish political leaders rarely step out against the leaders of major EU states on European matters. However, Prime Minister Vanhanen did express his disagreement with Chancellor Merkel on the question of defining the EU's borders when the two leaders met on 9 May in Berlin. Contrary to Mrs Merkel's call for fixing the EU's borders, Mr Vanhanen stated that "Every European state has the right to join in, if the criteria are met." The disagreement over the prospect of enlargement has particular significance since after Finland Germany will take over the EU Presidency.<sup>444</sup>

## France

The general view in France is that Europe lacks leadership. There were hopes in some areas of public opinion that Tony Blair might use the British presidency to create a new dynamic, but these were soon to be disappointed. No other leader enjoys significant credibility in France.

Angela Merkel has been praised by some for her capacity to engage important reforms. Germany has been regarded with envious eyes, as many French consider their country "irréformable" (not reformable). The content of the reforms, however, particularly on health insurance and taxes have been criticized in France, even by the right. Right-wing politicians know that, as the French elections get closer, they cannot frighten the French with

the prospect of a sweeping questioning of the "French model". Even Nicolas Sarkozy, the leader of the UMP (the main right-wing party) and highly probable candidate, had to back-pedal on his promises of "rupture". The decision of the German government to lower corporate taxes in 2008 has been met with a large disapproval in France. It is generally considered to take Europe down the road of "fiscal dumping", which the French fear more than anything else.

José Manuel Barroso is not popular in France and is regarded as an excessively liberal leader. The Commission itself is always referred to with suspicion, and the fact that France now has only one Commissioner only makes things worse. Only 44% of the French say they have confidence in the Commission, against 50% for the European Parliament<sup>445</sup>. On its face, the Parliament is the only institution which most people would like to play a more important role.

The European Central Bank is regarded as the symbol of the kind of policies that the French reject. The Bank is criticized on all parts for not taking into account the objectives of economic growth and employment. The fact that the Bank is chaired by a Frenchman – Jean-Claude Trichet – makes absolutely no difference. Mr. Trichet – a former Governor of the French Central Bank – was quite unpopular before he left his previous job.

It would be fair to say that, in the eyes of French public opinion, only the French President could be a credible leader for the Union.

## Germany

Missing leadership and weak leaders in key member states are often considered part of the problem of the state of the European Union today. Key partners of the German government in shaping European policies and bringing forward European integration are facing a series of domestic political problems and constraints.<sup>446</sup> Political commentators refer to France which is closely and regularly monitored by the media and also by the

<sup>445</sup> Eurobarometer n°65, spring 2006.

<sup>446</sup> Cf. Michael Scheerer 2006: Der verlorene Kompass, in: HANDELSBLATT-online, Montag, 29.05.06, available at: [http://www.handelsblatt.com/Wissenschaft-Debatte/Kommentar/pshb/fn/rehbi/sfn/buildhbi/cn/GoArt!2\\_04047,204051,1085513/SH/0/depot/0/der-verlorene-kompass.html](http://www.handelsblatt.com/Wissenschaft-Debatte/Kommentar/pshb/fn/rehbi/sfn/buildhbi/cn/GoArt!2_04047,204051,1085513/SH/0/depot/0/der-verlorene-kompass.html) (last access: 03.07.06).

<sup>443</sup> EVA 2006, pp. 37-38

<sup>444</sup> Helsingin Sanomat, 10.5.2006

political elites in the run-up to the presidential and parliamentary elections scheduled for May/June 2007. Prime Minister Blair is seen in a weakened position because of the shadow of his expected resignation in the course of his five-year term.<sup>447</sup> Moreover, he is criticised for not delivering in key areas, namely in bringing Britain closer to the heart of the European Union, which would mean joining the Euro and also the Schengen zone.

As far as France and the UK are concerned, there is little hope that changes in leadership of the two governments will automatically bring about fundamental change. However, a more favourable constellation in leadership would improve the overall context of policy-making in the European Union. The Prodi government in Rome is expected to be more reliable and pro European so that "Italy will resume its traditional role" as confirmed by Prodi.<sup>448</sup> Notwithstanding the sympathy for Prodi, he is not regarded as a vigorous leader, also due to internal tensions in his coalition government. Still, Italy together with Hungary, Spain as well as the Nordic countries, Finland in particular, are important partners for Germany in EU politics.

Moreover, the German government pays a lot of attention to developments in Poland. It tries to win Poland over for a more constructive and pro European stance. As chancellor-designate, Merkel has already reassured the new Polish government: "Strong German-Polish relations, just like excellent German-French relations, are in the highest interest of the state. Therefore, I will do everything to foster these relations while leading an intensive dialog with the new EU-states. The importance of German-Polish relations is without question."<sup>449</sup> At the same time, the German government and also State President Köhler are trying to diffuse concerns inside the new and still shaky Polish government vis-à-vis Germany, namely those that are based on misperceptions ("Rapallo fear") and over-interpretations – "Let us speak to each other, not over each other!

<sup>447</sup> Cf. Gina Thomas: Labour hat noch viel zu tun, in: Frankfurter Allgemeine Zeitung, 09.05.06, Nr. 107, p. 3.

<sup>448</sup> "Romano Prodi says 'Italy will resume its traditional role' in pushing European project forward", in: Carsten Volkery: Merkel und Prodi versprechen Führung, Spiegel-ONLINE, 14.06.06, available at: <http://www.spiegel.de/politik/ausland/0,1518,421475,00.htm> (last access: 03.07.06).

<sup>449</sup> Interview with Angela Merkel, in: HANDELSBLATT, 27.10.05, p. 4.

Only then can a deeper friendship grow."<sup>450</sup> Cases in point are bilateral issues and legacies of the past like the policy of the "Vertriebenenverbände" (Association of Displaced Persons), the recent controversy surrounding the gas pipeline and Germany's relationship with Russia under Putin. On this background the German government emphasizes the importance of smaller EU member states for the functioning and cohesion of the EU. With a critical side sweep at the red-green government, the Christian Democrats of the Merkel government claim more respectful treatment of these countries: They should be consulted more directly and intensively and should more often, also informally, be "invited" to shape joint approaches to EU affairs.<sup>451</sup>

Coalition building in the enlarged EU is still in flux. Natural allies are "friends of the Constitution" countries. However, the German government feels that it cannot force partners like France into taking specific stances, e.g. on the EU constitution, now. All in all, the government is trying to win support for its positions and ideas by engaging more intensively in bi- and multilateral diplomacy and in direct communication with EU partners. This is important beyond the challenge of the constitution.<sup>452</sup>

While the government and political elite is more neutral, the media portrays the European Commission and in particular its president Barroso as weak. Also, gatherings of the European Council and Council meetings do not raise the profile and are not seen at all as institutions that take the lead.<sup>453</sup> A lot of credit was given to the European Parliament for blocking or reversing the content of the service directive. It is also hailed as being the first institution to be addressed by the wider public in the EU and thus owes democratic legitimacy of the EU.<sup>454</sup>

<sup>450</sup> Speech by Federal President Horst Köhler at the closing event of the "German-Polish Year" in Warsaw, 18.05.06 p. 2.

<sup>451</sup> "Angela Merkel says Germany wants interests of small countries to be taken into account without neglecting big countries –", in: Agence Europe No. 9095, 22.12.05, p.3.

<sup>452</sup> „Germany will try to revive European Constitution in 2007“, in: George Parker, Raphael Minder and Martin Arnold in: Financial Times, 24.11.05, p. 5.

<sup>453</sup> Cf. government statement on European policy by Ms Merkel in the German Bundestag, 11 May, 2006, available at: <http://dip.bundestag.de/btp/16/16035.pdf> (last access: 03.07.06), p.2894

<sup>454</sup> Cf. „EU-Parlament entschärft Dienstleistungsrichtlinie“, FAZ.net, 16.02.06, available at: <http://www.faz.net/s/Rub99C3EECA60D84C08AD6B3E60C4EA807F/Doc~E09A4BFA71F6249F48D014C486527D8>

All in all, parts of the media claim a more proactive role for Chancellor Merkel to become the leader of Europe.<sup>455</sup> Others point out that leadership cannot be exerted by one country alone.<sup>456</sup> However, there is a general awareness that Germany can make a difference in the functioning and impact of the EU. The prevailing assessment among the elites in Germany argues that it is fully in line with German interests to play a constructive and proactive role in the European Union – that is to raise the profile of Germany’s European politics.<sup>457</sup> Huge expectations from other member states that Germany and Chancellor Merkel in particular will play a leadership role comparable to Kohl’s role are played down.<sup>458</sup> Not only because of calculated pessimism but also because times have changed. Due to her personality she will not become the assertive Schroeder-type of Chancellor, but rather adopt a more conciliatory style combined with toughness in negotiations in the EU-arena. She is however closer to Schroeder in her pragmatic, policy-led approach, which contains only mosaic-like beliefs about European integration. This does not provide the glue that Chancellor Kohl’s historical outlook and approach did, at least at times. However, Merkel is searching for a clue to reinvigorate the EU in the medium term: “I think this regards no more and no less that we should add to the historical justification of the European Union another, new justification.”<sup>459</sup> She works together with a team of top senior officials (and some MEPs/ MPs), many of them with the Brussels’ background that Merkel lacks. She seems to listen to them as advisers on EU-issues, in particular with regard to preparing for the German presidency.

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[8A~ATpl~Ecommon~Scontent.html](#) (last access: 13.06.06).

<sup>455</sup> Cf. Christoph B. Schiltz: Lähmung in Europas Hauptstädten: Deutschlands Chance, in: DIE WELT, 12.04.06, p. 36.

<sup>456</sup> Cf. commentary by Andreas Rinke: Orientierung für Europa, in: HANDELSBLATT, 24.05.05.

<sup>457</sup> Cf. government statement on European policy by Ms Merkel, p.2894.

<sup>458</sup> Cf. Johannes Leithäuser: Berlin dämpft Erwartungen an die deutsche Ratspräsidentschaft, in: FAZ.net, 15.06.06, available at:

<http://www.faz.net/s/Rub99C3EECA60D84C08AD6B3E60C4EA807F/Doc~E3D83C4AEB9BF4020B372387CD4C47DB0~ATpl~Ecommon~Scontent.html> (last access:

03.07.06).

<sup>459</sup> Government statement on European policy by Chancellor Angela Merkel, p. 2890.

## Greece

There is much debate in Greece about the lack of leadership/the lack of direction in things European after the double “No” to the Draft Constitution. Several political figures have written (and publicly presented and mediated) books which integrate an important European dimension. It is worth citing, among them, former Prime Minister C. Simitis’ *“Politics for a creative Greece, 1996-2004”*, which extols the virtues of European integration and the contribution of the (then) Greek leadership, as compared to its latter-day configuration. Emphasis is put on the missed opportunity of the Draft Constitution, as well as on the after-effects of the EU-25 split over Iraq. Former Foreign Minister T. Giannitsis’ *“Greece and the future: Pragmatism and Illusions”* followed along the same lines, with its emphasis of the impact of EMU and monetary integration. More recently ex-Commissioner Anna Diamantopoulou’s *“Smart Greece”* attempts to indicate the path for Greece in a Lisbon Agenda direction. In all such approaches, there is an evident nostalgia for the earlier period, with references to French/Chirac and German/Schroeder leadership (as implicitly opposed to the situation prevailing today). Guy Verhofstadt’s *“The United States of Europe”* has been also presented, in Greek translation, both by the author himself and in an academic and media setting. With a preface by Prime Minister C. Karamanlis and a postface by Foreign Minister D. Bakoyanni Verhofstadt’s book has also created ripples – mainly because of the construct of a hard core United States of Europe and of a looser Organisation of European States. This opens the perspective of Greece having to prove again its eligibility for the inner circle.

In all such contexts earlier periods and the leaders that embodied them (J. Delors is a quasi-legendary figure in Greece) are seen as lost paradise while the free fall of French and (increasingly) British leaders is a matter of concern, along with the perceived decline in stature of “Brussels”. Lately, the emergence of Angela Merkel is noted – but only with vague expectation for a future guiding role in EU matters.

## Hungary

In the Hungarian view<sup>460</sup> Europe's future should be shaped by all Member States and EU institutions together. This is why during the debates in the European Convention Hungary was against the establishment of the office of an EU President. It is highly important – according to all parliamentary forces in Hungary – that during its six-month presidency, every Member State has a chance to give impetus to European integration (in other words to both deepening and widening). In parallel, Hungary prefers a strong European Commission empowered with the widest possible rights of initiative, including strategic ideas. Furthermore, Hungary supports the strengthening of the European Parliament – the institution enjoying the highest trust among EU citizens. Moreover, Hungary is in general against introducing enhanced cooperation in different policy areas, and prefers to build Europe together.

Having said all that, the general approach in Hungary is not really to look for one strategic “leader” but rather to look for strategic ideas (which could come from any institution, small or large Member States, or indeed from one person in a key position). But preceding that, the most urgent step would be (especially after the two negative referenda on the Constitutional Treaty) to re-gain the trust of EU citizens, because without them no ideas can get through and any leadership is useless however attractive and promising. As Ms Angela Merkel, chancellor of Germany pointed out lately, the task is to find a new reason for the EU's existence. According to her, the citizens must first be persuaded that the EU is working for them by providing jobs and security, economic prosperity and greater social wealth.

## Ireland

There is a debate in Ireland on the crisis of leadership and considerable concern at the perceived diminution in the role and influence of the Commission. The view here is that there are limits to what any EU Presidency can achieve in the absence of political will among the Member States. On the whole, Member States do not seem to have got over the shock of the French and Dutch referenda. Amongst the larger member states: there seems to be

stasis in France; the internal political situation in the UK suggests that there is no leadership attempt coming from the UK; the Spanish government seems to be preoccupied with restructuring; the new government in Italy is still finding its feet; Poland, the largest of the new member states is still coming to terms with the change of government. Chancellor Merkel seems, at the moment to be the only Head of Government capable of strong leadership. It would need an unusual degree of consultation amongst the smaller member states to make it possible for Rasmussen, Verhofstadt or Schüssel to play the leadership role of which each seems capable.

## Italy

The crisis of the Treaty was definitely interpreted also as a crisis of leadership by many leaders and commentators. The need for a new generation of strong European leaders is deeply felt, but at the moment it is difficult to say who could play a leading role in the relaunch of the integration process. The European Commission is not considered able to play such a role. Much depends also on who will win the French and Dutch elections in 2007; France has always had a pivotal role in Europe, and it is hard to imagine an EU relaunch without France's involvement. For this reason, the hopes placed in the semester of German presidency, raised by Chancellor Angela Merkel's declarations about “Europe's re-foundation”, slowly cooled down.

The Italian government, nevertheless, aims at exercising a propelling role itself. After all, it includes some well-known pro-European personalities; from the ex-President of the Commission Romano Prodi to the former European Convention vice-president Giuliano Amato, and from the former European Central Bank vice-president Tommaso Padoa-Schioppa to the ex-Commissioner Emma Bonino. According to Prime Minister Prodi, the relaunch of EU integration could start with a combined action of the Euro group countries; Germany, Belgium, Spain, Italy, etc. Those countries, and all the other countries willing to contribute, could take the initiative and resume the journey towards a common goal. Prodi particularly counts on Germany which, he declared, is the only country able, at the

<sup>460</sup> Information based on opinions of Hungarian diplomats and experts.

moment, to undertake a strong initiative to relaunch integration<sup>461</sup>.

## Latvia

Most Latvians are not very well informed about the leading personalities or the structures of the EU. They would tend to recognise the names of Javier Solana, José Manuel Barroso and Andris Piebalgs and identify them correctly by title, but recognition of an EU official by name is not always a sure sign of his popularity. There is some knowledge about the principal EU institutions but much less awareness of how they function and relate with each other. People tend to perceive the EU as a community of nations and tend to believe that the largest and most powerful EU states and, therefore, also their leaders play the leading role in the Union.

For diplomatic reasons, most Latvian politicians refrain from naming EU leaders or countries that they favour over others. Nonetheless, Germany's Chancellor Angela Merkel appears to be held in high regard by a number of Latvian political observers, including Atis Lejins, Director of the Latvian Institute of International Affairs.<sup>462</sup>

As is noted in the newly approved Foreign Policy Guidelines for 2006-2010, it is important for Latvia that international organisations exist, develop and adapt to the changes of the contemporary world.

We should, however, take into account, that international organisations can sometimes make decisions that contradict Latvia's national interests. Therefore it is important that Latvia has [...] made preliminary preparations and gained [...] allies. [...] In order to achieve its policy objective of having more impact on the international stage, Latvia plans to strengthen bilateral relations with other countries and make maximum use of international institutions and organisations.<sup>463</sup>

Considerable hope is being placed in the Finnish and German presidencies of the EU.

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<sup>461</sup> Interview with Romano Prodi, "*Le grandi scelte per un governo di centrosinistra*", Italianieuropei, January/February 2006

<sup>462</sup> This was clear from the soon to be published proceedings of the German-Baltic Dialogue that took place at the Stiftung Wissenschaft und Politik in Berlin on 18 and 19 May 2006.

<sup>463</sup> For the full text, see <http://www.mfa.gov.lv/lv/Arpolitika/pamatnostadnes/>.

This is evident from the frequent contacts between the leaders and officials of Latvia, on the one hand, and their counterparts in Finland and Germany; it is also evident from the continuing, active participation of Latvia in the Baltic Sea regional organisations and its support for projects and initiatives, such as the Northern Dimension.

## Lithuania

The question which actors could play a leading role in the EU does not attract much attention in Lithuania. A comprehensive contribution on this question has been made by the European Parliament member elected in Lithuania, Justas Vincas Paleckis. Speaking in a discussion about EU enlargement he stated that the lack of leadership in the EU is a crucial issue. He declared that there are no strong leaders who would favour deepening EU integration and who would use their authority for the indicated purpose in any EU member state as it was during the times of Helmut Kohl and François Mitterand. He emphasized that the Europroject was indeed fantastic but it was implemented just because of the fact that the leaders of France and Germany were not afraid to take a risk and they had authority. He admitted that nowadays we have leaders with authority, for example, Tony Blair, but he does not want to take a risk. Justas Vincas Paleckis indicated that Angela Merkel might gain some authority and possibly contribute to this, but that is all, and therefore we have to wait for the elections. What concerns the other contributions, it is also stated by the Lithuanian Foreign Affairs ministry that Lithuania has an interest in having a strong European Commission<sup>464</sup>.

## Luxembourg

Jean-Claude Juncker defines the role of small and large countries in the European Union in his Charlemagne speech. He says he doesn't like the existing debate concerning small and large member states, and he knows very well where his place is. He understands the needs of his own countrymen, as he is permanently in contact with them. Maybe German chancellors,

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<sup>464</sup> Užsienio reikalų ministras Briuselyje susitiko su ES prekybos ministrais ir Belgijos užsienio reikalų ministru [Foreign Affairs Minister met the EU trade ministers and Belgian Foreign Affairs Minister in Brussels], Lithuanian Foreign Affairs Ministry press release, July 19, 2005, <http://www.urm.lt/index.php?329235876>.

French presidents and Spanish Prime Ministers have lost these contacts (and have lost elections or referendums in their countries...). Small countries must not ignore their size but on very rare occasions they are tempted to forget it. Sometimes they pop up to be seen. However, the big ones must learn that they can move absolutely nothing in the European Union by excluding the smaller ones<sup>465</sup>.

Generally speaking, Jean-Claude Juncker's attitude in the 2004 Luxembourg elections when he refused to accept the job of Commission President, his role during the Luxembourg presidency and his position during the referendum campaign give him a paramount position among Luxembourg politicians. His popularity in Luxembourg is still above 90% as most recent polls reveal. Even in Germany his popularity and reputation surpass the importance he has as the Prime Minister of a country of 400,000 people. Some German news media speculate that he might be taken into consideration when the European Council's permanent president is chosen.<sup>466</sup>

## Malta

The new German chancellor Angela Merkel is widely seen as a driving force in the EU. Her influential role at the summit that brought to a close the British Presidency in December 2005 and her continuous presence at key European meetings have boosted her image among civil society. This has led to high expectations emerging in anticipation of the German Presidency of the EU in 2007.

EU Commissioner Franco Frattini is also regarded as an important player in EU affairs because of the direct role he is playing when it comes to promoting Malta's number one security challenge, that of illegal migration.

In the past few years a dramatic increase of 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.

Realising that such a dramatic increase in illegal immigration is quickly becoming a major source of instability in international relations, Malta has started to implement a comprehensive foreign policy strategy to raise awareness and also take the necessary action to deal more effectively with this new form of human slavery that dominates contemporary Euro-Mediterranean relations.

Malta's strategy to deal with the issue of illegal immigration in a more comprehensive manner also includes a long-term perspective with the mapping out of an international agenda which includes the holding of international conferences on this issue. The Euro-Mediterranean Partnership is already committed to organising an international conference on this issue in 2007 and this will be another occasion to further elaborate upon an international policy mechanism that will seek to reduce the negative dimension of human trafficking.

## Netherlands

When it comes to the crisis of leadership in the EU, the Dutch government seems to be more inward looking instead of looking for potential leaders in Europe to overcome this crisis. It might be too early to look for leaders since the government is in the middle of the process of understanding the implications of the no vote in the referendum. When government officials like the Minister for European Affairs Mr. Atzo Nicolaï refer to leadership, it is to the lack of leadership in the Netherlands itself that has caused people not to trust Europe. And in his opinion true leadership requires listening to the people.<sup>467</sup> As a consequence the Minister of Foreign Affairs Mr. Bot has stated to the European partners that the government will listen to the Dutch people, and as a consequence, consider the Constitution to be dead. This statement was wiped off the table in the debates in the European Parliament on revitalising the European Constitution and possibly extending the period of reflection. The Netherlands was accused of isolating itself and

<sup>465</sup> Juncker, Rede als Karlpreisträger.

<sup>466</sup> Ibidem.

<sup>467</sup> Atzo Nicolaï Minister for European Affairs, 'Luisteren gaat hand in hand met leiderschap', Volkskrant, 17/03/06.

not taking into account the fact that fourteen member states had already ratified the constitutional treaty. The more pragmatic stance of France on the matter contributed to the 'Alleingang' of the Netherlands in this respect. The Dutch MEPs of both government and opposition parties defended their position of not revitalising the European Constitution, but focusing instead on the underlying problems in the reflection period.<sup>468</sup>

Although the position of the government that the constitution is dead is widely supported among political parties and has broad support in society, some academics and journalists have a more critical stance. They warn of the consequences of this stance for the position of the Netherlands in the European Union. A former correspondent to Brussels speaks about an unnecessary isolation and blames the government for not participating in the debate on the future of Europe. The more pragmatic stance of France on the future of the constitution is praised in this respect and the government is urged to take a stance soon.<sup>469</sup> One academic signals that the Netherlands is no longer at the forefront of European integration, but is rather at the rear with Denmark and Great Britain. He finds this a worrying tendency and advocates a strategy to bring the Netherlands back to the heart of European integration and urges the government to change its wait-and-see attitude. Waiting for the parliamentary elections in 2007 might be too late in his opinion. If the government continues on its way, he expects Germany, Spain and Poland to become the main fore fighters and Belgium together with the Central European member states the smaller fore fighters of European integration. Looking at France and Italy he expects these countries, just like the Netherlands, not to take position before 2007.<sup>470</sup> Professor Jan Rood of the Clingendael Institute is also critical of the position of the Dutch government on the constitution related to the debate on the future of the Union. He criticises the government for not taking seriously the concerns of European partners on the Dutch position and for lacking efforts to use the reflection period properly. He points out that the Dutch government should not close their eyes to the fact that other EU member states will continue the debate on the

constitutional treaty as essential to the future of the Union. He points to Angela Merkel in Germany, French politicians and the European Parliament as leading parties in taking the debate further. In his opinion this situation makes it obvious that the Netherlands can no longer hide itself behind the statement that the constitution is dead and will need to get involved before losing its position and its credibility in Europe.<sup>471</sup>

## Poland

No country or institution is perceived as an effective leader of the EU. The Franco-German tandem is often referred to as a locomotive of European integration, but French troubles with immigrants and an overdeveloped social policy defended by the people who prevent any reforms as well as the poor dynamism of the German economy resulted in the creation of the image of a "locomotive that is out of order". The general image is that political power and ambitions are situated in the core Europe (France and Germany) while healthy economies with dynamic development and young populations are on the periphery (Ireland, United Kingdom, Scandinavia, new members). It is worth mentioning that the Nice Treaty is still perceived as an appropriate tool for the current stage of European integration.

## Portugal

In the aftermath of the rejection of the Constitutional Treaty in France and in the Netherlands, leadership (or lack thereof) is often presented by analysts as a key explanation for the current crisis. Portugal is no exception, with most commentators considering that without a new breed of political leaders capable of putting forward and implementing a clear reform agenda, it will be very difficult to overcome the present stalemate.<sup>472</sup> However, prospects in the short/medium terms are not exactly very promising. A simple look at Europe today shows that in key countries (such as France, Germany, even the United Kingdom and Spain) electorates are split in half, which in some cases means governments have a rather weak mandate and opt for consensual

<sup>468</sup> Bert Lanting, 'Nederlanders staan vrij eenzaam aan de kant', Volkskrant, 19/01/06.

<sup>469</sup> Ben van der Velden, 'Nederland isoleert zich onnodig in Europa', NRC, 2/02/06.

<sup>470</sup> Prof. Ben Hoetjes, 'Europa verder met Nederland', Staatscourant, 15-5-06.

<sup>471</sup> Prof. Jan Rood, 'Is de Europese Grondwet dood?', Staatscourant, 30-01-06.

<sup>472</sup> Silva, Vicente Jorge, "A Europa antes dos Europeus" in Diário de Notícias, 10 May 2006.



solutions instead of bold new proposals.<sup>473</sup> The absence of any serious and decisive initiatives during the reflection period is a good indicator of this state of affairs.

Comments on the leadership problem in Europe tend to focus on France and Germany. The old “Franco-German axis” is described as a shadow of what it used to be, but still irreplaceable, since there is no alternative leadership in sight.<sup>474</sup> Not surprisingly, changes in the political landscape of both countries are often presented as a necessary step to revitalise the European project.

German elections in the fall of 2005 were perceived by most as a positive factor for EU politics, confirmed by Chancellor Merkel’s visits to Brussels, Paris and London right after coming into office, or her decisive role in the 2007-2013 financial perspective agreement.<sup>475</sup> Merkel is seen as having the required willpower to play a crucial role in such uncertain times, especially considering the upcoming German presidency of the EU. The new Chancellor is also perceived as having a much more conciliatory attitude than her predecessor, a quality that may prove useful for mending the bruises in the transatlantic relation. However, the grand coalition, because of its “least common denominator” *modus operandi*, may find itself incapable of taking a clear role on the European stage.<sup>476</sup>

France is perceived as a more complex case: on the one hand, there seems to exist a widespread distrust in its political elite (often presented as an explanation for the rejection of the European Constitution); on the other hand, governmental attempts to introduce social and economic reforms seem always doomed to fail, with obvious repercussions for European politics. In fact, some commentators see the French crisis as part of the European crisis, since most of the issues raised in the French political debate are present, even if not in such violent terms, in other debates.<sup>477</sup> The 2007 French Presidency elections are widely considered as a decisive event for a renewal of

French leadership in Europe, as well as for the revival of the Franco-German axis, even if at the moment it is unclear what kind of difference the main (still potential) candidates would make. According to commentator Teresa de Sousa, the upcoming elections will be a vital opportunity for a renewal of the French political class and she sees Socialist would-be candidate Ségolène Royal as the one capable of making a real difference, especially vis-à-vis the traditional positions of the Socialist Party.<sup>478</sup>

Positions on other European leaders also tend to be rather negative, including British Prime Minister Tony Blair, who tried during his Presidency to steer a debate on Europe’s social model but did not manage to have the necessary impact next to his counterparts. Finally, it is no surprise that there is today in the Portuguese media and among political analysts a considerable coverage of the European Commission, namely of President José Manuel Durão Barroso. Barroso is often associated with the leadership crisis, unable to recapture the leading role of the Commission. He is particularly criticised for his unwillingness to play an active role in the Constitutional debate and his preference for focusing exclusively on pragmatic questions. According to Socialist MEP Ana Gomes, Durão Barroso has repeatedly shown that the Commission does not have the “strategic vision” to handle the current Constitutional debate.<sup>479</sup> Others have a more nuanced view of Barroso’s performance, but expectations are quite low in relation to the Commission’s ability to have a strong say over the big issues that European leaders will have to face in the coming months.

## Romania

The difficulties the European Union faced in the last year have been associated in Romania, as well as at the European level, with a crisis generated by the absence of guiding marks, principles, lack of coordination and political will of the European leaders.

The solutions to overcome that deadlock – originating with European officials, Community institutions or some Member States – preoccupied academic and research circles rather than Romanian public opinion.

<sup>473</sup> Meireles, Luísa, “O mensageiro importa” in *Expresso Online*, 10 May 2006.

<sup>474</sup> Leitão, Nicolau Andersen, “Bucha e Estica na União Europeia” in *Público*, 4 April 2006.

<sup>475</sup> Sousa, Teresa de, “Freitas do Amaral, a Europa e a Pérfida Albion” in *Público*, 28 October 2005.

<sup>476</sup> Opinions collected at a meeting on the new German government, organised by the Institute for Strategic and International Studies on 21 February 2006.

<sup>477</sup> This opinion was expressed at a meeting on the Constitutional Treaty organised by the Spanish Embassy in Lisbon on 3 April 2006.

<sup>478</sup> Sousa, Teresa de, “Ségolène” in *Público*, 25 April 2006.

<sup>479</sup> *Op. cit.*

However, following the experience achieved during the accession negotiations, it was pretty obvious that a collective perception formed regarding the supremacy of the European Commission at the level of Community institutions<sup>480</sup>. Also noting the recent consolidation of the European Parliament, Leonard Orban adds that the large Member States (Germany, France, UK) played a particular role at the Council level through the powerful voice they have in the decision-making process.

There are also opinions emphasising the essential role of the great visionary "voices", the elites of the European project, from the very beginning of the European project: "After Schuman, Monet, Kohl, Europe lacks such personalities, but our expectations turn towards figures such as Angela Merkel and, perhaps, Nicolas Sarkozy."<sup>481</sup>

As regards the role of the Presidency, the first half of 2007 will be granted a particular attention, as Germany will take over the Presidency. The messages and promises of Chancellor Merkel already generate some expectations related to the revival of the European institutional and constitutional reform.

## Slovakia

Given that Slovakia is a relatively new member state it is rather difficult to identify actors who are seen as playing leading role in the EU. There has not been any real debate on the 'leadership' question in the Union. Yet, given the thrust of the Prime Minister Dzurinda's coalition government on the execution of major economic and social reforms, one can discern a tendency to associate leadership in the EU with countries and institutions that promote change and reforms. Hence, it was only natural when last year Prime Minister Dzurinda expressed disappointment about the results of the French referendum on the EU Constitution given that "France, for decades one of the main motors of European cooperation, became the first country to reject the constitutional treaty."<sup>482</sup> Clearly, current France is not seen as a leader in the EU.

<sup>480</sup> "The Commission has a very important role as the guardian of the EU Treaties", cf. interview with Leonard Orban, Secretary of State, Ministry of European Integration).

<sup>481</sup> Interview with Dr. Nicolae Idu, director general, European Institute of Romania.

<sup>482</sup> See [www.euractiv.sk](http://www.euractiv.sk)

In the course of debates on the future EU financial perspective for 2007-2013, the Slovak Republic sought leadership together with other new member states in the British presidency. On 30 August 2005, at a joint meeting of Visegrad Four (V4) countries' prime ministers with EU Commission Chairman José Manuel Barroso, the four national leaders urged Great Britain and other EU member states to adopt the EU budget outline for 2007 – 2013 before the end of 2005. Otherwise, V4 premiers argued, the Union would not only complicate the process of drawing financial assistance from its funds but also slow down its future development and negatively influence its competitiveness (*Sme* daily, 31 August 2005).

Slovakia acknowledged that reaching the agreement on the EU budget was by no means easy and applauded the important role played by played by Germany's new Chancellor Angela Merkel who convinced Polish Prime Minister Kazimierz Marcinkiewicz by proposing a symbolic increase in Poland's budgetary income from funds originally earmarked for the development of East German regions. Hence, in this instance Germany was seen as playing a leading role in securing a long-term deal on EU financing.

## Slovenia

There is no continuous and structured debate in the public sphere on the importance of different actors in the EU. There is no real debate in the academic sphere as well; there are mostly only occasional comments in the newspapers on the issue of 'power politics' in the EU. Still, the answers, which we obtained from the two political parties and the Union of free trade unions of Slovenia, show interesting differences in their perception of the leading actors. The Union of free trade unions sees the leaders of member states, especially of the biggest member states or of those which contribute most to the EU budget as leading decision-makers in the EU. On specific issues the important influence of strong industries<sup>483</sup> is acknowledged. New Slovenia sees the European institutions as decision-making centres, but also points to the important influence lobbyists and various expert groups may and can exert over EU governance. Social Democrats see the decision-making power in the EU as dispersed among the European institutions, member states, lobbies, pressure

<sup>483</sup> In their answer the Union of free trade unions exposed the importance of chemical industry in adopting 'REACH'.

groups and experts, and point to the lack of a visionary leader, not only on the EU level, e. g. at the position of the President of the European Commission, but also in the governments of member states, especially the bigger member states and the founding members. Social Democrats sense the enlargement fatigue in the member states of the EU and believe that the developments in member states in this respect will be crucial for further development of the EU.

### *Member states*

Slovenian politicians seem to act in accordance with the view of the President of the European Commission José Manuel Barroso, who said that there is “no division between small and big countries but between ambitious ones and those that are not.”<sup>484</sup> Such position corresponds to the fact that Slovenia is one of the smallest member states of the EU and is thus afraid of being overridden by the bigger states of the Union. Loosing sovereignty was one of the major concerns prior to the entrance into the EU on 1 May 2004. But as prime minister said on the occasion of the 2<sup>nd</sup> anniversary of the entry, “the dark predictions did not fulfil.”<sup>485</sup> It depends foremost on the member state and its acts how strongly it will be included in European affairs and what it will gain from being an active member.<sup>486</sup>

More realistic commentators view some countries as being more important than the others. Germany and France are considered to play a major role and therefore also to have a decisive say on the future of the EU. Angela Merkel and Jacques Chirac are supposed to play a key role in the revival of the Constitutional Treaty.<sup>487</sup>

The new right from centre government in Poland is considered an important player as well – it marks a return of the nation state into the EU discourse. Mostly a deep concern about the role of Poland is expressed with regard to the future development of the Union.

<sup>484</sup> Stojan Žitko (2006) Zmagujejo ambicije, ne velikost države [Ambitions win, not the size of a state], Delo, p. 5, 6 March 2006.

<sup>485</sup> Zoran Potič (2006) Nevihte zaradi EU ni bilo [There was no storm because of the EU], Večer, p. 3, 26 April 2006.

<sup>486</sup> Stojan Žitko (2006) Zmagujejo ambicije, ne velikost države [Ambitions win, not the size of a state], Delo, p. 5, 6 March 2006.

<sup>487</sup> Peter Žerjavič (2006) Chirac in Merklova oživljata ustavo EU [Chirac and Merkel are reviving the EU Constitution], Delo, p. 8, 8 March 2006.

The Government of the Prime Minister Kazimierz Marcinkiewicz does not support enlargement of the EU or the Common Foreign and Security Policy. The reason for that is an unambiguous priority of national interests.<sup>488</sup>

In the debate over the EU budget and the proposal for a common European tax Great Britain is regarded as one of the most ‘loud voiced’ states. In the debate on the EU budget reform starting in 2008 Great Britain will be one of the most important actors in the debate. It has played a crucial role already in the troublesome negotiations among member states on the financial perspective 2007 – 2013.<sup>489</sup>

A look at the EU member states since the rejection of the Constitutional Treaty in France and the Netherlands gives the impression of stagnation. It seems like there are no ideas on how to proceed. The three biggest founding members of the EU – Germany, France and Italy are hindered by unstable governments. A rather pessimistic commentator concludes: Despite the Italian Prime Minister Romano Prodi being a pro-European as the former president of the European Commission, there is no guarantee in his colourful coalition to leave space for Mr. Prodi to act as a strong promoter of the European idea. After a decade of his rule French President Jacques Chirac is politically unpopular and cannot afford any decisive steps on the European stage. German Chancellor Angela Merkel might be a decisive leader in the debate on the future of the EU but she might lose too much of her energy settling the balance in the grand coalition. There are no concrete objectives set; all obligations of their fulfilment have been moved far into the future.<sup>490</sup>

### *Institutions of the EU*

The view on the increasingly important nation state as presented can be felt from above and affects the perception of the importance and the role of the EU institutions. Since the Council represents the views of the member states, perceptions on the Commission’s and the Parliament’s roles were more interesting.

The debate over the introduction of a European tax is telling of relations between the European Commission and the member

<sup>488</sup> Saša Vidmajer (2006) Vračanje nacionalne države [Return of the nation state], Delo, p. 5, 17 March 2006.

<sup>489</sup> Darja Kocbek (2006) Davek kot panacea [Tax as panacea], Delo, p. 5, 3 January 2006.

<sup>490</sup> Dejan Kovač (2006) Brezračje [Airlessness], Dnevnik, p. 3, 25 March 2006.

states.<sup>491</sup> The biggest problems of the EU budget are the short term political goals of the politicians who think only about the next elections. The European Commission, which does not work under such pressure, should respond to such challenges more resolutely and act much more determined with regard to the European tax and the reform of the EU budget. The European Commission is supposed to be the institution, which safeguards the European interest against national interests. However, according to a commentator in the daily *Delo*, the Commission does the opposite; words given by the Commission President are not trustworthy - "what he announces already the next day becomes questionable."<sup>492</sup>

In its first plenary meeting in 2006, the European Parliament showed its determination to become a "new centre of power that should not be neglected."<sup>493</sup> The history of the European Parliament shows that it has taken up the role of the 'bad conscience' of the European Union. The comment relates to the 'sabotage' of the compromise proposal for the financial perspective 2007 – 2013 agreed upon by the member states. The European Parliament's concern about the decreasing funds for the common policies and for policies that would increase competitiveness, employment, and growth, guided it to demand a more important role in the negotiations on the reform of the EU finances in the next financial perspective. Prior to the final rounds of the negotiations on the financial perspective, one commentator ascribed to the European Parliament to be more determined against the proposal of the member states than the European Commission, because the Commission sees the agreement necessary as soon as possible. However, the commentator concludes, the European Parliament will have to be satisfied with "some additional Euros and the recognition that the European Union is not a federation yet."<sup>494</sup> Another commentator comes to the same conclusion; it is almost impossible that the Parliament would block the compromise agreement of the member states as it would have to take the responsibility for

the delay in the preparation of programmes for structural and cohesion funds.<sup>495</sup>

## Spain

Taking into consideration that the current situation of the EU has been widely interpreted as a crisis of leadership, who might be capable of playing a leading role – personalities, countries, institutions, the EU presidency? Please refer, whenever possible, to statements of political actors, academia or media within your country to underline your judgement.

Spain has traditionally considered the German/French axis to be the leading force within the European Union. But under current circumstances the tandem is not strong enough to lead the integration process. France is enmeshed in a profound and complex political, economic and social crisis. While the French government seems incapable to lead the EU as a consequence of its domestic political problems, the new German leadership has still to show what concrete achievements it can bring about. If and when the Franco-German tandem is reconstituted, probably after the presidential elections in France and the German EU Presidency, Spain would want and will seek to play a larger role in the EU.

Besides the Franco-German axis, Spain places a great deal of trust in European institutions, especially in the European Commission as the real driving force of the European integration process. The Commission has the resources and the capacity to find a way out of the current crisis and to help reach a consensus.

## Sweden

The question of who plays a leading role in the EU can be answered in many ways, which in the Swedish case seem to reflect an intergovernmental approach to the EU but with some important developments in recent years: At an aggregate level, France, Germany and Great Britain are generally seen as important actors. For Sweden in pursuit of its specific interests, Finland stands out, especially in recent years, as an important partner (and to a lesser extent Denmark).

<sup>491</sup> Darja Kocbek (2006) Davek kot panacea [Tax as panacea], *Delo*, p. 5, 3 January 2006.

<sup>492</sup> Darja Kocbek (2006) Davek kot panacea [Tax as panacea], *Delo*, p. 5, 3 January 2006.

<sup>493</sup> Bojana Rožič (2006) Sabotaža financ EU [Sabotage of the EU finances], *Dnevnik*, p. 3, 20 January 2006.

<sup>494</sup> Bojana Rožič (2006) Sabotaža financ EU [Sabotage of the EU finances], *Dnevnik*, p. 3, 20 January 2006.

<sup>495</sup> Božo Mašanović (2006) Evropski poslanci na pol žejni čez vodo? [Members of the European Parliament to be deluded?], *Delo*, p. 14, 12 January 2006.

The presidency as an institution is considered an important institution which may play a leading role. The Commission is a key actor in the EU (not least after the Swedish presidency there is an appreciation of the Commission within the political establishment, which is not mirrored in public opinion). The parliament is perceived in relatively positive terms, although politically weak (a view which again mirrors the intergovernmental logic and may not be completely up-to-date in terms of formal and informal influence)

## Turkey

The terms of the debate in the Turkish context with respect to the European Union revolves almost exclusively around the relationship between Turkey and the EU. Accordingly, most of the crisis of leadership matters emerging and shaping EU policy and politics are viewed through this lens. It is through this lens that actors are identified and their actions are analysed by the academic community, political actors as well as members of the media. Therefore in the case of Turkey, seasoned scholars and observers tend to turn the spotlight on a constellation of actors (personalities, countries, institutions, or EU presidency) rather than placing an exclusive emphasis on one or the other member state, leader or the EU as a whole, depending on the issue area that captured the daily agenda. This is almost always independent of the EU's own agenda on further integration in general, and the institutional crisis in particular. Such an approach could be summarised along the following issue areas whereby different sets of actors are identified as determining policy outcomes:

*Cyprus Issue:* The Cyprus issue has been perceived as a stumbling bloc on every occasion where a decision has to be taken concerning Turkey's membership. Observers in Turkey highlight the roles of the Greek Cypriot leadership and Greece as defining the main parameters of the European debate. These two actors are presented and discussed as playing the leading role in matters surrounding the EU's efforts at resolving the Cyprus question. For example, the rise of Dora Bakoyannis to the office of Minister of Foreign Affairs in Greece has been hailed by some journalists as "sparkling hope in Turkey" for a solution to the deadlock in Cyprus in the form of a leadership by Bakoyannis. However, these cheers have been muted as further reports on

her stance led the media to conclude that she was "more nationalist"<sup>496</sup> than the analysts had hoped for in terms of the capacity to introduce leadership for solving the Cyprus issue.

*Armenian Question:* The attitudes and various initiatives taken within various member states of the EU, particularly in France, resonate in scholarly and media circles in Turkey as leaving the lead on this matter to France.<sup>497</sup>

*Turkish Accession Process:* In the process of Turkey's accession, leading roles are assigned to the supporters and opponents of Turkey's membership. On the one hand, since last October, the central role played by Austria in spearheading the debates on a "privileged partnership" has led many observers in Turkey to point to Austria and the Austrian presidency as defining most of the debates on Turkey's accession negotiations in the past six months. The questions raised with respect to the 'absorption capacity' of the EU in the June 2006 Council have also mostly been attributed to the demands of the Austrian presidency itself. Similarly, in the aftermath of the French "no" to the Constitution, France is continuously observed as one of the major players in Turkey's route to membership since most of the campaigns toward "no" to the Constitution also have been framed as a "no" to Turkey. In addition to following French politics, German Chancellor Angela Merkel is followed closely as a potential veto player in the debates on Turkey's membership. On the other hand, portrayed as an ardent supporter of Turkey's membership, Schröder is followed closely and he is presented as "an old friend"<sup>498</sup> for Turkey in particular since he has been spearheading the support for opening up accession negotiations in October 2005.

*Iran Conflict:* According to a recent poll, 79.2 per cent of Turks are against military action vis-à-vis Iran. In terms of the definition of a leadership role for determining their position vis-à-vis the possible conflict involving Iran and the US, Turkey seems to perceive the leadership of the EU as a whole as crucial for securing a peaceful resolution to the current deadlock.

<sup>496</sup> Gündüz Aktan: DORA DORA, Turkish Daily News, 20 April 2006

<sup>497</sup> Mehmet Ali Birand: 15 days to huge crisis, Turkish Daily News, 4 May 2006

<sup>498</sup> Old friend in Ankara, Turkish Daily News, 11 May 2006

*Cartoon crisis and Kurdish TV:* Since the debates on the cartoon crisis and the allegations concerning the broadcasts by a Kurdish channel supporting the PKK, Denmark is being followed as a major actor in debates surrounding freedom of expression and speech in EU member states. The Danish Prime Minister Rasmussen has come to be featured in various reports.

## United Kingdom

On some occasions, British politicians and commentators claim that the United Kingdom is playing a leading role in the European Union. In a recent speech at Oxford University, Tony Blair claimed that he has achieved his aim of putting Britain at the heart of Europe through a policy of “positive engagement”, whereby the UK has been able to be a pivotal actor at the centre of a new consensus of reform that is emerging in Europe.

However, the claim that Britain is playing a leading role in the EU is not generally believed in the United Kingdom. On the one hand, British voters occasionally believe that the European Union is a Franco-German plot directed from Paris and Berlin against the interests of the United Kingdom: Paris and Berlin are seen as united in their aim to revive the Constitution and agreeing that it should become more “social”. On the other hand,

British voters also believe that the EU is in state of emergency and in lack of leadership, particularly at a time when disunity on the budget, the failed ratification process and disagreements on Turkey account for painting a rather dark image of the Union.

Addressing the issue of an EU crisis of leadership, Tony Blair referred to Europe’s new emerging leaders that seem to favour the UK economic reform agenda. Downing Street used to look at Dominique de Villepin and Nicolas Sarkozy, the frontrunners for the French Presidency as potential allies sharing a similar vision of economic reform. However, very recently they have been proclaiming policies contrary to this vision. Germany’s leadership under Chancellor Angela Merkel is widely respected by the UK government. Although the UK disagrees with Germany on some policy areas, the Minister for Europe, Geoff Hoon, has called for a partnership between the two countries for EU leadership on key priorities in order to face Europe’s challenges.<sup>499</sup> The UK and Germany can work together in key areas where a common view is shared such as energy policy, the current round of the Doha talks, the ESDP. Also, by linking social policy initiatives with an economic reform agenda, a UK-Germany partnership can effectively contribute, according to Mr. Hoon, to delivering the results Europe needs to bridge the gap between its leaders and institutions and its citizens.

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<sup>499</sup> Geoff Hoon, “Unite and lead: UK-German Partnership in Europe”, Speech, Berlin, 17 May 2006  
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391647&a=KArticle&aid=1145897454933>

# 4

Which discourses on political and societal issues in other member states and/or neighbouring countries are given particular attention to and are covered in the media?

*Please focus on issues that have enjoyed a continuous coverage or even impact rather than on current affairs.*

## Austria

During the interview procedure and media observation, various different topics have been discussed and were covered in the media. However, during the reflection period of the first half of 2006, the public debate mainly focussed on the Austrian EU-presidency and its summits such as „Sound of Europe“ in Salzburg<sup>500</sup> or the Euro-Latin American Summit (EULAC) in Vienna<sup>501</sup>. Furthermore, the Austrian media was, in general, dealing and reporting about national politics such as the biggest banking scandal in the history of the second republic: The fall of the BAWAG<sup>502</sup>-bank, which is owned by the Austrian Union Federation.

Besides this rather internal focus, Austria was very much concerned about the performance of the new German Chancellor Merkel. Due to similarities (e.g. language) and close cooperation (e.g. foreign military missions in Afghanistan and in the Balkans) Germany does get the most media attention in Austria. Especially the German reports about the German economic situation and the comparison with Austrian situation were pointed out.

Several other topics discussed in public and the media were the French students and the youth protests against the new employment law, the Hungarian national elections, the situation in the Western Balkans (see question 6), Italy's troubles in installing a new government and the internal struggles of Tony Blair's cabinet in the UK. In general, the Austrian media does not report very much on northern European political issues.

## Belgium

Two issues were particularly covered by the media during the period taken into account: the first is the tense social climate in France surrounding the legal framework of first job contracts. The second issue is the elections in Italy.

The removal of the “*First job contract*”<sup>503</sup> (CPE) and the social upheaval related to its first proposition were viewed as an inability of implementing reforms in France and as a victory for the unions and the street's voice<sup>504</sup>.

Former Foreign Minister and current European Commissioner for Development and Humanitarian Aid, Louis Michel, declared to the press that the CPE had to be considered a positive impulse and that he doubted France could launch necessary reforms if it did not accept it<sup>505</sup>. Refusing the argument of insecurity of the workforce, he said that the introduction of a little flexibility was a good way to create sustainable jobs in the future.

Claude Larsimont<sup>506</sup>, recalling other similar events that happened in France, deplored the lack of democracy of “the law made by the street”, and the recuperation of the event by the “defenders of the blocked system”, thus mixing the victims and their executioners. He underlined the utility of the CPE proposition for which there seems not to be a credible alternative in the context of rigidity of the French labour market<sup>507</sup>, and cited the Spanish, English and Danish situations in which flexibility dramatically reduced unemployment. According to him, the social fracture laying in the middle class in which a part of the workforce lives in insecurity is due to the “ideal of employment” disconnected from the realities of production, which drives workers to enterprises that cannot engage new workers.

The question of the elections in Italy was marked in Belgium by a strong support of the *Unione*. On the occasion of the launching of the campaign of Romano Prodi in Belgium at the end of January, four French-speaking parties expressed their faith in a desired future for Italy lead by Mr Prodi<sup>508</sup>. Elio Di Rupo<sup>509</sup>, qualified Romano Prodi as an excellent European Commission President, declared himself on his side and insisted on the need for change in Italy. Joëlle Milquet<sup>510</sup> stated that the EU has enjoyed the competences and convictions of Mr Prodi and that Italy should

<sup>500</sup> Meeting of all head of states and foreign ministers, as well as the president of the Commission Jose-Manuel Barroso, High Representative Javier Solana and the UN Secretary General, Javier Solana.

<sup>501</sup> Meeting of 60 head of states from the EU and Latin America as well as members of the Commission and again, UN-Secretary General Annan.

<sup>502</sup> Bank für Arbeit und Wirtschaft Aktiengesellschaft

<sup>503</sup> Contrat première embauche.

<sup>504</sup> De Standaard, 11 April 2006.

<sup>505</sup> La Libre Belgique, 27 March 2006.

<sup>506</sup> Hayek Institute, Brussels ([www.fahayek.org](http://www.fahayek.org))

<sup>507</sup> La Libre Belgique, 23 March 2006.

<sup>508</sup> Belga, 1 February 2006.

<sup>509</sup> President of the French speaking Socialist Party. (PS)

<sup>510</sup> President of the French speaking Center Democrat Humanist Party (CDH)



now also benefit from them. Didier Reynders<sup>511</sup> also stressed the need for a strong Italy focused on the challenges of the EU.

## Croatia

The main issue covered by the media, but also in political analysts' discourses, is how the internal problems of the EU can affect the accession of Croatia to the EU. Croatian Prime Minister Ivo Sanader pointed out at an international conference<sup>512</sup> that all those problems in the EU (the problem of the constitution, the decline of the social state, security etc.) in his opinion will not slow down the Croatian accession process because the eastern enlargement process, if properly conducted and by keeping proactive dynamism, could only strengthen the European integration process. At the same debate President Mesić stressed that the possible delay in the Croatian accession process would encourage the Euro sceptics not only in the country but in the whole region of South East Europe (SEE), which will negatively affect the security not only in the region but also in the wider EU.

There is a lot of debate in the Croatian general public and media on the crisis of social state (safety net) in the EU, which was particularly present when commenting on student demonstrations in France. The social state as such was from the very beginning one of the main pillars of EU identity and the fact that it is currently under pressure would badly affect the core quintessence of the sense of the European integration process as a whole. Such comments have been often reiterated in the Croatian media<sup>513</sup>. Referring to this issue, but on the internal scene, within the discussion on Croatia's accession process there are a lot of questions about whether it is possible to develop a genuine Croatian model of a social state. This kind of debate has been especially highlighted within the discussion on the "Strategic framework for development" which is in fact the strategy of Croatian development from 2006-2013 and which is relying on the standards and criteria of the EU, mainly articulated in 35 negotiation chapters of *acquis communautaire*. Those chapters are subjects of currently on-going Croatian negotiation

process with the EU. Discussing this issue, State Secretary in Governmental Department for Strategic Analysis, Martina Dalić, stated that an authentic Croatian social state model, compatible with the EU model, still remains to be elaborated<sup>514</sup>.

The Croatian media and the general public are aware that the risk of enlargement "fatigue" might affect the eastern enlargement process, but most statements convey the belief that it will not be connected with the Croatian accession process. Stances of many influential European political leaders have been quoted in this regard, such as Jacques Chirac, Angela Merkel, etc. who stated that Croatia has already and successfully started the negotiation process, adding up that the accession of Croatia to full-fledged membership will not depend on the inner situation in EU, especially not on the negotiation process with Turkey, but much more and exclusively on the ability of the Croatian society to implement "acquis" in appropriate period of time<sup>515</sup>. However, officials in some member states gave temporary statements on the need for possible postponement of the Croatian accession process, as well as the accession process of Bulgaria and Romania, thus provoking a kind of concern in the Croatian general public<sup>516</sup>. Consequently there is some criticism to the loss of EU accession criteria, stating that, in spite being much better off in many segments of political and economic life than Bulgaria and Romania, the date for the full accession of both countries is already set, which is not the case with Croatia<sup>517</sup>.

The Croatian general public gives particular attention to the experience of recently accessed countries in their two-year membership in EU. By covering the exchange of official visits between Croatian leaders and the leaders of given countries, the media took advantages of those opportunities to provide as much as possible information on the positive effects of full-fledged membership of the countries in question, even in so short a period. That was for example the case

<sup>511</sup> President of the French Speaking Reformer Movement (MR)

<sup>512</sup> "Croatia on its road to the EU Accession: Lessons learned and challenges" Zagreb, 9.May, .2006.

<sup>513</sup> *Vjesnik*, *Jutarnji list*, *HTV*, etc.

<sup>514</sup> International conference "Reforms in Lisbon Strategy Implementation: Economic and Social Dimensions" Zagreb, 3 May, 2006.

<sup>515</sup> *Vjesnik*, 20-21May, 2006.

<sup>516</sup> For example statement of Mr. Herman Winkler, President of the Conference for European issues of the German federal provinces – HINA, 25 May2006.

<sup>517</sup> President of Croatian Helsinki Committee, Žarko Puhovski, International Conference "What kind of EU we are going to", Zagreb, 25 May2006.

throughout the visit of the Czech Prime Minister to Croatia (mid April) or the visit of the Croatian Prime Minister to Slovakia (24<sup>th</sup> of March). "No member has been disappointed so far, with its membership in EU"<sup>518</sup>.

There are indeed some segments in general public who reflect strong Euro scepticism, trying even to argue that the current problems in EU and the member states will lead to the break-up of the Union. Promoters of these ideas can be also found even in the dailies with highest circulation (several much respected columnists in *Večernji list*<sup>519</sup>), but also in some very marginal weeklies. To a certain extent they contribute to spreading the level of Euro scepticism without being its main source.

## Cyprus

There were various external political and societal issues that the Cypriot media covered the last few months. In the main, the Cypriot media gave emphasis to EU-Turkey negotiations and that Turkey's internal developments that could affect its accession progress. In addition, they covered extensively the French youth demonstrations, the Italian national elections, and the German-Russian gas deal.

Thus, the Cypriot media were sensitive to and concerned about the protracted youth demonstrations in France, caused by the controversial student employment law that was proposed by the Premier Dominique de Villepin<sup>520</sup>.

The Italian national elections were also covered extensively. The Cypriot media covered the results of the exit polls which were indicating that the country's next prime minister would be Romano Prodi with his centre-left coalition heading for a clear majority of up to 54%<sup>521</sup>. The Cypriot media covered with special interest the events that occurred during and after the Italian elections, including the fact that the victory of the Centre-left coalition was marginal (with only 0.1%). Most observers, however, seemed to welcome that it was sufficient to give them a clear majority in the Lower House and a slim majority in the

Senate. As for Silvio Berlusconi's objections to the final election results, they attracted unsympathetic characterisations.

Another issue that was emphasised was the German-Russian gas deal. The signing of this major joint venture agreement between the Russian state owned Gazprom and the German BASF to create a gas pipeline from Russia was described as very important for Europe,<sup>522</sup> considering that such a development will in part extricate Europe from its heavy dependency on Middle Eastern and Caspian Sea energy resources. However, the Cypriot media also recorded the reactions of the United States and Poland, as well as the "fears" expressed by US Secretary of State, Condoleezza Rice, according to which Washington is unhappy with what it sees as Europe's increasing overdependence on Russia's gas supplies.<sup>523</sup>

Extensively, the Cypriot media covered Turkey's Kurdish problem, as it affects directly Turkey's EU aspirations. The Cypriot media gave particular emphasis to the dismissal of the District Attorney General of the city of Van, Ferhad Sarid, as a result of his decision to press charges against the chief of Turkey's Land Forces, General Buyukanit. The unprecedented accusation implied that the general was responsible for organizing a paramilitary group, to create instability in the southeast area of Turkey, in order to undermine Turkey's EU accession<sup>524</sup>. The same media also covered the widespread violence that erupted immediately afterwards during incidents in Istanbul and in the (Kurdish-populated) Van district, which resulted in the death of numerous people.

Finally, among other political and societal issues that had been reported by the Cypriot media during the period under review, the following stood out: the Muhammad Cartoons that were published in Denmark and other EU states and the violent reactions in various Islamic countries; the killing of a Catholic priest by a young religious fanatic in Turkey; the Hamas victory in the Palestinian territories and the conflict with Israel that immediately erupted; and, of course, Iran's nuclear crisis that was perceived by some as the start of a possible global religious conflict.

<sup>518</sup> Croatian Prime Minister at the Crans Montana forum, Zagreb, 5-7 April 2006.

<sup>519</sup> Cf. [www.vecernji-list.hr](http://www.vecernji-list.hr).

<sup>520</sup> CYBC News, More violence in Paris demonstrations, March 23, 2006

<sup>521</sup> Mega News, Italian cliff-hanger, April 11, 2006

<sup>522</sup> CYBC News, Cold War climate on Energy, April 27, 2006

<sup>523</sup> ANTENNA News, May 6, 2006

<sup>524</sup> Phileleftheros, "Turkish army interferes in justice matters", April 24, 2006

## Czech Republic

Four issues related to other EU member states seem most attractive for the Czech media: the controversy surrounding the publication of the cartoons depicting the prophet Muhammad in Denmark; EU member states' attitudes towards the East, particularly Belarus and Ukraine; labour market restrictions in the old EU member countries; and social unrest in France.

However, the events related to the cartoons first published in Jyllands-Posten found even more resonance than the other three issues together. There are several reasons for this:

First, the controversy created for the first time convenient conditions for thoroughly discussing the attitudes of the Czechs towards Islam. Second, the discussion spilled over into related areas like the EU's basic values, a European identity, and the potential of Turkish membership. Moreover, Foreign Minister Svoboda belonged to the most marked critics of the radical Muslims' behaviour, and even suggested that the Union should demand an apology for the attacks on Scandinavian embassies, and should financially compensate Denmark for commercial losses.<sup>525</sup>

Secondly, related to the recent elections in Belarus and Ukraine and the visit of Russian President Putin to the country, those countries' relations to the Czech Republic and the EU in general were discussed. The Czech Republic certainly does not belong to those countries which shape fundamentally EU's Eastern policy, but its role in democratising Belarus is not marginal.<sup>526</sup>

Third, a perennial topic in media coverage has been the loosening of labour market restrictions in the old member states. Although Czechs are generally not willing to move abroad in order to get a better paying job, unlike citizens from some other new member states, the issue has deep symbolic meaning since it is often raised by Czech Eurosceptics in pointing out double-standards in the Union's

<sup>525</sup> MfD: Svoboda chce, aby EU odškodnila Dánsko za karikatury (Svoboda wants the EU to compensate Denmark for the cartoons). 14 February 2006, Czech News Agency.

<sup>526</sup> E.g. Unie Lukašenkovi zmrází účty, ten se tomu směje (The Union will freeze Lukashenko's accounts, he is laughing at it), 16 May 2006, Mladá fronta Dnes, [http://zpravy.idnes.cz/unie-lukasenkovi-zmrazi-ucty-ten-se-tomu-smeye-fl8-zahranicni.asp?c=A060516\\_131237\\_zahranicni\\_miz](http://zpravy.idnes.cz/unie-lukasenkovi-zmrazi-ucty-ten-se-tomu-smeye-fl8-zahranicni.asp?c=A060516_131237_zahranicni_miz)

policies. Thus, the discussion about the restrictions in France, Germany, Austria and other countries has been closely followed.<sup>527</sup>

Finally, much attention was paid to the riots in France. These were usually linked to France's domestic political developments, but also to the discussions about migration and integration policies in various EU member states.<sup>528</sup> While the Czech Republic still has a relatively small number of immigrants from non-European countries, two kinds of debates ensued: one about the aging population and the need for the country to welcome more immigrants, and the other about the status of ethnic minorities in the Czech Republic, most notably the Roma.<sup>529</sup>

## Denmark

One subject dominated the Danish media in the first months of 2006: the Mohammad cartoons.<sup>530</sup> This issue more or less overshadowed discussion of other topics. On a general level, the Mohammad row has had an impact on Danish politics and has also generated a debate on the role of the EU as an actor in foreign affairs. The crisis has been referred to as the largest crisis in Danish foreign relations since World War II.

The coverage of this story in the rest of the EU, and the reactions of other member states, gained a lot of attention in the Danish press. Apart from conjuring up a general discussion on the role of the EU and the other member states in the crisis, a number of specific events related to the Mohammad cartoons were intensively covered. This goes, for instance, for the rather violent demonstrations in London; the printing of the drawings in the French

<sup>527</sup> Cf. Trh práce: Nizozemsko rozhodne až koncem roku (Labour market: Netherlands will decide by the end of the year), 14 April 2006, Hospodářské noviny, [www.hn.ihned.cz](http://www.hn.ihned.cz); Paříž pootevře trh práce, pomůže po záplavách (Paris will partially open the labour market, and help with the floods), 7 April 2006, Hospodářské noviny, [www.hn.ihned.cz](http://www.hn.ihned.cz)

<sup>528</sup> Přistěhovalci rozpoutali násilí ve Francii (Immigrants unleashed violence in France), 7 November 2005, Mladá fronta Dnes, [http://zpravy.idnes.cz/prilohy.asp?r=prilohy&c=A051107\\_104603\\_prilohy\\_miz](http://zpravy.idnes.cz/prilohy.asp?r=prilohy&c=A051107_104603_prilohy_miz)

<sup>529</sup> Cf. Odborníci o Francii: Nepokoje u nás nehrozí. Zatím. (Experts talking about France: Unrest not probable here. Still.) 8 November 2005, Mladá fronta Dnes, [http://zpravy.idnes.cz/domaci.asp?r=domaci&c=A051108\\_102854\\_domaci\\_miz](http://zpravy.idnes.cz/domaci.asp?r=domaci&c=A051108_102854_domaci_miz)

<sup>530</sup> For general information on the Mohammad row, see the special website of the Danish Ministry of Foreign Affairs: <http://www.drawings.um.dk/en>

newspaper *France Soir*, the Italian minister for reform, Roberto Calderoli, who appeared on TV in a t-shirt with a print of one of the drawings and had to resign; and the resignation of Swedish Foreign Minister Laila Freivalds due to her involvement in the closedown of a web-site that had intended to publish the drawings.

Another point of focus was the role played by the EU's High Representative Javier Solana. Mr. Solana's visit to a number of Arab states and the subsequent complaints by the Dutch government caused much debate. The Dutch government accused Solana of apologizing on behalf of all EU citizens, whereas the Danish government line throughout the process had been not to apologize - due to the consideration that the drawings were not at odds with Danish law and that the government had no influence on their creation. The Dutch government criticised Solana for compromising on freedom of speech in some of the declarations made during these meetings. It was widely reported that the Dutch Minister of Foreign Affairs Bernard Bot planned to raise the critique of Solana at the EU's Foreign Affairs Ministers' meeting at the end of February, and that a phone call from his Danish colleague, Per Stig Møller, made him give up the idea. Møller called Bot in order to close down the conflict. A final compromise on a common statement by the EU's Foreign Affairs Ministers was reached on February 27<sup>th</sup>, even though a deep disagreement between Britain and the Netherlands almost put an end to the attempt. The final declaration was welcomed in the Danish media.

The Danish government seems to have had a deliberate strategy in turning the cartoon issue into an issue between the EU and the Muslim states in question and not an issue between Denmark and these states<sup>531</sup>. It seems fair to say that this strategy succeeded to some extent. As Ole Ryborg from the Danish think-tank *Mandag Morgen* argues, Denmark received extended help from its allies and EU partners on the practical issue, but on the moral level the support was less clear-cut<sup>532</sup>. He points to a possible link between Danish immigration policies, which have been

considerably tightened over recent years, and the lack of moral support during the crisis<sup>533</sup>.

In general, the portrayal of Denmark in foreign media received a great deal of attention. A '60 Minutes' special by American broadcaster CBS on Denmark made headlines because Danes were portrayed as self-sufficient, naïve and somewhat xenophobic. Thus, more specifically, the way Danish policy towards immigrants was presented abroad and the discussion on how to react to the row over the Mohammad cartoons gained intense media coverage.

The spread of avian flu across Europe, as well as findings of avian flu on Danish soil, has also gained some attention over recent months. Findings of the disease in neighbouring Germany and Sweden were dealt with in some detail by the press, but the main angle was when and where avian flu could "land" in Denmark. It did so in March 2006, but since then only few infected birds have been observed and the virus has so far been effectively contained.

## Estonia

In the context of EU's "constitutional crisis" and the negative referendum results in France and the Netherlands, the various problems and issues in "core Europe" (including economic stagnation, social and ethnic tensions, opposition to globalisation and EU enlargement, discussions about the services directive) received a fair amount of coverage. Political and economic developments in Germany, France and the UK are generally given more attention while Southern Europe receives only scant coverage.

The Estonian media has paid particular attention to domestic debates in various member states (most notably Finland) on opening their labor markets to the new members. The recent decisions by Finland, Spain, Portugal and Greece to open their labor markets to Estonian citizens were greeted with enthusiasm.

<sup>531</sup> Ditlev, Niels and Jesper Kongstad (2006): "Muhammed-krisen: Tegninger: Uro ulmer i EU" i Jyllands-Posten, February 22nd 2006.

<sup>532</sup> Ryborg, Ole (2006): "Konfliktkvoten er opbrugt", *Mandag Morgen*, March 27th 2006, and Ryborg, Ole (2006): "Rigtige venner", *Mandag Morgen*, February 20th 2006.

<sup>533</sup> For a brief English analysis of the factors behind the Mohammad crisis see Holm, Ulla (2006): *The Danish Ugly Duckling and the Mohammed Cartoons*, DIIS Brief, February 2006. Online <http://www.diis.dk/graphics/Publications/Briefs2006/uhomammed1.pdf> (located 31 May 2006).

Energy issues receive significant attention, especially since the launch of the Russian-German Baltic Sea pipeline project which bypassed the interests of the Baltic states. With regard to non-EU neighbors, a range of issues that can be summarized under the heading of „de-democratisation of Russia under Putin” receives continuous, if not very thorough coverage. There is also increased attention to Russia’s policy in its neighborhood, including the recent tendency to use energy as a political tool. Recent developments in the CIS space figure rather prominently (democratisation attempts and strategies, Russian reactions to these, increasing presence of the EU in the region, CIS countries’ dilemmas of foreign policy orientation - Russia versus the “West”).

## Finland

### Russia

The Finnish government as well as the public have traditionally paid particular attention to the neighbouring power Russia. In recent public discussion, the authoritarian developments in Russia have been followed with criticism and concern by the media. The political elite, however, is very cautious about criticising Russia and treats it as a great power with which Finland and the EU need to have good relations. Finland is a strong supporter of attempts to strengthen the EU’s common policy towards Russia. Relations with the largest eastern neighbour are one of the main priorities for the Finnish EU Presidency.

While political developments in Russia are followed with some concern, the current economic growth in Russia is seen as a major opportunity for Finnish business. Russia is one of Finland’s main trade partners along with Germany and Sweden, and trade with Russia is steadily growing. What makes Russia a particularly important trade partner is the fact that energy constitutes more than half of Finland’s imports from Russia. (See more on Russia and the national energy security in chapter 7.)

Public attitudes towards Russia can be described as complex, if not contradictory. Russia is seen as a good partner for cooperation, but most Finns think that the relations need active maintenance or otherwise they are expected to worsen. Dealings with the EU, by contrast, do not seem to require similar

special efforts.<sup>534</sup> Russia has a special place in the Finns’ opinions on security policy. Supporters of Finland’s NATO membership hold a much more negative view on Russia in terms of security than non-supporters. A little more than a half (51%) of citizens think that developments in Russia cause some or much concern for the future.<sup>535</sup> Regarding the security dimension, students and supporters of the Left Alliance have a more positive attitude towards Russia than the average Finn.<sup>536</sup>

### *Liberalising the Movement of Labour*

Finland was a strong supporter of the latest enlargement, especially the integration of the neighbouring Baltic countries into the EU. However, the enlargement has also been a source of various concerns. The new member states have been seen as a threat to the Finnish welfare system, although this view has not been as strong in Finland as in some other old member states that are in a more difficult economic situation.

One of the most debated EU issues in Finland in the past years has been the liberalisation of movement of labour from the new EU member states. Finland opened its labour market to the new member states on 1 May.

The labour and employers’ unions wrestled over a transition period, which was set for two years before the 2004 enlargement. According to the Minister of Labour, Tarja Filatov, the two-year restriction period was important at the time as unemployment was higher than now and the legislation was not properly prepared for a flow of migrant workers.<sup>537</sup> Employers’ representatives disagree, claiming that the two-year transition has skewed competition, and rented labour force from the new EU members found its way to Finland during the two years period anyway. Unfair competition was caused by new recruitment businesses that emerged in the new EU states. The recruitment agencies operated without following the Finnish labour legislation and without a proper control of the employer. The labour unions supported the two-year transition, but they accepted the liberalisation because of improved legislation and control

<sup>534</sup> EVA 2006, pp. 53-54

<sup>535</sup> MTS 2005.

<sup>536</sup> EVA 2006, pp. 57-58

<sup>537</sup> Helsingin Sanomat, 9.4.2006

over employers' responsibility to follow the Finnish labour rules.<sup>538</sup>

## France

The situation of other countries and their ongoing political and societal debates, particularly if these countries are geographically close to France, are usually looked at with a lot of interest in France. We can differentiate three groups of countries: the older member states (the EU-15), the new member states (the EU-10) and the neighbouring countries.

As far as the EU-15 are considered, the main question is, of course, whether a given country can be an ally of France in negotiations concerning Europe and its future. Political parties, unions and intellectuals scrutinize the debates in these countries in search of signs of convergence with what they themselves think. During the period we consider, the elections in Germany and in Italy were covered by the media with great attention. The victory of the social-democrats in Italy was generally considered good news in France, and Romano Prodi as a pro-European who could be an ally of France in forthcoming European negotiations. This was of course particularly true on the left.

The appointment of Angela Merkel as German Chancellor was received with more apprehension. A right-wing conservative, she is considered to be closer to American views in foreign policy than her predecessor. On the other hand, as the "Franco-German relationship" clearly ran out of steam during Gerhard Schröder's rule, there was hope that the new Chancellor might prove a more "practical" European. Less talk, perhaps, but more action. *Le Figaro*, the leading French center-right newspaper gives a good idea of the general mood in France: "All our hopes now rest with Germany. At their third informal meeting "of Blaesheim", Jacques Chirac and Angela Merkel agreed on a draft political calendar to take Europe out of the crisis and to find a solution to the institutional deadlock resulting from the negative referendums in France and the Netherlands. Paris and Berlin want to reach an agreement in the "eighteen months" separating the end of the German presidency in June 2007 and that of France in

December 2008."<sup>539</sup> The French public, however, in July 2006 is still, rather unsettled about Chancellor Merkel's European commitment.

As for the EU-10, the interest has somewhat waned. After the enlargement of 2004, people were willing to know more about them. They were frightened by the huge differences in the economy and in the social and political systems that existed between them and the older member states. They are now part of the landscape and the apprehension seems somewhat lower. 49% of the respondents to the latest Eurobarometer survey said that the 2004 enlargement was a bad thing (against 47% who have a positive view about it). Elections – in Poland for instance – are followed with interest. The situation of human rights, the functioning of the judiciary, and the popularity of far-right or neo-communist parties are the issues usually mentioned in the media.

As for neighbouring countries, the main subject of concern – and indeed fear – is Turkey. A large majority of the French refuses the accession of Turkey, but 59% are nevertheless prepared to accept it in the long run. This shows that the French would be ready to reconsider their opinion if Turkey makes significant progress, particularly in its human-rights record. The situation of minorities in Turkey is followed with attention. In view of this, the French government follows an attitude of caution. In February 2006, Philippe Douste-Blazy, the French Foreign Minister, declared: "Public opinions in France and in Turkey have to be taken into account. On a strategic level, everybody sees the advantage of having a country of 70 million people, endowed with a great past and culture, look towards democracy, human rights and the European Union. At the same time, it must be clear that past enlargements were not always understood by the people."<sup>540</sup>

## Germany

In general there is a quite remarkable tendency in Germany that current issues from other European countries are more and more closely observed. There is a variety of services that focus on daily press reviews of the most important newspapers in all EU member

<sup>538</sup> Turun Sanomat 24.4.2006; Helsingin Sanomat, 9.4.2006

<sup>539</sup> *Le Figaro*, 7 June 2006.

<sup>540</sup> Joint press conference with M. Recep Tayyip Erdogan in Turkey, 2 February 2006.

states, most importantly Eurotopics<sup>541</sup> which is funded by an agency of the German federal government.

Concerning German media it is important to underline that a number of topics, for example election campaigns in neighbouring countries or the developments in regions such as the Balkans or the Middle East enjoy continuous media coverage. Therefore, a relatively high salience issue such as the Italian elections will not be dealt with here since it is quite normal in the logic of German media that elections in other EU countries are covered quite closely. In the reporting period from January to May 2006, two political and societal issues in other EU member states were given particular attention to: The row over the Mohammed cartoons and the French debate on the new labour law, the *Contrat Première Embauche* (CPE). Another issue that has enjoyed a certain degree of coverage are the reactions in neighbouring countries to the enthusiasm of German football fans during the World Cup in June and July 2006, especially with regard to the frequent display of German flags on the streets.

#### *Danish Cartoon Crisis*

The most widely discussed issue in the specified time period has been the so-called Cartoon Crisis, which evolved after the publication of Mohammed cartoons in the centre-right Danish newspaper *Jyllands Posten*. A Copenhagen-based correspondent called it Denmark's most severe crisis since World War II.<sup>542</sup> Although the cartoons were initially published in the end of September 2005 the issue was hardly present in the media until the end of January 2006<sup>543</sup> and reached its peak in February 2006 when the row escalated into violence. Besides intensive news coverage on daily events such as protests, burning flags and embassies, the media discourse has been characterised by a broad debate on the "hierarchy of values" within Western societies. Central questions

<sup>541</sup> Cf. [www.eurotopics.net](http://www.eurotopics.net). The service is not only available in German, but also in English and French. For the daily press review, editors and correspondents sift out the most important newspapers from 26 European states (EU and Switzerland) and deliver excerpts from opinion articles, reflections, essays and commentaries.

Subscriptions to the online press review that is delivered via e-mail are free of charge.

<sup>542</sup> Robert von Lucius: Die Morddrohung kommt aus Mekka, *Frankfurter Allgemeine Zeitung*, 9 February 2006.

<sup>543</sup> One of the exceptions was Hannes Gamillscheg: Beim Antlitz des Propheten, *Frankfurter Rundschau*, 25 October 2005.

discussed in the media were: Is freedom of press of greater value than freedom of religion and respect for religious sentiments? Where should be the limits of free media coverage?

A great number of intellectuals, journalists, academics, and politicians contributed to the public debate in Germany. Interestingly, many of them from an Arab/Muslim background appeared to be introduced in the debate to promote a liberal position<sup>544</sup> or to represent a "moderate Islam".<sup>545</sup> Although freedom of speech was generally regarded as of greater value than respect for religious feelings, one can identify critical voices regarding *the way* in which *Jyllands Posten* wanted "to show off its liberality."<sup>546</sup> The publication of Mohammed cartoons was considered as an unnecessary, consciously constructed provocation<sup>547</sup>, enhanced by the subsequent publication of the most contested cartoons in other European newspapers, among them the German daily *Die WELT*.<sup>548</sup> Considering the violent consequences, concepts of responsibility and 'self-censorship' entered the media discourse. On the other hand, journalists criticised politicians for responding to the pressures of non-democratic regimes and giving in to an apologising discourse. Sonia Mikich, a well-known TV-journalist, demanded instead an apology for all the offending "obscenities" produced in the media of the Islamic world.<sup>549</sup>

Despite these different opinions regarding the scope of freedom of the press there has been a general condemnation of the violent protests which were often described as being instrumentalised by reactionary power holders and fundamentalists in the Arab world.<sup>550</sup> However, peaceful protest was considered as yet another expression of core Western values - the freedom of assembly. The dominant discourse reproduced in the media thus incorporates a defence of free speech while

<sup>544</sup> Cf. e.g. Ibn Warraq: Entschuldigt euch nicht, *Spiegel Online*, 03 February 2006 or Ayan Hirsi Ali: Das Recht zu kränken, *Die Zeit*, 10 February 2006.

<sup>545</sup> Zeyno Baran/ Mustafa Akyol: Ein muslimisches Manifest - Wer sind die moderaten Muslime?, *Spiegel Online*, 03 March 2006.

<sup>546</sup> Neal Ascherson: Aggressive Toleranz, *die tageszeitung*, 10 February 2006.

<sup>547</sup> Among many others Günter Grass: Kein Kampf der Kulturen, sondern zweier Un-Kulturen, *Die WELT*, 10 February 2006.

<sup>548</sup> Cf. the following interview with Daniel Cohn-Bendit: Christian Semler: Eine Mischung aus Realität und Fantasie, *die tageszeitung*, 9 February 2006.

<sup>549</sup> Sonia Mikich: Was nun, ferner Bärtiger?, *die tageszeitung*, 06 February 2006.

<sup>550</sup> Cf. e.g. Navid Kermani: Hassbilder und Massenhysterie, *Süddeutsche Zeitung*, 9 February 2006.

appealing to the *responsibility* of the media in a globalised world (global public) and *respect* for religious sentiments. This discourse has been employed by Chancellor Angela Merkel<sup>551</sup>, President Horst Köhler<sup>552</sup> and Foreign Minister Frank-Walter Steinmeier. The political elite has been calling for an enhanced intercultural dialogue as a means of de-escalating the conflict<sup>553</sup>, which had been discursively connected to a new debate on Huntington's prophecy of a "clash of civilizations"<sup>554</sup>. Although none of the contributors explicitly defined the Cartoon Crisis as an expression of clashing cultures, it has certainly given renewed momentum to the ongoing debates about the compatibility of liberal values and Islam as well as on the chances of peaceful coexistence of cultures in a highly interconnected and insecure world. Most commentators argued that the Cartoon Crisis is not a conflict between the West and Islam, but between totalitarianism and liberalism<sup>555</sup>.

In addition to the international dimension, the Cartoon Crisis discourse also entails current national topics, such as the problems relating to the integration of Muslim immigrants into German society.<sup>556</sup> The Cartoon Crisis has opened up a broad and critical debate in Germany. Many of the issues discussed are not essentially new, but draw on discourses that have emerged ever since the "war on terrorism" and questions of integration are featuring on the German media agenda. Related to other aspects than the Cartoon Crisis, these issues are far away from being resolved.

### *Debate on CPE in France*

The close attention given to the French CPE debate<sup>557</sup> in the German media is hardly

surprising since in many ways there is a very close connection between the French protests and the German situation. Due to a series of labour market reforms in Germany many people are concerned about their future. This insecurity also affects students, even though to a much lesser degree. So, on one hand, media attention focused on political events and societal developments in France, especially the struggles within the UMP in the run-up to the presidential elections in 2007. Secondly, the CPE debate was interpreted as a symptom of crisis in a broader European context. Finally, many articles drew comparisons between the situation in France and in Germany.

Concerning the French context, many articles focused on power struggles within the UMP. Every statement of the most important actors was analysed regarding its repercussions on the Presidential elections 2007. German media provided an exact, daily coverage with detailed descriptions of the course of events. Beyond this approach, some authors focused on the deeper rooting reasons for the critical reaction of French students and the solidarity they have experienced in great parts of French society. French sociologist Alain Touraine pointed out in an interview with the Frankfurter Allgemeine Zeitung that French society is not very well prepared for globalisation: "The primacy of the state leads to the consequence that we have never learned to create a societal consensus for reform. A social dialogue that deserves to be taken seriously does not exist in our country."<sup>558</sup> In another interview Touraine compared the protests of 1968 with the CPE debate: In 1968 "there were protests in favour of more societal mobility whereas today dynamic and flexibility are taken as symbols of insecurity. [...] As always the French would like to instigate a civil war because of very limited changes."<sup>559</sup> Another more specific aspect that has been analysed was the effect that the French educational system has on the problem of youth unemployment. The universities were generally criticised because they, except from some "Grandes écoles", do not adequately prepare their alumni for professional

<sup>551</sup> See a TV interview (ZDF) on 06 February 2006, documented on [www.bundesregierung.de](http://www.bundesregierung.de), latest access: 31 March 2006.

<sup>552</sup> Horst Köhler: Aber zur Freiheit gehört eben auch Verantwortung und Respekt vor dem Anderen, auch Respekt vor religiösen Gefühlen, Reuters, 05 February 2006.

<sup>553</sup> Cf. Vera Gaserow: Dialog war das Wort des Tages, Frankfurter Rundschau, 11 February 2006.

<sup>554</sup> Cf. among many others Thomas Assheuer: Eine sehr gefährliche Falle, Die Zeit, 9 February 2006 and Uwe Schmitt: Der Konflikt ist unvermeidbar, Die Welt, 03 March 2006.

<sup>555</sup> Ulrich Speck: Totalitarismus versus Liberalismus: Eine Bilanz des Karikaturenstreits, Zeit.de Weblog, 16 February 2006.

<sup>556</sup> Cf. e.g. Mely Kiyak: Kreuzberger Meinungsfreiheit, Frankfurter Rundschau, 16 February 2006.

<sup>557</sup> To reduce unemployment among young workers, the French government wanted to loosen job protection

measures with the controversial Contrat Première Embauché (CPE) or first employment contract. The CPE that eventually was halted due to massive public protests would have introduced a two-year probationary period for workers under 26 in which a company with more than 20 employees would have been able to fire a worker without stating a cause.

<sup>558</sup> Alain Touraine: Abkehr vom Kapitalismus, Frankfurter Allgemeine Zeitung, 28 March 2006.

<sup>559</sup> Michael Mönninger: Explosion möglich. Gespräch mit Alain Touraine, Die Zeit, 23 March 2006.



careers.<sup>560</sup> Another commentator went as far as calling average French universities “factories producing unemployment”.<sup>561</sup>

A second bloc of articles dealt with the CPE debate in a broader, European context. Some journalists interpreted the manifestations against the CPE as a symptom of a profound incapability of European societies to adapt to the global world economy.<sup>562</sup> The European dimension was denied by many politicians, as a commentator said, but he added: “The Gallic cock is a weathercock for all of continental Europe. If something happens in France, not seldom it will eventually occur anywhere.”<sup>563</sup> This dimension was also recognised by more sceptical authors. One commentator stated that protests in France and parallel strikes in Great Britain and Germany are directed against the same policy that is coordinated EU-wide: the cutback of social and workers’ rights. The author added that it did not happen incidentally that the European Commission’s President Barroso has asked the French government not to give in regarding the CPE.<sup>564</sup>

A third series of articles centred on comparing the French CPE debate with the current situation in Germany. Taking a closer look at some examples helps to understand why the CPE debate was taken up so intensively in Germany. One of the core questions was: If French and German students have quite a lot in common<sup>565</sup>, why are there no protests in German universities? Answers varied a lot. Some argued that there is a big difference in the mentality of French and German students. Accordingly German students prefer “silent protests”.<sup>566</sup> Others argued that the position of trade unions in society differs fundamentally between the two countries.<sup>567</sup> Another opinion: German students have internalised demands of personal responsibility, and consider that

“those who fail did not try hard enough”.<sup>568</sup> A negative interpretation is that German students are increasingly “fed up with politics” and therefore decide not to get involved in any kind of political mobilisations, but pick up a very pragmatic approach.<sup>569</sup> Going beyond this analysis, it would not be exaggerated to state that the French debate has caused political consequences in German domestic policy debate, especially concerning the debate on protection against dismissal.<sup>570</sup>

Both issues that are presented in this chapter have one thing in common: The Cartoon Crisis as well as the CPE debate have received a lot of attention in Germany because they are intensively linked to urgent domestic problems. This became clear in the way these topics were discussed. While news articles provided continuous updates on the course of events, commentators and analysts often focused on related domestic issues. Looking at these two cases, one can conclude that to a certain degree a Europeanised German public sphere is emerging in a sense that national political discussions overlap and important issues from other European countries have the potential not only to influence, but even to trigger political debate in Germany.

## Greece

Media interest – and public debate – often focuses in Greece to situations and evolutions in major EU countries, which often play a leading role in the maturation of internal affairs. As public opinion was following through the media, the approaching of the Italian elections or the waning of the Blair years in the UK, the social explosion in France (both the “revolt of the suburbs” in late 2005 and the “CPE fiasco” of early 2006) monopolised the center-stage of attention with extrapolations to Greek situations, e.g. in massive unemployment in northern regions due to business delocalisations. Both the overall labor market inflexibility and youth unemployment are equally important issues in Greece and France; given the tendency of Greek political

<sup>560</sup> Cf. Jochen Hehn: Schleichende Entwertung der Diplome, *Die Welt*, 4 April 2006.

<sup>561</sup> Günther Nonnenmacher: Warum Frankreich blockiert ist, *Frankfurter Allgemeine Zeitung*, 23 March 2006.

<sup>562</sup> Cf. e.g. Nikolaus Piper: Französische Verhältnisse, *Süddeutsche Zeitung*, 8 April 2006.

<sup>563</sup> Stefan Baron: *Métro, boulot, dodo*, *WirtschaftsWoche*, 3 April 2006.

<sup>564</sup> Cf. Dorothea Hahn: De Villepin bleibt nur der Rückzug, *die tageszeitung*, 29 March 2006.

<sup>565</sup> Cf. Stefan von Borstel / Joachim Peter: Die Angst der Generation Praktikum, *Die Welt*, 21 March 2006.

<sup>566</sup> Ansgar Graw: Ins Ausland statt auf die Straße.

Interview mit Philipp Missfelder, *Die Welt*, 21 March 2006.

<sup>567</sup> Cf. Georg Dietz / Matthias Stolz: “Revolte” – “Karriere”, *Die Zeit*, 30 March 2006.

<sup>568</sup> Moritz Ege / Tobias Timm: Das internationale Prekariat, *Süddeutsche Zeitung*, 3 April 2006.

<sup>569</sup> Christoph Amend, *Die prekäre Generation*, *Die Zeit*, 30 March 2006.

<sup>570</sup> Cf. e.g. Nikolaus Piper: Französische Verhältnisse, *Süddeutsche Zeitung*, 8 April 2006. In this article, a leftist German politician referred to the domestic debate by stating that Germany would actually need a situation with strikes, blockades and turmoils as it could be found in Paris.

affairs to seek their inspiration in French-based theories, approaches and eventually flare-ups, the influence of the above mentioned twin French explosion could prove both pervasive and durable. Almost 72% of respondents at a late March 2006 poll (Metron Analysis, reported at Eleftherotypia, March 25) expected large-scale demonstrations in Greece "as in France", vs. 18,7% who did not; while 73,4% think that France's experience "is there to stay".

Evolutions in Southeastern European /Balkan countries are being followed closely in Greece, e.g. in the case of Bulgaria's and Romania's remaining steps towards EU participation. The continuing turmoil in the Western Balkans is viewed with unease: the outcome of the independence referendum in Montenegro has been viewed rather positively, but future steps in Kosovo are creating grave concerns ("*Podgoritsa is not Pristina*" seems to be the motto). The intangibility of Balkan borders remains an article of faith for Greek foreign policy (see also point 6).

The major field of concern, though, remains Turkey. Rifts in the cohesion of Turkish leadership, the vacillation of the political resolve of the Erdogan government, the resurgence of the power of the generals (the passage from the Ozkiok to the Buyukanit era in the Turkish General Staff) and increasing social unrest are feared to destabilise the road of Turkey towards the EU. Europe, in turn, is felt increasingly unwilling to welcome Ankara. This augurs trouble for the main pillar of Greek foreign policy, which was to bet (or pray) that Turkey's European future would attenuate strains in Greek-Turkish relations. Flare-ups at any moment may occur (see point 1).

## Hungary

As Hungary is highly interested in the accession of all neighbouring countries, most attention is being paid to these states. Within that, Croatia's integration progress, or the future situation of Serbia and Montenegro, as well as their accession perspectives are accompanied with interest in the media. Besides that, the accession process of Romania and Bulgaria is accompanied nowadays with the greatest attention of course. In this respect, the reactions of Hungarian MEPs to the Commission's May Report were echoed in the national media as well. Five Hungarian members of the European

Parliament commented on the Commission document, all of them welcoming it, but most of them wondering about the reasons for neglecting the situation of the Hungarian minority there. The commentators of both right and left, as well as the liberals emphasised<sup>571</sup> that in Romania a comprehensive minority law is still missing, the cultural autonomy of the Hungarians should be improved (with special regard to higher education in the Hungarian language) and the return of church real estate earlier owned by Hungarian communities should be settled. A further item, the issue of the highly polluting Rosia Montana (Verespatak) goldmine was also taken out of the latest Commission paper. The general mood among the Hungarian representatives is that the EU seems to be less demanding vis-à-vis the new candidates, as compared to the candidates of the 2004 enlargement. In order to reinforce their position, the Hungarian EPP delegation together with other European Peoples Party members (e.g. Michael Gahler and Alain Lamassoure) sent a letter to Commission President José Manuel Barroso, expressing their anxiety over neglect of the minority issue in the report and the lack of concrete steps for Romania to comply with the relevant aspects of the first Copenhagen criterion.

At the second anniversary of EU enlargement to 25 Member States, a recurrent topic in the media is the comparative analysis of the performance of the newcomers. In this context usually the outstanding performance of Slovenia entering the eurozone next year, as well as the dynamism of the Baltic states is highlighted. But also the Polish, the Czech and the Slovak experiences are being compared with the mixed Hungarian performance. As regards the old Member States, in the beginning of the year the famous cartoon-issue of Denmark was often discussed by the media, mirroring mixed feelings and reactions of the commentators in Hungary. In the first half of 2006 the student strikes in France, the elections in Italy, or the trade union strikes in Germany have also been treated in the media quite extensively

## Ireland

Particular attention is given to the following debates in other Member States:

<sup>571</sup> <http://www.euvonal.hu/index.php?op=hirek&id=2878>

- The fallout from French and Netherlands referendums.
- Debate on economic reforms, neo-liberalism etc., notably in France.
- Ongoing debate on Enlargement., especially in relation to Turkey.
- Migration, immigration, integration and multiculturalism.
- Globalisation.
- Environment and Energy.
- EU in the wider world: Middle East; Iraq and Iran; United Nations etc.
- EU-US relations.
- Islam and Europe.

The first four issues in terms of ranking appear to be: the fallout of the French and Dutch referendums, migration, immigration and integration, energy and environment and Islam and Europe. The other issues are ranked in no particular order. The fallout of the referendums in France and the Netherlands had a genuine impact on the domestic debate, because we, in Ireland, face the prospect of a referendum ourselves.

## Italy

The revolts in the French banlieues was widely covered by the media. The French revolts raised fears of similar events in Italy. In Italy, like in France, the community of immigrants is growing and people are concerned about the negative consequences brought about by immigration. On the one hand, immigrants are often considered as a negative presence, and are associated with street crime, drugs and prostitution. The fear of multiculturalism and of losing national and religious identity is also deeply felt, and is expressed by political parties such as the Northern League or Alleanza Nazionale (National Alliance). On the other hand, immigrants have a vital role in Italy's economy, providing the workforce for many important sectors such as industry and agriculture. Thus the issue of integration is one of the most hotly debated. The French revolt was seen by the leaders and commentators of the center-right as a warning: if we let too many immigrants come in, we will face increasing crime rates and jeopardise our cultural heritage. The leaders of the center-left tended to draw from the French revolts the lesson that we should increase our efforts to integrate immigrants, providing them with more social welfare and education.

The well-known crisis of the Muhammad cartoons was also widely covered. Italy was actually directly involved when Minister Roberto Calderoli, from the regional, populist Northern League party, showed his t-shirt with the Muhammad cartoons during a talk show. This caused violent anti-Italian protests in Libya, where the Italian embassy was attacked by an angry mob, and nine people were killed in the clash with Libyan security forces. Calderoli was forced to resign due to the pressure of the public opinion and of his own coalition partners. He never apologised, though, saying he was fighting a battle for freedom of expression and protesting against discriminations against Christians in some Islamic countries. Almost all the public opinion and political leaders, including Catholic church leaders, disagreed with Calderoli, saying the respect of other people's religious faith, no matter what, is fundamental.

Finally, same sex marriage is an issue which sparked public debate after Zapatero legalised it in Spain. Prime Minister Zapatero was hailed as a courageous leader by gay and lesbian activists, and some of center-left political leaders expressed their approval. But nobody proposed to introduce such an innovation in Italy yet, not even in the center-left coalition, which also includes a Catholic party, La Margherita. Catholic politicians see same sex marriage as an unnatural thing which would destroy the very foundation of society, the family made up by a man and a woman, and reacted with outrage at Prime Minister Zapatero's innovation. The governing center-left coalition is at the moment debating on the opportunity of instituting the so-called Pacs, Civil Solidarity Pacts, a legal contract between two people which guarantees to a couple living together the same legal rights of a married one. The proposal is opposed by the Catholic Church, which sees Pacs as a threat to marriage, and by the opposition parties and Catholic governing parties, La Margherita and Udeur.

## Latvia

Among the issues that have enjoyed continuous coverage in the media are those relating to the opening of the labour market of the old EU member states to workers from the new member states, the discussions surrounding the adoption of the EU services directive, and various aspects of the EU agricultural policies and the fair distribution of

EU subsidies to all member states. For many months the controversy that arose after pressure from the Swedish trade unions forced the Swedish town of Vaxholm to break a contract with the Latvian construction company Laval and Partners for erecting a public building was widely discussed not only in the Swedish and the Latvian media, but also in the European press. The dispute led to the re-examination of such fundamental EU notions as the social model, competition, free movement of workers, free market economy, and the EU services directive.<sup>572</sup> Another issue that ranks at the top has been the need for a common EU energy policy; it became a headline topic after the signing on 8 September 2005 of the German and Russian agreement to construct a pipeline under the Baltic Sea for the transport of gas from Russia's Northwest to Greifswald in Germany.<sup>573</sup> This issue continues to be widely covered by the Latvian media.

### Lithuania

The elections in the different EU member states received most of the attention in the Lithuanian media last year. Especially the recent parliament elections in Germany and their results were very widely covered in the Lithuanian media. The coalition-building after the elections and the work of the new chancellor Angela Merkel also attracted Lithuanian journalists' attention.

The parliamentary and especially the presidential elections in Poland and the situation after the elections (what concerns the attitudes of the newly elected Polish president Lech Kascynski) also were comprehensively displayed in the Lithuanian media.

The recent presidential elections in neighboring Belarus and the government actions against the demonstrators, who were protesting against the undemocratic elections,

was another topic, which received considerable attention in the Lithuanian media.

### Luxembourg

Treasure und Budget Minister Luc Frieden has recently deplored "that a certain press" (in France) misuses "Clearstream" to characterize "special events in France" which are without any link to Clearstream/Luxembourg. All judicial actions taken in Luxembourg and in France have clearly established the fact that the allegations against Clearstream ended in complete exoneration of Clearstream.<sup>574</sup> Luxembourg's government and finance managers were not amused about how the "Clearstream case" was treated in the French media and inner political circles. Clearstream is a Luxembourg-based clearing company taken over by the main German stock exchange "Deutsche Börse". Clearstream's former name was "Cetrel" and its former shareholders were mostly Luxembourg-based banks. It was one of the mightiest clearing institutes worldwide. Due to financial and political scandals, especially in France, the reputation of the institute was badly harmed. Shareholders tried to get rid of their participation, Luxembourg as an international finance centre having already some image problems with "tax haven" allegations of foreign politicians and the news media<sup>575</sup>.

Of course Mittal–Arcelor–Severstal discussions on the future of Arcelor were in the centre of the medias focus during the first half of 2006. Generally speaking Luxembourg media - print and electronic - from left to right were endorsing the Arcelor management's position rebuffing Mittal and hailing Serverstal. Only the communist newspaper, by repeating anti-capitalist slogans, rejected any merger. As this process is still ongoing it might be to early to comment further on this issue.

<sup>572</sup> For a brief summary in English of the controversy, see <http://www.euractiv.com/en/socialeurope/mccreevy-defends-stance-social-model-row/article-146475>.

<sup>573</sup> For a summary of the controversy surrounding the pipeline, see the section on the North European Gas Pipeline in the chapter by Dzintra Bungis on EU-Russia relations in the book, *The European Union's Eastern Neighbours After the Orange Revolution*, Riga: Latvian Institute of International Affairs, 2006: see also [http://www.fes-baltic.lv/cms/front\\_content.php?idcat=22&idart=49](http://www.fes-baltic.lv/cms/front_content.php?idcat=22&idart=49) and <http://www.lai.lv>; see also <http://www.euractiv.com/en/energy/transatlantic-debate-highlights-energy-security-worries/article-154869>.

<sup>574</sup> Actualité gouvernementale 23.05.2006 Luc Frieden reçoit les dirigeants de Clearstream

<sup>575</sup> LA VOIX DU LUXEMBOURG du 19.05.2006, Sophie Kieffer : « L'enquête est clôturée », TAGEBLATT (T.) du 19.05.2006, Serge Kennerknecht : « Klare Verhältnisse » LUXEMBURGER WORT du 04.05.2006, Pierre Rimbaut : « Une affaire à la française », LW.02.05.2006 par Gilles Van Grasdorff : « Le corbeau et l'Etat », T. 29.04.2006 par Daniele Fonck « Décadence ».

## Malta

The debate that is taking place across the EU on illegal migration is closely watched in Malta. As the topic of illegal migration dominates the media in Malta on a daily basis, there is a general interest to see how neighbouring southern European countries and others further north are reacting to this phenomenon.

The first half of 2006 has seen an increase of xenophobic tendencies in Malta with several acts of vandalism against those supporting the rights of illegal migrants. This has become more of an issue of concern in Malta although it is still so far manageable.

At a governmental level there has been a major international effort to raise the profile of this major humanitarian security challenge that is impacting Malta, its neighbours and the rest of Europe. As many as two million illegal migrants are in transit in Libya alone and better weather has already seen a steep rise in the number of illegal migrants arriving on the shores of Malta.

Malta has been consistently advocating the holding of an international conference in Libya that will bring European, Mediterranean and also African states together to discuss policies on how to address this ever increasing source of insecurity.

Given the proximity of Italy to Malta there was widespread interest in the general elections that were held in Italy in April 2006. The cliff hanger result and subsequent squabbling between former Prime Minister Silvio Berlusconi and the eventual victor Romano Prodi led to an even larger interest in the elections and their aftermath than usual.

The “cartoons” crisis earlier in 2006 that was triggered by the publication of a series of cartoons depicting the prophet Mohammed was also widely followed in Malta. The government was quick to condemn any violent acts that took place in reaction to their publication and called for a level of respect to be observed in such circumstances. The right to freedom of speech was also widely supported with the majority of Maltese in favour of a self-regulating media.

The other main issue that captured the attention of the Maltese media was the “avian flu” scare. With an economy that is largely dependent on tourism the general public have

been watching closely this issue out of fear that it could negatively impact upon the summer tourist season. While this issue dominated the media up to Spring 2006 it has largely abated since, with little or no coverage of the issue in the run up to summer.

## Netherlands

On European Affairs the media coverage in general does not focus so much on domestic developments in other member states and/or neighbouring countries, but usually does cover member states related to specific European dossiers. Like the coverage on the possible revitalisation of the European Constitution; on the social Europe; on national champions and governmental economic protectionism to prevent potential mergers with foreign companies and on freedom of movement related to (Polish) workers and services. The coverage concerns mainly Germany, France and the United Kingdom. Important issues in the media were the announcement of Merkel to put the European Constitution on the agenda of the German EU Chairmanship in 2007 and the French position in this; the unrest in France related to the proposed social reforms by De Villepin and the freedom of movement, Polish workers and the British experience.

## Poland

Some issues dominated the overall external political thematics:

- a) German-Russian co-operation on Northern Pipeline, which is perceived as an example of the re-nationalisation of the German foreign policy, contrary to European solidarity and compromised with Schröder's scandalous employment in a Russian consortium together with the former Stasi agent Mathias Wernig.
- b) Deepening of the Polish-Ukrainian co-operation
- c) Developments in Belarus and support for the Belarusian democratic opposition
- d) Neo-imperial tendencies in Russian foreign policy (pressure on Ukraine, Georgia, Moldova, energy resources as a tool of Russian foreign policy).

e) French problems with stability (immigrants unrest and youth protests against the new law on first employment).

## Portugal

During last semester, coverage of Portugal's only terrestrial neighbour – Spain – has been quite intense. The media and opinion makers have focused their attention on the approval of the new Statute for Catalonia and on ETA's declaration of permanent ceasefire. As regards Catalonia, coverage has focused on the positions taken by the different actors regarding the impact that the new Statute may have for Spain's future as a unitary state: on one side, the government's argument that the Statute is a fundamental tool for the "integration of diversity in unity" and to ensure a more tolerant and stronger Spain<sup>576</sup>; on the other, the idea backed mainly by the PP, that the new Statute will fuel the country's "balkanisation".<sup>577</sup> On ETA's declaration of permanent ceasefire, the Portuguese media were particularly interested in the communication's relevance and the reactions it provoked both in Spain and abroad. Portuguese analysts described the ceasefire announcement as recognition of ETA's military failure and the option for a political solution<sup>578</sup>, as well as the only available answer to the government requirements for a potential future agreement.<sup>579</sup>

Southern Mediterranean countries, as well as other Arab countries, received an exceptional media coverage during the so-called "cartoons' crisis". Media reported the protests, manifestations and acts of violence that followed the publication of the prophet's cartoons in European newspapers. European reactions, coming from EU institutions, national governments and international organisations, mainly condemning violence and stressing the value of freedom of speech, responsibility and respect of religious sensitivities were also highlighted by the media. The declarations made by the Minister for Foreign Affairs – underlining the limits of freedom of speech,

and describing the publication of the cartoons as an offence to Islam and as an incitement to a "war of religions", stressing the need to understand the current crisis from the Islamic side - were very controversial and contributed to stimulating the national debate.<sup>580</sup> Politicians and commentators criticised it for not condemning violence vehemently enough and for his questioning of the freedom of speech.<sup>581</sup>

As regards other EU Member States, French proposals for labour reforms and Italian elections have been quite relevant issues in the Portuguese debate. Media analysts considered both cases as having a special relevance not only because of their future repercussions on European politics, but because they should also be seen as a symptom of the crisis Europe currently faces.<sup>582</sup> In the particular case of France, the media tends to explain the long and intensive social demonstrations as the result of electoral and personal rivalries and of a clumsy handling of the crisis. Some analysts have gone further and argued that the protests against the Contrat Premier Emploi (CPE) "were the symptom of a deeper crisis that has been cyclically emerging since the French Presidency elections, including the demonstrations last summer in Parisian suburbs and the chaos during the Constitutional Treaty referendum campaign."<sup>583</sup> According to this perspective, the crisis underlines a political credibility problem as well as the incapacity of the political elite to mediate conflicts. Taken to the extreme, one can wonder if France is still a "governable" country. While reporting the different political actors' discourses and the current French political and social instability "with Chirac living a tragic end of mandate, Villepin defeated by the crisis and Sarkozy triumphing but with a weakened image"<sup>584</sup>, Portuguese media commentators foresee even greater difficulties in the coming months for new reform, thus aggravating the slow economic recovery in France and in the rest of Europe. Nevertheless, the upcoming Presidential elections are widely seen as a

<sup>576</sup> Declarações de Fernandez de la Vega, "Parlamento espanhol aprovou novo Estatuto da Catalunha", in Público, 31 March 2006.

<sup>577</sup> "Zapatero pede consenso catalão sobre novo estatuto autonómico", in Diário de Notícias, 6 February 2006.

<sup>578</sup> Fernandes, Jorge Almeida, "Ao reconhecer a derrota militar a ETA sonha com uma vitória política", in Público, 23 March 2006.

<sup>579</sup> Ribeiro, Nuno, "Esperança e prudência em Espanha", in Público, 23 March 2006.

<sup>580</sup> "Freitas dos Amaral condena desenhos mas omite violência", in Público, 8 February 2006 and Amaral, Diogo Freitas do, "Esclarecimento sobre a liberdade de expressão e a relação entre o Ocidente e o mundo Islâmico", in Público, 23 February 2006.

<sup>581</sup> Declarações de Marques Guedes, "Freitas debaixo de fogo condena a violência", in Público, 9 February 2006.

<sup>582</sup> Amaral, Luciano, "A Tragédia Europeia", in Diário de Notícias, 13 April 2006.

<sup>583</sup> Aurélio, Diogo Pires "Um desfecho Previsível", in Diário de Notícias, 11 April 2006.

<sup>584</sup> Pedro, Ana Navarro, "Auguram-se meses difíceis até às eleições de 2007", in Público, 11 April 2006.

strong solution for reversing the situation and bringing France back to its traditional leadership in European affairs.

Romano Prodi's victory in the Italian elections was also widely covered and commented in Portugal. For the large majority of Portuguese analysts, the current Italian government will face a huge task in trying to give the economy a much needed boost, as well as in stabilising the Italian political scene, still very fragmented. Prodi's strong European credentials could also help in raising Italy's profile in the European context: "With Europe going through a deep crisis, (...) the return of a pro European Italy will always be welcomed."<sup>585</sup> The new government's intention to conciliate a European vision with good transatlantic relations is also positively underlined by Portuguese opinion makers.

## Romania

The Romanian public opinion has been attracted in particular by those messages, news and signals in the Western media directly connected with Romania's accession. The opinions, comments and statements of the European leaders having a direct or indirect influence on the way Romania's progresses are assessed in the last interval before the accession have been reproduced and debated more frequently by the Romanian media. Usually, the debates led to more or less realistic scenarios or speculations as regards the certainty, relativity or conditionality of the accession date, in particular in the period preceding the last monitoring report of the European Commission.

The statements of the Commissioner for Enlargement Olli Rehn, but also of other Commissioners with a word to say in assessing Romania's progress in the "red flags" areas have been quite widely quoted in Romania. Without a press coverage similar to that granted to the signals of the European Commission, some opinions of the representatives of the main groupings in the European Parliament who visited Romania in the past six months were shortly resumed, if they made direct references to issues related to Romania's progress within the accession process.

<sup>585</sup> Sousa, Teresa de, "A Europa estava à Espera de melhores notícias", in Público, 11 April 2006.

The issues of the enlargement and, connected to it, the accession of Romania were the key themes that attracted the interest of the Romanians during this period. Beyond these priority interest areas of the Romanian public debate, the specialized media, the political analysts and several TV anchormen brought to attention several controversial subjects, sometimes taken in a distorted way from the Western mass media, such as: discussions related to the Bolkestein draft directive, but also the problem of the EU budget, various issues related to the energy policy, the reform of the common agricultural policy etc.

Other debates, developments or events taking place in some Member States of the EU have been rarely presented and commented by analysts/newspapers targeting a specialized public. Among them: the economic difficulties of France and Germany, connected to the high unemployment rate, the French revolts of young people in the suburbs, of students and unions allied against the first employment law, the increased intolerance in the Netherlands, and the emerging euroscepticism among Austrian citizens etc<sup>586</sup>.

## Slovakia

Slovakia has been paying a lot of attention to debates in other EU member states on the application of the four EU freedoms as well as on economic and social reforms that are perceived as the basis for a functional future of the European Union. The media in Slovakia also consistently pays attention to political and economic developments in neighbouring countries, including Slovakia's one non-EU neighbour – Ukraine.

The Visegrad countries represent a particular comparative framework for assessing Slovakia's performance within the EU. A good example are preparations for the adoption of the euro, where, compared to other Visegrad Four countries, Slovakia is especially well prepared administratively. The National Bank of Slovakia has elaborated a detailed itinerary of the period preceding and succeeding the adoption of the euro, which according to the European Commission "combines ambitions with realism". The Czech Republic and Hungary, for their part, set the goal to adopt euro in 2010 but have not yet launched detailed preparations. New Polish President

<sup>586</sup> Mircea Vasilescu, Stiri (nebăgate în seamă) din UE / News(ignored) from the EU, in Dilema Veche, 117.

Lech Kaczynski even declared he would call a referendum on euro adoption. Of course, the situation in Slovakia on adopting the euro in 2009 could yet change depending on the make-up of the country's government after the parliamentary elections in June 2006.

In the course of the first half of 2006, politicians, the public and the media paid a very close attention to the question of opening of the labour markets by 'old' member states to citizens of eight post-communist countries. Slovakia is not yet fully integrated within the four basic freedoms defined by the Union's single market.<sup>587</sup> Only Great Britain, Ireland and Sweden opened their labour markets to citizens of new EU member states on 1 May 2004; all other EU member states opted for transitional periods in the field of free movement of persons. This measure restricted the access of people from new EU member states including Slovakia to labour markets of other EU member states for at least two years. By 1 May 2006 the original EU member states (EU-15) had to decide whether they would open their labour markets or extend the transitional period until May 2009 and possibly until May 2011.

Slovakia thus followed closely the reactions of 'old' EU member states to the report by the European Commission (EC) regarding the situation on the EU labour market published in February 2006.

The media paid close attention to the way EU member states reviewed the exercising of transitional restrictions on free movement of workers after 1 May 2006. Spain, Portugal, Finland and Greece have lifted transitional restrictions completely, and joined the attitude of the UK, Ireland and Sweden. The Dutch government also intended to lift the transitional restrictions, but under pressure of the parliament it postponed the final decision to the end of 2006. However, there is a real chance that the Netherlands will open up its labour market in 2007. As for other "old" EU member states, they have not lifted transitional arrangements yet, but most of them have taken partial liberalisation measures. Belgium, Luxemburg and Denmark have simplified procedures of employing nationals from post-communist EU member states. For example, Belgium opened up its labour market in sectors that are experiencing labour shortages.

<sup>587</sup> The four basic freedoms stand for a free movement of goods, services, capital and persons within the single European market.

Various regions of Belgium will advertise the list of professions in which the applicants from new EU member states are going to have simplified registration procedures whereby work permits can be issued within five days of applying for a job. The region of Brussels has published such a list, indicating job opportunities for architects, accountants, construction workers, health personnel, IT specialists, auto-mechanics, plumbers and engineers. France also decided on a step-by-step controlled lifting of the restrictions on the labour market in the sectors where labour is in short supply. At the same time, the French government opened a dialogue with social partners on total opening of the labour market. The exact list of available professions for nationals from new EU member states is available on [www.anpe.fr](http://www.anpe.fr). France's liberalising measures include sixty-one professions in agriculture, hotel business and tourism, engineering, the steel and chemical industry, trade and various services, such as cleaning and washing, for instance. According to the French Ministry of Labour in 2005, one third of available job opportunities in the aforementioned sectors remained vacant. Italy increased the annual quota for workers from new member states to 170,000, however the country has kept the transitional restrictions in place. The most significant hostility to the liberalisation of labour market remains in Germany and Austria. These countries decided to continue the transitional period until 2009. As for the opening of the labour market, they intend to apply various bilateral agreements with the new member states.<sup>588</sup>

## Slovenia

### *Narrowness of the media*

There are almost no issues in other member states continuously covered that would even have (or be considered to have) an impact on Slovenian political, social or any other sphere. Only the issues closely connected to Slovenia – status of the Slovenian minority in Austria and Italy, and bilateral relations with Croatia – are given special attention and receive continuous coverage in the media. Only a couple of single events in the neighbouring countries were covered extensively by the Slovenian media - parliamentary elections in

<sup>588</sup> For more information see <http://www.euractiv.sk/cl/43/5933/Dalsie-krajiny-otvorili-trh-prace>.



Italy and Hungary and Austrian internal political affairs.<sup>589</sup>

### *Shallow focus on Germany*

The only example of continuous coverage of the internal political and social issues is Germany, though in a limited respect, since it is mainly the German economic situation that is worth continuous coverage in the media.

The first official visit to Germany of the Slovenian Prime Minister Janez Janša in March was intended to strengthen good relations between the two states. The Slovenian prime minister and German Chancellor Angela Merkel dedicated most of their time to EU-related questions.<sup>590</sup> They stressed that the Slovenian – German partnership is strong and important, and Mr. Janša praised Germany for playing a constructive role when Slovenia gained independence and was in the process of EU and NATO accession.<sup>591</sup>

The newspaper *Delo* is the only Slovenian newspaper that continuously follows the changes in German politics, but still writing mostly about the events related to the economic situation in Germany. Unemployment in Germany receives a lot of attention, and it is understood to have caused the declining support of the EU – the EU is being blamed for unemployment.<sup>592</sup> In the same month another commentator noticed that economically, Germany is doing better, but points to the importance of this for the Slovenian economy and does not touch upon the more general or European meaning of a healthier German economy.<sup>593</sup>

On the internal political questions the issue of the grand coalition in Germany is worth attention. The inability of the grand coalition to be more determined and accept more decisive measures to implement the very much needed

economic reform was criticized and the loss of public support in Germany noticed.<sup>594</sup>

It is hard to assess whether these reports and comments on the German internal political and economic situation have an impact on either the political decision-makers or the public in Slovenia. The economic and, to a lesser extent, political situation in Germany have a great impact on Slovenia (simply through very strong economic ties). Media politics acknowledges the importance of posting very good correspondents in Berlin, but whether this coverage influences Slovenian politics is hard to say. In their answers to our questions, none of the respondents singled out Germany or any specific issue related to it as being important and influential in the socio-economic aspect. Interesting enough, however, their answers differed completely. The Union of free trade unions exposed the importance of preparations for achieving the Lisbon goals and the debates surrounding the services directive in member states as those socio-economic issues they see as important and follow more closely. Social Democrats exposed the Europeanisation of European neighbourhood and the situation in the Western Balkans as two issues that they follow and believe to have an impact also on Slovenia (and its foreign policy goals and actions).

### **Spain**

By and large, the issues that have been extensively covered by Spanish media are those related to the challenge of immigration from Subsaharan Africa and the rise in violent crime associated with the opening of borders. Spanish society is very concerned about the volume of illegal immigration from Africa and believes that Europe should be involved in managing this problem.

### **Sweden**

This question is very difficult to answer, but at least two things stand out as important to this author. One concerns the democratic development in Russia. Often discussed in a Baltic Sea perspective, which also highlights the political importance of Finland, there is a certain amount of attention given to the domestic developments in Russia (generally

<sup>589</sup> That is not to be understood as that there are not many news on the events happening in other but neighbouring states in Slovenian media. In fact, Slovenian media cover events in other countries quite extensively, but only rarely go deeper into the analysis of the events or cover happenings in one or more countries on a regular basis.

<sup>590</sup> POP TV (15 March 2006) 24 ur [24 hours].

<sup>591</sup> Nataša Kramberger (2006) Pomembno in močno zaveznitvo [Important and strong partnership], *Večer*, p. 1, 16 March 2006.

<sup>592</sup> Peter Žerjavič (2006) Bruselj postaja tarča čedalje ostrejših kritik [Brussels is becoming a target of increasing criticism], *Delo*, p. 4, 30 January 2006.

<sup>593</sup> Bojan Glavič (2006) Nemčiji gre na bolje [Germany is doing better], *Dnevnik*, p. 24, 27 January 2006.

<sup>594</sup> Peter Žerjavič (2006) Bruselj postaja tarča čedalje ostrejših kritik [Brussels is becoming a target of increasing criticism], *Delo*, p. 4, 30 January 2006.

perceived to be moving in the wrong direction). The other, which also reflects a rather regional picture of political and medial interest, concerns Denmark and the strength of the anti-immigrant opinion there, the relative strength of political parties with such a profile and the actual policies and legislation in that area. The established political parties in Sweden openly distance themselves from the Danish situation, but certain opinion polls show that not least for young men in southern Sweden, such a policy alternative may be of some interest (although for the time being this will probably make only a marginal imprint on the Swedish political landscape).

## Turkey

The bargaining among the ethnic/religious groups (Shiite, Kurds and Sunnis) for the formation of a broad-based coalition government in Iraq was closely followed. The main issues deserving highlight in the Turkish media were the necessity of upholding Iraq's territorial integrity, the prevention of an independent Kurdish entity in the Northern Iraq, and Turkey's demands for co-operation from the Iraqi government to end PKK activities in Northern Iraq. Also, it can be said that, while the declarations made in late March by the cabinet members underlining the possibility of an approaching civil war were met with caution in general, the failure of the occupation forces to provide the security of life and property in Iraq and the resultant civilian losses were always and somewhat numbly regretted in the media accounts.

The diplomatic process that began after Iran announced the restart of its nuclear fuel activities enjoyed large coverage in the media. It was reflected that the diplomatic note given by the permanent members of the UN Security Council to disincline and/or deter Iran from resuming its nuclear programme, and later, the IAEA vote to report Iran to the Security Council has not made the desired impact on Iran, and on the contrary, has become subject to strong Iranian resistance. Iran's position was portrayed as manifesting an uncompromising attitude in its right to obtain nuclear energy for peaceful purposes, albeit at the same time, not closing the door to diplomacy once and for all. It was underlined that Iran's position also received the benefit of disagreements in the international community as to how to decide on the most appropriate strategy to eliminate any possibility for Iran to develop a nuclear weapon

in the long-run, i.e., a choice between applying UN sanctions at the risk of estranging Iran, or trying to control its nuclear programme through the IAEA.

The attempts of the internationally recognised Cypriot government to offset any possibilities that would end the Northern Cyprus's isolation in the international arena were given the most persistent coverage. The obstructions created around issues such as the provision of UNDP funds to Northern Cyprus, the possibility of direct trade relations between Northern Cyprus and the EU member states, and the British Foreign Secretary's diplomatic visit to the President of the Northern Cyprus were seen as exemplifying the unhelpful Greek Cypriot attitude towards progress on the Cyprus issue. In general, it was made clear that rather than pursuing a strategy of comprehensive settlement, which would involve the mediation by the United Nations, the Greek Cypriots sought to play the veto card in the process of Turkey's EU membership to force their demands on the Turkish side. On the other hand, the attitude of Greece towards Cyprus and membership issues was thought to be more conciliatory within the limits of diplomatic constraints.

Discourses regarding the political and social issues in Spain have caught the persistent attention of the Turkish media. The first issue was related to the decision of the Zapatero government to punish and remove from office some of the top military commanders in reaction to these commanders' support for a declaration that insinuated the possibility of a military intervention in the name of protecting the Spanish constitution if the government's plans to enhance Catalan autonomy were realised. The problematic status of the Turkish civil-military relations in mind, this event reflected the place of the military establishment in an EU member state vis-à-vis the civilian authority while manifesting the tensions gathering in the Spanish society around Catalan autonomy. The second issue was the declaration of a permanent ceasefire by ETA. Combined with plans to enhance Catalan autonomy, this incident was evaluated as a sign that Madrid was on a new way in its relations with the autonomous regions in the country.

In France, two major issues enjoyed coverage in the last six months. The first was the street marches against the government plans to let firms offer flexible job contracts to people

under 26 which allow them to be sacked at short notice. The draw back of the draft law as a result of these protests was considered a victory for the students and labour unions. Secondly, the plans in the French Parliament to adopt a law that would criminalize the denial that the 1915 emigration of Armenians in Turkey constitutes genocide became a major issue for obvious reasons. The consensus in the media was that the adoption of such a law would make a serious impact and harm the mutual relations between the two countries.

Another major issue was the cartoons crisis that started after a Danish newspaper published caricatures of the Prophet Muhammad, which led to violent protests particularly in Muslim countries. The consensus in the Turkish media was that the caricatures were purposely derogatory and provocative, and they would be instruments in the hands of those who wanted the further deterioration of relations between the Muslim and Christian worlds.

Last but not least was the coverage of the national elections in Italy and local elections in Britain. The victory of Prodi's L'Unione was shadowed by comments that the new centre-left government's capacity to take up political and economic reform would be limited due to its minimal majority in the parliament and the internal fragility of the Left coalition itself. The defeat of the Labour Party in the British local elections, on the other hand, was considered a major blow to Tony Blair's position in the Party and flamed the debate on whether or when Blair should resign from the leadership.

### United Kingdom

Two broad themes are given particular attention in the British media. On the one hand, the economic difficulties in other EU member states are given some gloating coverage in the British media. On the other hand, the efforts that are being made to address issues relating to immigration and multiculturalism in the EU are also frequently reported and were one of Britain's key concerns during its presidency.

The economic difficulties in France and Germany are real and supposed. The implementation of labour market reforms and the public reaction they have received is often mentioned. In France, for instance, the *contrat*

*première embauche* (first employment contract) proposal was followed by students and workers' protests.

Political discourses of French and German leaders do not go unnoticed in the British media. In France, the government's decision to shield eleven key business sectors in a new wave of "economic nationalism" has been much emphasised, by opposition to the Anglo-Saxon model of "economic liberalism". In Germany, Chancellor Angela Merkel's coalition performance is being closely followed by the British media, particularly the heated debate about the benefits of importing the strict British labour model of minimum wage to some sectors of activity.

Recent events of social unrest in France have met with some interest in the British media. Following last year's social riots, the centre-right French government has been promising measures to tackle the causes of social unrest by fighting discrimination, improving access to education and jobs to the residents in the riot-hit areas. Although Mr. Sarkozy's law and order rhetoric has made him a frontrunner for the next French presidential elections, the majority of people in France still fear that new riots could occur.

In Italy, the electoral results and Romano Prodi's new government have also been given particular coverage in the British media. At a time when the Italian economy is also performing below the EU average, attention is being paid to the ability of Mr. Prodi's centre-left coalition to survive countervailing interests and divergent party platforms. It remains to be seen whether the coalition will have the executive dynamism to govern effectively and to implement labour market, welfare and public sector reforms that the country needs.

Touching upon one of the most important debates in the EU, the British media also gives interest to the question of illegal immigration. The recent Spanish migrant crisis and the increasing influx of illegal immigrants landing on the Canary Islands is being dealt with by means of joint efforts of some EU partners, including the UK, in order to stem the tide of African immigrants. In line with EU efforts to tackle illegal immigration, the UK is pushing forward "regional protection programmes" to help countries to deal with migrants who come from or pass through their territory.

# 5

What were the reactions to the publication of the Lisbon ranking in your country?

*Please refer to:*

- **How were the recommendations of the EU Commission regarding your country's national action plan on the implementation of the Lisbon Agenda received?**
- **What were the most important reactions to the results related to the Lisbon Agenda of the Spring European Council March 2006?**

## Austria

The opinion of the results of the Lisbon evaluation is rather divided in Austria. While the government usually sells it as a success and an important step forward, the opposition<sup>595</sup> is strongly opposed to the Lisbon process. It argues that the „re-launch“ held in Spring 2005 led to revised policy goals aimed at purely quantitative economic growth to the detriment of ecological and social goals<sup>596</sup>. The opposition rejects the common European approach towards the strategy and criticises the pure „nationalisation“ and individual national measures only.

Most criticism focuses on the lack of ambition, as none of the elements of this plan of action are oriented towards the future since some measures proposed were already presented as part of the federal budget plans for 2005/2006.

As to the ranking itself, Austria's position is rather high, being in third place right behind Denmark and Sweden. Austria has been applauded for already having made substantial reforms and for having submitted a very concrete action plan. This has also been acknowledged by the political opposition<sup>597</sup>.

However, some issues such as the labour market reform, the raising of the employment rate of older workers, the public financing of education, health-care and pensions are still very sensitive and need to be tackled in a certain way<sup>598</sup>. It is here where a higher sense of transparency about the results that are officially published is demanded. A higher profile of democratic control by the members of parliament would be needed<sup>599</sup>.

## Belgium

According to the Federation of Belgian Enterprises (FEB), Belgium is positively evolving but must still pay close attention to the numerous criteria for which the results in terms of competition of its enterprises remain very poor, due mainly to the high level of taxation<sup>600</sup>. Its fifteenth place ranking was said

<sup>595</sup> This refers to interviews with representatives from the Social Democrats (SPÖ) and the Green Party in May 2006.

<sup>596</sup> The Austrian Greens, interview in May 2006.

<sup>597</sup> Ibid.

<sup>598</sup> Interview with a member of Parliament of the SPÖ in May 2006.

<sup>599</sup> Ibid.

<sup>600</sup> FEB, *Focus Lisbonne*, 19 March 2006.

to show that Belgium is still far from the leading trio of countries that encourage reforms in areas such as taxation in order to continue the pact between generations and concentrate on SME and innovation.

In the debate about the Lisbon strategy, the lack of efficient tools to meet its criteria was often stressed. According to a governmental communication issued before the Easter Summit, the community program remains without any real ambition and limits itself to modest actions initiated at the national, regional or local level, which do not offer the possibility of meeting coherence and convergence criteria<sup>601</sup>.

Prime Minister Verhofstadt suggests adopting a more binding strategy, as was the case with the convergence criteria.

Pierre Jonckheer<sup>602</sup> made three propositions at the European parliament, asking for a greater and more coherent budget, a bigger role for the European Investment Bank, and lastly a deepening of the debate about the evolution of national fiscal systems, which will be confronted in the coming years with the problem of financing social security.

During the EPP<sup>603</sup>-Congress in Rome on 30-31 March 2006, Jo Vanderneuzen<sup>604</sup> underlined that Flanders was (as far as he knew) the only region in the European Union to have met the priorities of guaranteeing standards of living while maintaining the struggle for better jobs<sup>605</sup>.

## Croatia

Lisbon Strategy implementation is still not a highly debated issue in Croatia, apart from academic and experts' *fora*. Nevertheless, it should be noted that as compared to the period prior to opening negotiations with the EU, the Lisbon agenda is more intensively discussed particularly after the Spring European Council. The Lisbon Agenda objectives are considered to be relevant not only for Croatia, but also for the countries of South-Eastern Europe - the Lisbon objectives do not constitute additional criteria or economic objectives, but they will be soon reflected in the EU's policies towards the region in the areas

<sup>601</sup> L'Echo, 21 March 2006.

<sup>602</sup> Euro Deputy, Ecologist Movement.

<sup>603</sup> European People's Party.

<sup>604</sup> President of CD&V (Christian Democrats and Flemish)

<sup>605</sup> <http://www.cdenv.be/>

that can be considered priorities under the European/Accession Partnerships. Being a candidate for accession, Croatia does not have an obligation to prepare a national action plan for the Lisbon agenda implementation. A Comprehensive programme to implement the Lisbon strategy was not prepared in the country, but some of the aims and the activities leading to its implementation are introduced in different, previously adopted strategic documents (such as the National Programme for Integration into EU, Pre-accession Economic Programme, Economic & Fiscal Policy Guidelines, 55 Recommendations for Raising Competitiveness). Lisbon goals are introduced in the new Strategic Development Framework 2007-2013, prepared by National Office for Strategy (May 2006) and opened the doors for their implementation in Croatia. "The Strategic Framework for Development, 2006-2013," was prepared by the Central Office for Development Strategy and Coordination of EU Funds<sup>606</sup> and has been recently presented at different *fora* and debated by the experts, administration, trade unions, employers associations and other social partners, as well as media to receive the feedback of the document before it went to the Parliament. The debates on the mentioned document were held after the Spring Council and could be understood as a certain reaction to the Council conclusions, from the point of view of a candidate country.

The Prime Minister himself took part in a public presentation of this important strategic document. "We want to be a competitive country when we enter the European Union, a recognized member that effectively contributes to the EU as a whole. The strategy that we are presenting represents a vision and a framework for the activities of all segments of society," stated Croatian Prime Minister Dr. Ivo Sanader at a conference, "The Strategic Framework for the Development and Competitiveness of Croatia", organized by the National Competitiveness Council held on 15 May in Zagreb<sup>607</sup>. "The Strategy envisions ten areas which demand of us excellence." Dr. Sanader added that "excellence has to become the recognized Croatian trademark, the Croatian "brand." This recommendation is highlighted in the Croatian Government's "The

Strategic Framework for Development, 2006-2013," in which science and life-long education are treated as the essential starting points for achieving development, employment, social inclusion and cohesion. "Croatia's future is not based on cheap labour, but on education," concluded Dr. Sanader.

While the National Competitiveness Council participated in the preparation of the Strategy and supports it completely, Mr. Darko Marinac, President of the National Competitiveness Council stated that the Council will give its full contribution in the development of implementation phase of the Strategy. Mr. Marinac, also proposed that the Government should proclaim 2007 as the Year of Competitiveness in Croatia.

Since the opening of the negotiation process in October 2005, several elements of the revised agenda have been given increased attention and have been publicly discussed both by the government and academia, as well as in the media. The screening process showed that there was a need to develop action programmes for specific areas in Croatia, such as increased investment in R&D potential (with defined measures, deadlines and responsibilities)<sup>608</sup>. Therefore, it is necessary at this stage to raise the awareness that approaching Lisbon goals is crucial for Croatia, not only for being able to undertake successfully the obligations of a future member state, but for reaching the Copenhagen criteria and overall implementation of reforms<sup>609</sup>.

There is a recognised need for establishing deeper social dialogue and strengthening the consultation procedures in the process of creating the integrated policies in Croatia. The Lisbon agenda is seen by social partners as a potential framework that might help better incorporate social issues in the process of developing and implementing national economic reforms and competitive markets<sup>610</sup>. Croatia took part for the first time in the European Business Summit in Brussels and national views on the preparation of Croatia as

<sup>606</sup> "The Strategic Framework for Development, 2006-2013;" Central Office for Development Strategy and Coordination of EU Funds,

<http://www.strategija.hr/Default.aspx?sec=2>.

<sup>607</sup> National Competitiveness Council, Press Release, [www.konkuretnost.hr](http://www.konkuretnost.hr).

<sup>608</sup> Visnja Samardzija, presentation on the International conference "Reforms in Lisbon Strategy Implementation: Economic and Social Dimensions", organised by the Institute for International Relations and Friedrich Ebert Foundation, Zagreb, 3 May 2006. The idea of the Conference was to contribute towards better understanding of the Lisbon strategy, as an incentive for reforms in the EU member states, but also as important guideline for the countries that aspire membership.

<sup>609</sup> One of conclusions of the mentioned Conference.

<sup>610</sup> Ana Miličević Pezelj, the Union of Autonomous Trade Unions of Croatia, IMO-FES Conference, 3 May 2006.

a candidate country to achieving Lisbon goals were presented for the first time. The establishment of One-stop-shop, Hitro.hr and Hitronet to enable faster registration of business entities and measures in the field of education and science were mentioned among the achievements. On the other hand, Croatia needs continued investment in infrastructure and environment, further restructuring and completion of the state portfolio privatisation process, further promotion of market competition and the state aid system, active employment policy and the reform of judiciary<sup>611</sup>.

The issue of the country's economic competitiveness is also given a high priority in the broader international context. Recent comparative international studies such as the Global Entrepreneurship Monitor (GEM)<sup>612</sup> document significant improvements of Croatia's rank in 2005. Croatia's position has risen namely from 32<sup>nd</sup> place in 2002 to 19<sup>th</sup> place in 2005 when measuring several composite indicators of entrepreneurial development and competitiveness of the enterprise sector.

The latest IMF Review under the Stand-By Arrangement<sup>613</sup> also notes improvements in the economic performance and competitiveness of the Croatian economy, such as higher growth rates than projected and the reduction of external imbalances. According to the IMF the general outlook for 2006 is favourable: growth will continue to be over 4%, inflation will return to 3% level and the current deficit is expected to decline to just under 6% of the GDP.

Some other reports such as World Competitiveness Yearbook, 2006<sup>614</sup> as well as "Global Competitiveness Report, 2005-2006"<sup>615</sup> are not that flattering though. This is the first year that Croatia has been included in

the rankings of the IMD "World Competitiveness Yearbook," whose main findings are similar to those of the "Global Competitiveness Report" of the World Economic Forum in September 2005. This year the Report encompasses 61 countries, Croatia is ranked in 59th place. Croatia is in a group of countries -- Bulgaria (47th place) and Romania (57th place) -- that are candidates for membership in the European Union, and behind the EU member countries. Of IMD's four competitiveness ranking factors, Croatia's best ranking (50th place) was in Infrastructure, which measures the conditions in basic, technological and scientific infrastructure, as well as in health care, environment, and education. In the measure of Government Efficiency, Croatia is ranked in 55th place, which is better than Poland (58) and Italy (60). In terms of Economic Performance, which measures competitiveness in the domestic economy, international trade, international investment, and employment, Croatia is ranked in 55th place, very close to Slovakia (54) and Poland (53).

Positive aspects of economic growth included favourable developments in tourism (where Croatia achieved its only first place in competition with the 61 countries in the IMD analysis), the export of services, real growth of GDP, and growth in the share of exports and imports in GDP. Business Efficiency was highlighted as one of Croatia's weaknesses. The IMD report ranks Croatia in 61<sup>st</sup> (last) place. The main reasons for this low ranking are: insufficient oversight of company operations by supervisory and management boards, inability of companies to adapt to market conditions, a lack of opportunity for self-financing, a general lack of trust in businessmen, and unethical business practices.

According to the Report, the main competitiveness challenges facing Croatia in 2006, which were debated during the public presentation of the Report in May, are:

- 1) New Government Role (reform of the judiciary and public administration, reduction of public expenditure, deficit and taxes);
- 2) Strengthening innovation and technological development;
- 3) Improving cooperation between R&D institutions and business;

<sup>611</sup> European Business Summit was held in Brussels, 16-17 March. Mr. Damir Polancec, Deputy Prime Minister, took part with presentation on Croatia.

<sup>612</sup> For the summary of the GEM study results see CEPOR (Centre for Promotion of Entrepreneurship), Zagreb, [www.cepor.hr](http://www.cepor.hr).

<sup>613</sup> Republic of Croatia - Second Review Under the Stand-By Arrangement and Requests for Extension and Augmentation of The Arrangement, Rephrasing of Purchasing, and Waiver of Nonobservance of Performing Criteria, IMF, 8 March 2006.

<sup>614</sup> Published by the IMD – World Competitiveness Center, Lausanne, Switzerland, <http://www01.imd.ch/wcc/yearbook/>.

<sup>615</sup> Global Competitiveness Report, 2005-2006, World Economic Forum, [www.weforum.org](http://www.weforum.org), 28 September 2005.

4) Increasing (public and private) investment in R&D and education;

5) Accelerating the process of privatisation and the restructuring of state and local public enterprises.

They correspond rather well with the priorities singled out in the Government's strategic development document.

There were comments in daily newspapers presenting the results of the Spring European Council in a positive way, as an attempt to strengthen the agenda implementation mechanisms, particularly on member states' national level.

Recommendations of the Commission regarding the country's national plans were discussed more in detail in the public at the aforementioned international conference on Lisbon organized by IMO at the beginning of May. The debate showed<sup>616</sup> that the national reform programs, as basic instruments in implementation of the revised Lisbon strategy are of uneven quality and as a rule they have not been fully implemented yet. However, the price of non-implementation for national politicians is still relatively low. In the same time, the social dimension of the Lisbon Strategy is seen as a blueprint for the future<sup>617</sup>. There is a belief that it is necessary to strengthen social cohesion in the new member states, and their insufficient social, economic and administrative implementation.

## Cyprus

The European Commission published a report on 22 February assessing Cyprus' level of convergence ahead of its accession to the Eurozone. The Commission noted that the financial targets of the 2005-2009 convergence programme are feasible. Therefore, the "door is open" for Cyprus to join the Eurozone. In 2006 the growth rate in Cyprus is expected to reach 4%, while the budget deficit is expected to fall to 1.9%, well below the 3% limit.<sup>618</sup>

The Cypriot Minister of Finance, Michael Sarris, stated that the government's public

awareness campaign on the Euro for its adoption on 1 January 2008 would begin on 31 May and would cost €1 million.<sup>619</sup>

Minister Sarris stated that in 2006 Cyprus would sustain a high degree of development, remain committed to its Lisbon Strategy goals, seek stability, aim at the qualitative use of Structural Funds for its development goals and would proceed on its Euro accession course without deviating from its socially sensitive policies. However, the main ruling-coalition party, AKEL, reiterated its insistence on postponing accession to the Eurozone for a year (i.e. January 2009), while the opposition, DISY, which supports the government's Eurozone target, accused the government and the parties that support it of not having clear goals.<sup>620</sup>

Mr Sarris repeated the following day that the Cypriot economy was expected to show a 4% growth in 2006, with per capita income rising and reaching 84% of the EU average. He recognised, however, rising unemployment as a main concern. On Left-wing AKEL's reservations on the delay in the date of Eurozone entry, he argued that the government's aiming at January 2008 was 'absolutely correct'. AKEL, however, insisted that the early entry mostly served the interests of big business and not lower income earners and consumers.<sup>621</sup>

A few days later, ECOFIN issued a positive *avis* ratifying Cyprus' Euro convergence programme. But it added that efforts were required to sustain it consistently. The Minister of Finance welcomed the decision, saying Cyprus had achieved an impressive reduction of its deficit which could fall to 2.3% in 2005, as opposed to 4.1% in 2004 and 6.2% in 2003. The *avis* implied that Cyprus is in an advantageous position for Eurozone accession in January 2008, having fulfilled the commitments it had undertaken. In April or May 2007, Cyprus will be removed from the strict monitoring regime under which it had been kept since its application. One of the few problems foreseen by the *avis* is the future demographic development which points to the prospect of an ageing population, which in turn

<sup>616</sup> Professor Mariusz-Jan Radlo, Institute for Market Economics in Gdansk and the Warsaw School of Economics.

<sup>617</sup> Prof. Martin Potuček, Charles University in Prague.

<sup>618</sup> CYBC News, Euro indicators for Cyprus, 22 February 2006

<sup>619</sup> ANTENNA News, Euro campaign, March 28, 2006

<sup>620</sup> Phileleftheros, "Finance Minister sets out 2006 priorities", 3 April 2006

<sup>621</sup> Phileleftheros, "Growth for economy, disagreements on euro entry", April 4, 2006



would affect social security funds in the long term.<sup>622</sup>

## Czech Republic

There were two basic types of reactions after the Commission's recent assessment of measures taken and planned regarding the Lisbon Agenda. The first type stressed the Lisbon Strategy's excessive ambitions, and the impossibility of reaching the goals indicated. Hence the discussion on the compatibility of national reforms with the Lisbon Strategy was seen as more or less irrelevant. This view was common among economists, political commentators and the opposition (mainly the ODS party). The Government's response was qualitatively different, stressing the need to keep to the planned schedule and the National Reform Programme.

Correspondingly, explanations of who's to blame for the as yet unsuccessful evolution of the Strategy were also varied: Government officials frequently pointed to the Government's efforts but simultaneously accused other, particularly older, EU member states of hypocrisy. Typical criticisms emerged along the lines of "competition is preached, but liberalisation of services and free movement of people is blocked."<sup>623</sup> On the contrary, opposition leaders typically disparaged the lack of effort on the part of the Government, insisting that the Commission's objections were merited.<sup>624</sup>

Yet the Government rejected any lack of reformist enthusiasm on its part, and indeed did not share the Commission's conviction that the Czech National Reform Programme was not detailed enough. One of Deputy Prime Minister Jiří Havel's advisors explained the shortness of the document by its parsimony and by the Commission's original requirement that the Programme be brief.<sup>625</sup> The Commission's other comment—that given the sound performance of Czech economy the Programme lacked ambition—was also not left unanswered: The Government prepared its Framework Position for the Spring European

Council, in which it quite eloquently laid out why the Programme did not include more substantial measures. Surprisingly, the Government agreed with most of the specific points raised by the Commission, but insisted that many of these measures were inextricably linked to a number of deep-cutting reforms, all of which could only be carried out by the new government, formed after the June election.<sup>626</sup>

The general media discussion on the Lisbon Strategy and its evolution after the Spring European Council usually drew a murky picture of the Strategy's future. Media sources highlighted a range of causes for its failure from an overly broad and ambitious scope to the lack of political will for substantial reforms in most EU member states. In this respect the Union was typically seen as fatigue-stricken, not only lagging behind the United States but soon also to be overtaken by quickly developing countries such as China and India.<sup>627</sup>

## Denmark

The recommendations were received very positively in Denmark for two reasons. First, the Lisbon progress report was generally very positive towards the Danish reform activities and achievements so far. Second, the recommendations were in line with the Danish Government's policies in the area. Danish Foreign Minister Per Stig Møller commented on the report, agreeing with its recommendations to increase labour supply and improve competition in certain sectors. Furthermore, the Minister was satisfied with the attention given to the work of the Danish Globalisation Council (a Government 'invention', established with the aim of proposing how Denmark should meet the challenges posed by globalisation, see also section 8), and with the focus on developing a 'knowledge society'. Indeed, the Danish Government is very committed to transforming Denmark into such a society.<sup>628</sup>

<sup>626</sup> Both The Czech Republic's Framework Position and the National Lisbon Programme 2005-2008 can be found at <http://wtd.vlada.cz/>

<sup>627</sup> See e.g. Evropa, plány a realita (Europe, Plans, and Reality). Lidové noviny, 1 April 2006, [http://lidovky.zpravy.cz/ln\\_nazory.asp?r=ln\\_nazory&c=A060401\\_122126\\_ln\\_nazory\\_ba](http://lidovky.zpravy.cz/ln_nazory.asp?r=ln_nazory&c=A060401_122126_ln_nazory_ba); for another critical view of the Strategy see Lisabonská strategie – čekání na Godota (The Lisbon Strategy – Waiting for Godot) <http://www.cevro.cz/cs/cevrorevue/aktualni-cislo-on-line/2005/4/42883-lisabonska-strategie-cekani-godota.html>

<sup>628</sup> Foreign Ministry (2006), The minister's statement on the report. Online:

<sup>622</sup> CYBC News, Convergence criteria report positive for Cyprus, 15 April 2006

<sup>623</sup> Deputy Minister of Finance Tomáš Prouza, Czech News Agency, 14 March 2006.

<sup>624</sup> See, for example, the official statement of the Vice-President of the European Parliament Miroslav Ouzký, ODS member,

<http://www.ods.cz/press/zprava.php?ID=2052>

<sup>625</sup> Aleš Michl, Czech News Agency, 24 January 2006

It was also well received in Denmark that the Danish labour market model, known as flexicurity, was highly praised (see below).

In view of the positive report, some voices in the political debate have been warning against 'resting on the laurels'. The argument is that while Denmark might be doing well compared to other countries, the challenge and goal is not to do better than others, but to achieve the goals set out in the Lisbon Strategy. As the director of the Confederation of the Danish Employers (DA), Jørn Neergaard Larsen, puts it, Denmark might have a realistic chance to accomplish the Lisbon goals but only insofar we stay flexible and adaptive when confronted with new challenges<sup>629</sup>. The Minister for Employment Claus Hjort Frederiksen appreciated the compliments given by the Commission, but was in line: 'Let me make it clear that we shall not rest on the laurels. We have to keep on developing the Danish labour market, so we keep pace with globalisation'.<sup>630</sup>

*Reactions to the results related to the Lisbon Agenda of the Spring European Council*

In general, the Austrian presidency's conclusions were received in a positive manner, but also with the feeling that they did not really make a big difference. In the press, they did not get much attention except for some critical comments on the conclusions' many declarations of intent but lack of concrete proposals for action. Some, however, praised the European leaders for trying to move on from the current stalemate.

Danish Prime Minister, Anders Fogh Rasmussen, was generally satisfied with the conclusions, calling them a breakthrough and a very clear message to the Commission<sup>631</sup>. With regard to the services directive, the Prime Minister supported the decision to make the European Parliament's proposal the starting point for further negotiations, because the

alternative was no directive at all.<sup>632</sup> The confederation of Danish Industries (DI), however, called the services directive unambitious and was disappointed with the conclusion in this regard, claiming it did not present any specific solution to the main disagreements surrounding it<sup>633</sup>. The Danish trade union, Dansk Metal, supports the services directive in its present form and points to the elimination of any risk of social dumping as the biggest improvement<sup>634</sup>.

The largest opposition party (the Social Democrats) as well as the Government, expressed satisfaction with the mentioning of the Danish flexicurity-model as a role model for Europe. To the Social Democrats, flexicurity represents genuine Danish social democratic values (many see the former social democratic Government under Poul Nyrup Rasmussen's leadership as the actual inventor of this broadly cherished model, which, put crudely, combines a system where it is relatively easy to fire people with high social security services). Furthermore, the Social Democrats support the development of a European energy policy because it can promote a sustainable development securing both environment and supply<sup>635</sup>.

Also, the concluding statements on research, development and education gained broad support. The Government has worked hard to bring these issues on the European agenda, and they are broadly given a high political priority to the Danish public as well (the Government is often attacked by the opposition for not working vigorously enough to strengthening Danish research, development and education). The DI called the declaration of intent in this area positive, but did not support the idea of a European Institute for Technology because it would be a duplication of some already existing structures, while the Government supported the creation of the

<http://www.um.dk/da/servicemenu/Nyheder/ForsideNyheder/KommissionensFremskridtsrapportOmLissabonStrategie nOffentliggjortDen25Januar2006.htm>

<sup>629</sup> DA (2006): EU skal øge fleksibiliteten, March 23.

Online:

<http://www.da.dk/supershowdoc.asp?pid=20060323094104KAR>

<sup>630</sup> Ministry for Employment (2006): EU-Kommissionen: Danmark viser vejen med sin arbejdsmarkedsmodel, January 25. Online:

<http://www.bm.dk/pressemeddelelser/060125.asp>

<sup>631</sup> EUobserver (2006): 'Nye politiske mål – få krav', March 24. Online:

[http://www.euobserver.dk/index.php?page\\_id=13&data\\_id=4214](http://www.euobserver.dk/index.php?page_id=13&data_id=4214)

<sup>632</sup> Venstre (2006): Politisk gennembrud for servicedirektivet, March 25. Online:

[http://www.venstre.dk/index.php?id=rss2feed&no\\_cache=1&tx\\_ttnews\[pointer\]=1&tx\\_ttnews\[tt\\_news\]=566&tx\\_ttnews\[backPid\]=301&cHash=71727756f8](http://www.venstre.dk/index.php?id=rss2feed&no_cache=1&tx_ttnews[pointer]=1&tx_ttnews[tt_news]=566&tx_ttnews[backPid]=301&cHash=71727756f8)

<sup>633</sup> DI (2006): "Uambitiøst servicedirektiv på vej" DI Business, April 14th -18th 2006. Online:

<http://www.di.dk/Opinion/Debat/EU/Nyt+om+EU/Uambitiost+servicedirektiv+pa+vej.htm> (located on May 31<sup>st</sup>).

<sup>634</sup> Dansk Metal (2006): "Servicedirektivet skaber job, ikke plasticbyer", Dansk Metal, May 24th 2006. Online: <http://www.danskmatal.dk/sw33195.asp> (located May 31st 2006).

<sup>635</sup> Nyrup, Poul (2006): EU-topmøde: Forsigtig optimisme, Poul Nyrups newsletter, no. 81, March 24. Online: <http://www.nyrup.dk/nyrup/newsletter.asp?MIld=65>

Institute, because it could help to make 'Europe able to attract and retain the best brains'<sup>636</sup>.

## Estonia

The Estonian national action plan on the implementation of the Lisbon Agenda (for 2005-2007) was approved by the government on October 13, 2005. The main objectives of the national action plan are R&D and innovation, and secondly, employment and the development of human resources.

There was not much coverage of the Lisbon rankings in the national media. Overall, it seems that Estonian sources tended to give more attention to the study by Brussels-based research firm Bruegel which ranks Estonia as the absolute "hero" of the Lisbon process among all member states. According to the Bruegel scale, the Estonian national action plan received 11 points out of 12, while a majority of other states received less than 6 points. The scorecard produced by the Centre for European Reform (CER) did not give Estonia such a high ranking (12<sup>th</sup> place among all member-states), and its importance seemed to be downplayed to some extent (for instance, the webpage of the Estonian State Chancellery only covers the Bruegel report, not mentioning the CER report).

Before and after these evaluations, the Lisbon agenda remains a rather uncontroversial topic in Estonia and there are no significant groups to challenge the government's commitment to boosting competitiveness and growth through the implementation of the Lisbon objectives.

## Finland

### *A Model Pupil*

Regarding the requirements of the Lisbon Agenda Finland is in a good position in comparison with most other EU states. Therefore, there were no huge reactions to the

<sup>636</sup> DI (2006): Fokus på reformer, job og vækst, March 24. Online: <http://www.di.dk/NR/rdonlyres/D69E8D13-3D21-494E-A6F8-366106CB8D94/0/NyhedsbrevEUForårstopmøde.pdf>; Speech by Prime Minister Anders Fogh Rasmussen, Achieving Europe, at Copenhagen University on 21 April 2006. Online: <http://www.statsministeriet.dk/Index/dokumenter.asp?o=6&n=0&d=2576&s=2>

European Council meeting held on March 23-24. While 12 member states are in excessive deficit and the debt levels are over 60% of GDP in several member states, in Finland the debt level is about 37%.<sup>637</sup>

The National Reform Programmes (NRP), introduced by the Council, present figures that Finland has no trouble to satisfy. For instance, the 3% target for R&D expenditure of the GDP is well accomplished, being 3.51 according to the latest statistics. Finland's target for year 2010 is 4% of GDP – topping the chart.<sup>638</sup> Economic competitiveness, growth and education are also on a high level. With regard to global competition, Finland pursues an innovation policy that focuses on research, technology, education and financing.<sup>639</sup>

### *The Future of the Lisbon Agenda*

Former Prime Minister of Finland Esko Aho (Centre Party), who is currently President of the Finnish National Fund for Research and Development (Sitra – Suomen itsenäisyyden juhlarahasto, an independent public foundation under the supervision of the Finnish Parliament), led an expert group that presented a report to the European Commission on the Lisbon Strategy in January. According to the report, the aims of the Lisbon Strategy are reachable but a proper commitment is missing from the Member States. As a solution, the report calls for a Pact for Research and Innovation that should "drive the agenda for an Innovative Europe". According to the report, the EU needs to make the markets more innovation-friendly, focus resources on high-quality, productive R&D, and increase the mobility of human resources, finance and knowledge.

According to Mr Aho, Finland's emphasise on R&D is an example for other member states too: "We have been systematically investing in efforts on innovation." This is a very significant question for Finland that is highly dependent on markets outside Europe and global competitiveness. Mr Aho's group rebukes the EU for concentrating too much on the three per cent aim on investments on R&D. He sees the figure more as an indicator instead of a concrete target. "As an objective it is an unrealistic one for several Member States

<sup>637</sup>

[www.valtioneuvosto.fi/ajankohtaista/tiedotteet/tiedote/fi.jsp?oid=155287](http://www.valtioneuvosto.fi/ajankohtaista/tiedotteet/tiedote/fi.jsp?oid=155287)  
<sup>638</sup> [www.eu2006.at/en/News/Council\\_Conclusions/2403EuropeanCouncil.pdf](http://www.eu2006.at/en/News/Council_Conclusions/2403EuropeanCouncil.pdf), Annex 1  
<sup>639</sup> <http://www.valtioneuvosto.fi/eu/suomi-ja-eu/2006/pdf/lahtokohtia/fi.pdf>

although, for instance, Finland and Sweden are clearly above this three per cent target". The group insists, however, that recourse on R&D must be increased through structural funds. "Technically this would be simple to carry out. Nevertheless, here we face one of the EU's fundamental problems again: diverse interest groups have a strong impact on national decisions", he points out.<sup>640</sup>

## France

The Lisbon Agenda has a very low salience in France. Most people consider it as a failure, and it is very rarely referred to in public debates. The left is particularly harsh. "Is there someone still supporting the Lisbon strategy" asked *L'Humanité*, a Communist newspaper, on the day of the opening of the March 2006 European Council. On the right, the scepticism is almost as high. Hubert Haenel, a French Senator, a member of the UMP (the main right-wing party) and part of the delegation of the French Parliament to the European Union, declared on the same day: "we hear many trumpeting announcements – to make our economy the most competitive and dynamic knowledge-driven economy by 2010 – but there are no clear objectives, no innovative policies, and no real will to change things in depth". In France, the Lisbon strategy has, in fact, become the symbol of the difficulties of the Union in its current form. Jean Pisani-Ferry, a French economist and director of Bruegel, a think-tank on European economic policies, recently wrote: "The Lisbon Agenda took a wrong start, and European leaders do not seem convinced of the necessity to put it right"<sup>641</sup>. To many, the Union seems very good at drafting blueprints with ambitious objectives, but remains unable to go beyond that point.

Only officials and members of the government refer to the Lisbon Agenda in some detail. Few days after the European Council of March 2006, Catherine Colonna, the French European Minister, explained: "That strategy, adopted by the Europeans in 2000 to develop growth and employment, remains capital, because it relates to the first subject of concern of our fellow-citizens: employment and growth. I must say on this subject that there was no

<sup>640</sup> Agency for Technology and Innovation: <http://www.tekes.fi/eu/fin/julkaisut/ett/2006/eskoaho.html>

<sup>641</sup> Jean-Pisani Ferry, "L'Europe sert-elle encore à quelque chose", published by Telos-eu, a pro-European think-tank created by Zaki Laidi. The article can be found at : [http://www.telos-eu.com/2006/05/leurope\\_sertelle\\_encore\\_a\\_quel.php](http://www.telos-eu.com/2006/05/leurope_sertelle_encore_a_quel.php)

polemic on the so-called "French protectionism". France is more opened to foreign investments than any other large European country. If one brings them back to the national income, they are almost twice as high as in Germany and three times higher than in Italy. Thus, I really do not see how France could be described as a protectionist and closed country. But let us return to Lisbon. That strategy is the right one, even if it is not free from criticisms. It is true, in particular, that it was so far insufficiently articulated with national policies. This is why I welcome the creation of the national reform programmes which constitute an innovation and will allow a better inclusion of this strategy in national policies. I also welcome the commitment to develop the dialogue with national Parliaments, unions and management."<sup>642</sup>

The French government approved the creation of the European Institute of Technology but required some clarifications, "on the functioning of the Institute, which should be normally made in network, on governance, on its budget"<sup>643</sup>. It also welcomes the agreement to increase the budgets of Erasmus and Leonardo.

## Germany

The Commission's Spring report "Time to move up a gear"<sup>644</sup>, published on 25 January 2006, provided the first assessment of the German National Reform Programme (NRP) in the framework of the new "Partnership for growth and jobs" that was handed in by the recently elected "grand coalition" government in December 2005. In this assessment, the Commission refrains from a strategy of "naming and shaming" and instead highlights the positive aspects of the respective NRPs. In the "list of illustrative examples"<sup>645</sup> Germany is mentioned various times, especially with regard to the newly launched "Excellence Initiative" aiming at establishing German universities as top locations for scientific

<sup>642</sup> Catherine Colonna, Minister for European Affairs, speaking in front of the delegation to the European Union of the French Senate, 29 March 2006.

<sup>643</sup> *Ibid.*

<sup>644</sup> European Commission: Time to Move Up A Gear, The European Commission's 2006 Annual Progress Report on Growth and Jobs, [http://ec.europa.eu/growthandjobs/pdf/illustrated-version\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/illustrated-version_en.pdf) (latest access 29 May 2006).

<sup>645</sup> European Commission: Examples of Member State's Policies for Growth and Jobs, [http://ec.europa.eu/growthandjobs/pdf/2006\\_annual\\_report\\_appendix\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/2006_annual_report_appendix_en.pdf) (latest access 29 May 2006).

research. Furthermore, measures supporting start-ups, promoting “ecological innovation” and tackling youth unemployment are defined as the programme’s strengths. On the other hand, the Commission identifies three main points “requiring further attention”:

- Improving competition (in public procurement, professional services and in the provision of broadband networks)
- Improving the integration of low-qualified workers, including immigrants, into the labour market
- A more concrete and operational plan to achieve the intended increase in childcare facilities.<sup>646</sup>

Besides these criticisms of the actual content of the NRP, the Commission points out that the programme generally “tends to present intentions without providing further detail regarding goals, funding and timetables.” Furthermore, the Commission seems quite concerned about the lack of involvement of social partners and other stakeholders in the drafting process, which was entirely carried out by the chancellor’s office. The vagueness and lack of ownership is interpreted by the Commission as partly due to the limited time span between “the constitution of the new government and the required submission of the NRP.”<sup>647</sup>

The Commission’s report did not receive a lot of public attention apart from a few political statements and press releases. Michael Glos, Minister for Economics and Technology, for example welcomed the general findings of the report, especially the overall priorities suggested by the Commission, but he did not respond specifically to the Commission’s evaluation of the German reform programme.<sup>648</sup> A more detailed response has been issued by the Bundesrat (Federal Council of Germany: representation of the Bundesländer in a second chamber of parliament next to the Bundestag), in which the Commission’s assessment of cooperation in educational matters among the EU member states is criticised since “it ignores many

<sup>646</sup> European Commission: The Commission’s Assessment of the National Reform Programmes- Germany, [http://ec.europa.eu/growthandjobs/pdf/2006\\_annual\\_report\\_germany\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/2006_annual_report_germany_en.pdf) (latest access 29 May 2006).

<sup>647</sup> Ibid.

<sup>648</sup> Michael Glos: Zum Frühjahrsbericht 2006 der EU Kommission, Pressemitteilung des Bundesministeriums für Wirtschaft und Technologie, 25 January 2006.

initiatives that have been launched recently.”<sup>649</sup> The Bundesrat agrees to the common objective of increasing the budget for education and innovation, but rejects the imposition of budgetary targets as infringements on their competences.<sup>650</sup> Education is one of the (almost) exclusive competences of the Bundesländer in Germany. Furthermore, Rainer Steenblock, member of parliament for the Green party, criticised the lack of coordination in the Federal government concerning the implementation of the Lisbon Agenda.<sup>651</sup>

In the run up to the Spring European Council, Foreign Minister Frank-Walter Steinmeier presented the German government’s official position on various EU issues, including the Lisbon agenda and the German NRP, in an official government declaration. Firstly, he acknowledged the Commission’s “positive evaluation” of the German reform programme. “It encourages us to pursue the strategy we have agreed upon among the coalition partners.”<sup>652</sup> Secondly, Steinmeier takes up Barroso’s call for action. “It is absolutely clear, in the next phase we will have to focus on implementing the strategy.”<sup>653</sup> And indeed, in the conclusions of the Spring Council some agreements regarding the Lisbon goals have been reached. However, the subsequent public reactions in Germany concentrated largely on other topics discussed at the Spring Summit – primarily the compromise concluded regarding the controversial ‘services directive’ and the first moves towards a newly emerging common Energy Policy for Europe.<sup>654</sup>

Although the publication and evaluation of the NRP has not been of great interest as such right after the Spring European Council, the issue of implementing the Lisbon Agenda has not lost its significance. This is underlined by two of Chancellor Angela Merkel’s recent speeches. On the occasion of “Europe Day” the chancellor argued that the Lisbon Strategy

<sup>649</sup> Bundesrat, Beschluss der 820. Sitzung, Drucksache 93/06, 10 March 2006.

<sup>650</sup> Ibid.

<sup>651</sup> Rainer Steenblock: Regierung verschläft Lissabon Reform, Pressemitteilung Nr. 0096 der Bundestagsfraktion Bündnis90/Die Grünen, 25 January 2006.

<sup>652</sup> Frank-Walter Steinmeier: Erklärung durch die Bundesregierung zum Europäischen Rat am 23./24.03.2006 in Brüssel, Deutscher Bundestag, Stenografischer Bericht, Plenarprotokoll 16/26, 17 March 2006, p. 2026.

<sup>653</sup> Ibid.

<sup>654</sup> See the press conference of Chancellor Angela Merkel on the results of the European Council on 24 March in Brussels.

“needs to become a top priority on the European agenda”, not least for reasons of persistent high unemployment and rather moderate growth rates in Germany.<sup>655</sup> More importantly, in her first government declaration dedicated specifically to Germany’s European policy, held on 11 Mai 2006 in the Bundestag, Angela Merkel proclaimed that “we support the Lisbon Strategy wholeheartedly.”<sup>656</sup> In both speeches the objective of investing 3% of the GDP on research and development is highlighted as the key instrument for more growth and jobs in Germany and Europe. Overall, the new “grand coalition” government does not seem to diverge significantly from the strategy adopted by the former red-green government in terms of approaching the Lisbon goals.

The statements by the largest opposition party in the Bundestag – the Liberal Democrats (FDP) – can be summarised as criticism of “lacking” reforms pursued on the national level. The Lisbon Strategy itself is firmly supported by the FDP. Markus Löning, FDP member of parliament, stated for example: “If action is taken at home, Lisbon will work out just fine”<sup>657</sup>. Thus, for the FDP the Lisbon Strategy is a useful tool to push for more reforms in Germany, a stance very much in line with Barroso’s motto “to move up a gear”.

Among the members of the left-wing party (PDS/Die Linke) “moving up a gear” is not the right approach, at least not towards greater deregulation and flexibility. The Lisbon Strategy is seen to confirm with the “radically neoliberal” paradigm pursued in Brussels and the revived Lisbon Strategy is therefore rejected per se. Alexander Ulrich (PDS) called for a “Strategy of Solidarity and Sustainable Development”<sup>658</sup>.

The Green Party does not reject the Lisbon Agenda as such, but is also concerned that the new focus on jobs and growth could undermine the comprehensive approach which characterised the “original Lisbon Agenda.”

Green politicians keep arguing in favour of a greater emphasis on environmental issues as well as on sustainability.<sup>659</sup>

To sum up, the Lisbon Agenda as well as the planned implementation of the NRP is evaluated from a predominantly national perspective. Each political and societal group is trying to push their own agenda. The recommendations and positions of the Commission are hardly taken into account and at least in public debate there does not seem to be as much learning from best practices among other member states as intended by the Commission. Instead, the debate reflects general concerns and conventional controversies regarding the kinds of reforms needed to secure a functioning social market economy in a competitive European and global context.

## Greece

Of all the main Lisbon Agenda objectives, Greece had, at the eve of the Spring European Council of the EU-25, clearly negative evaluations in six fields: innovation, R&D, telecoms and utilities, new businesses environment, bureaucracy and labor market entry. No positive evaluations were made for Greece in any Lisbon field.<sup>660</sup> The failure of Greece to make progress – or even to keep pace with the Lisbon objectives pursued by the EU-25/EU-25+ countries was extensively commented both in political debate and by the media in the run-up to the Spring EU Summit – notwithstanding the overall lack of interest in Greece about the whole Lisbon Agenda exercise. In fact, Prime Minister Karamanlis in his post-Summit press conference pointed out that Greece had been slower than any of its EU partners in introducing Lisbon Agenda-inspired reforms. Moreover, the World Bank rankings (Doing Business in 2006) place Greece in 81<sup>st</sup> place, after all other EU-25 countries, plus Bulgaria, Romania and the FYRoM.

<sup>655</sup> Angela Merkel: Rede auf dem WDR Europa-Forum, Bulletin der Bundesregierung, Nr. 43-1, 9 May 2006.

<sup>656</sup> Angela Merkel: Erklärung zur Europapolitik, Deutscher Bundestag, Stenografischer Bericht, Plenarprotokoll 16/35, 11 May 2006, p. 2891.

<sup>657</sup> Markus Löning: Zuhause handeln, Frau Merkel, dann klapp’t’s auch mit der Lissabon-Strategie, FDP-Bundestagsfraktion, Presseinformation Nr. 400, 23 March 2006.

<sup>658</sup> Linkspartei-Fraktion: Jetzt aufs Tempo drücken- Für eine Europäische Strategie der Solidarität und nachhaltigen Entwicklung, Pressemitteilung, 17 March 2006.

<sup>659</sup> Gerhard Schick: Grüne Akzente in der Lissabon-Strategie, Pressemitteilung Nr. 0324 der Bundestagsfraktion Bündnis90/Die Grünen, 8 March 2006.

<sup>660</sup> Assessments as per the European Center of Reforms, data at Reuters’, reported throughout the Greek press on 23 March 2006

## Hungary

In Hungary the importance of the re-launched Lisbon Strategy is acknowledged, even if it is not a high salience issue. According to the latest results, Hungary is ranked as 21<sup>st</sup> among the Member States (with 61.3% of activity rate and approximately 1% of GDP spent on R&D), indicating that there is urgent need to improve before losing ground regarding competitiveness and sustainable growth. In response to the European Council's decision, the European Economic and Social Committee engaged in an interactive dialogue and networking with all Member States' economic and social interest representations – including the Hungarian Economic and Social Council to help boost the Lisbon process. According to their agreement, the mentioned Hungarian organisation submitted the summary of the Hungarian situation to ECOSOC in March 2006<sup>661</sup>.

In the view of the Hungarian Economic and Social Council, the Hungarian Lisbon Strategy should be reformulated so as to focus on the sustainability of competitiveness and growth, on enhanced social solidarity, on the streamlining of territorial structures and modernisation of public administration, and finally on environmental protection and the preservation of natural resources. In the view of the organisation the key to success is decentralisation and partnership, meaning an intensive involvement of all local and regional levels, the civil society, the social partners, scientists and researchers, the small and medium sized enterprises, etc. It is highly important to think in terms of regions and local territorial units, since Hungary is rather heterogeneous as regards development levels of East and West. Therefore, sustainable competitiveness of the whole country can be attained only via internal cohesion and solidarity, coupled with the aforementioned public administration reform and partnership. The joint forum of the Hungarian ESC and the European ESC concluded with regret that the ambitious goals of Lisbon initiated six years ago could not have a dynamising impact on the internal development of the Member States and thus did not enhance European competitiveness. At the same time, the Lisbon Strategy would be worth not merely to be treated as a package of economic reforms, but

much more as the pattern of Europe's future. The components of Lisbon – economic, social and environmental – should be presented in intimate unity and on equal footing when developing it further. There is no time to lose according to the parties who pledged to bring the whole Lisbon project closer to the citizens and to proceed along concrete measures and deadlines.

## Ireland

The European Commission issued its Annual Progress Report on the Lisbon Agenda on 12 January 2006. Ireland ranked 11 out of 25 Member States in terms of innovation performance in the Commission's innovation scorecard- placing it in the group of average performers with regard to a number of indicators. The report argued that Ireland must make the transition from an economy which relies heavily on foreign investment to one dependant on innovation. The Irish Minister for Enterprise, Trade and Employment subsequently announced a new innovation strategy on 29 March 2006 – the Strategy for Science, Technology and Innovation, which is to be implemented between 2006 and 2013.

In its commentary on Ireland's National Reform Programme (NRP), the Commission broadly shared the NRP analysis of the main priorities, adding the question of pension coverage as an area of concern. Although the Commission pointed out that no new policies had been proposed in the document, it expressed satisfaction at the fact that existing policies had been outlined clearly and within the well established framework.

The Commission concluded that the NRP's strengths included:

- its approach to sustaining macro-economic stability;
- measures to enhance the quality of industrial development;
- the emphasis on the need to integrate inactive people into the labour market, to increase female participation and to address skills development.

Further attention was seen to be required on pensions, in particular, more specific measure to address pension coverage and on strengthening policies on R&D and Innovation. It criticized the Irish government for setting ambitious targets for investing in R&D but

<sup>661</sup> <http://www.bruxinfo.hu/cgi-bin/bruxinfo/write.cgi?filename=/bruxinfo/ujsag/20060313/rovat17/cikk407.html>

without setting intermediate targets. It suggested that measures to support SME support services would benefit from more clarity and detail. Taking account of these points, Ireland was invited to implement the NRP with vigour.

The report was acknowledged and summarised in the Irish Times of Friday 13<sup>th</sup> January 2006 and was interpreted as a warning to Irish policy makers about pension imbalances, although it commented that the report did not offer suggestions on how the matter could be addressed.

Reaction to the Commission report was not particularly energetic. Speaking at the Oireachtas Joint Committee on European Affairs on 26 January the Minister of State for European Affairs, Noel Treacy T.D., referred to the Commission report:

“Member States only received this report yesterday afternoon and the Government is closely examining the Report’s contents as part of its preparations for the March European Council’s discussion on Growth and Jobs. It contains much positive comment about Ireland’s economic performance, which remains among the best in the Union I would say that we welcome the Report as a constructive and imaginative paper, offering good analysis and ideas. It looks at the individual NRPs of each Member State, which were submitted late last year the Annual Report then provides an analysis of the key issues at a European level and suggests that the March European Council look particularly at Research & Innovation, cutting red tape for entrepreneurs, dealing with an ageing population and the energy issue. We would certainly agree that these issues deserve special attention.”

At the meeting of the Joint Committee on 23 February, members raised a number of issues connected with the Lisbon Agenda and the NRP. The Minister of State responded by pointing out that the Commission, in its overview of the national reports, had made proposals aimed at strengthening necessary reform efforts in the areas of Research and Development; promotion of SMEs, creating more and sustainable employment and securing affordable energy supplies. All of these areas were seen to be of importance to Ireland. He concluded that:

“It is important that the EU and the European Commission have a clear policy and focus, agreed by the Council, endorsed by the Parliament and supported by the EU in totality to ensure that each Member State with its peculiarities, its strengths, its abilities and its resources, human and otherwise, is supported in different ways to drive the agenda for economic growth under the overall umbrella of instruments, measures and support mechanisms from the EU itself. We cannot continue on an ad hoc basis without certainty but must have goals and road maps to achieve success.”

The IEA Director General has used the “Lisbon Scorecard” published by the Centre for European Reform (London) as the basis for a number of seminars on competitiveness with business audiences.

### Italy

The recommendations of the European Commission on Italy’s Plan for innovation, growth and employment were judged very encouraging by the Minister for European Community Policies Giorgio La Malfa, who was responsible for the plan. La Malfa underlined how much the Commission appreciated the government’s will to address the main important challenges Italy is facing. No comments were made on the Commission’s critical remarks on the necessity to coordinate the different interventions of the plans more efficiently. Nor were there official comments on the results related to the Lisbon Agenda of the Spring European Council in March, probably because political leaders were focused on the electoral campaign for general elections on April 9-10.

### Latvia

Since the dissemination in October 2005 of the Latvian action plan for the relaunched Lisbon Agenda, the agenda and agenda-related developments have been discussed intermittently and usually in specific terms and not necessarily with reference to the agenda. (In Latvia the Economics Ministry has been assigned the responsibility for the Lisbon Agenda; consequently, the action plan was also drafted under its auspices.<sup>662</sup>) The government in Riga has not made public any

<sup>662</sup> See <http://www.em.gov.lv/em/2nd/?cat=13354> .



comprehensive response to the Commission's assessment of the Latvian action plan or to the discussions of the Lisbon Agenda at the European Council on 23 and 24 March 2006. The Commission's criticism of Latvia's action plan can be summarised in the following points requiring further attention:

- a clearer and stronger commitment to achieving macro-economic stability including by fiscal consolidation;
- policies to stimulate partnerships between research and education institutions and businesses;
- stronger measures to adapt education and training to labour market needs and to develop and implement a coherent lifelong learning strategy.<sup>663</sup>

The resonance in Latvia to the assessment has been indirect. At the policy level, the Cabinet of Ministers informed the press on 4 April 2006 that Latvia supports a reassessment of the Agenda with a view toward sustainable development and more attention being devoted to global issues such as poverty, health and energy and to maintaining a link with UN Millennium goals and guidelines.<sup>664</sup> However, the Commission's Assessment and the European Council session also encouraged Latvians to become more active in trying to implement the Lisbon Agenda goals. To illustrate: on 30 March 2006 the Economics Ministry announced plans to create by 15 September 2006 a Technology Centre to promote innovation, the development of new technology and the practical application of innovative technologies and practices.<sup>665</sup> On 6 April 2006, a forum on "Professional Education Policies in Latvia from the Perspective of the Lisbon Strategy Goals" took place in Riga.<sup>666</sup> The following day, the Latvian Student Association, in cooperation with the National Union of Students in Europe, held a seminar in Riga about better implementation of the Lisbon Agenda to higher education.<sup>667</sup> On 12 June 2006 Riga hosted a meeting of ministers of 34 European countries on the use of information and communication technologies to overcome economic, social, educational, territorial or disability-related disadvantages. The ministers,

<sup>663</sup> See [http://ec.europa.eu/growthandjobs/pdf/2006\\_annual\\_report\\_latvia\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/2006_annual_report_latvia_en.pdf).

<sup>664</sup> See <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2006/Aprilis/04-3/>.

<sup>665</sup> BNS, 30 March 2006.

<sup>666</sup> BNS, 6 April 2006.

<sup>667</sup> BNS, 5 April 2006.

committing themselves to the idea of „e-inclusion”, adopted The Riga Ministerial Declaration, which sets specific targets in order to achieve an inclusive and barrier-free information society.<sup>668</sup> However, the government of Prime Minister Aigars Kalvitis has clearly failed to address with resolve and vigour the problems related to Latvia's macroeconomic stability<sup>669</sup>; recommendations to do so have come not only from the Commission, but also from other institutions, including Bank of Latvia and the IMF.

## Lithuania

The European Commission's ranking regarding Lithuania's national action plan on the implementation of the Lisbon strategy was fairly positive. The Lithuanian Minister of Economy, Kęstutis Daukšys, expressed his satisfaction that the European Commission has highly evaluated the Lisbon strategy goals chosen by Lithuania<sup>670</sup>. The secretary of Ministry of Economy, Lina Domarkienė, also said, that “the European Commission has approved the priorities chosen in the Lithuanian national programme”. She added, “Our programme is considered to be ambitious and oriented towards the future strategy. The European Commission positively evaluated our collective work with social partners while creating the Lithuanian programme”<sup>671</sup>.

<sup>668</sup> See Document IP/06/769, <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/769&format=HTML&aged=0&language=EN&quietLanguage=en>.

<sup>669</sup> The assessment is found in points 5, 6, 7 of the Commission's Assessment of Latvia's National Reform Programme (see [http://ec.europa.eu/growthandjobs/pdf/2006\\_annual\\_report\\_latvia\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/2006_annual_report_latvia_en.pdf)) and the more general problems are listed in point 6: Policies for wage developments, pensions and income taxation are described in detail, but there are in many other cases no clear timelines or analysis of budgetary implications. The NRP does not deal with savings-investments imbalances that are at the root of the current account deficit or with the rapid expansion of credit that is contributing to inflationary pressures. Fiscal policy aims at maintaining a sustainable budgetary position and achieving a balanced budget position in the long rather than medium term.

<sup>670</sup> Su Švedijos ambasadore K. Daukšys aptarė ES klausimus [K. Daukšys discussed the EU questions with a Sweden ambassador], Lithuanian Ministry of Economy press release, March 2, 2006, <http://www.ukmin.lt/lt/dokumentai/ziniasklaidai/detail.php?ID=12196>

<sup>671</sup> Europos Komisija ragina tęsti pradėtas reformas, įgyvendinant Lisabonos strategiją [European Commission urges to continue the started reforms in implementing the Lisbon strategy], Lithuanian Ministry of Economy press release, February 15, 2006 <http://www.ukmin.lt/lt/dokumentai/ziniasklaidai/detail.php?ID=10033>

The financial resources to improve the transport and energy infrastructure, a goal to improve the youth employment and a life-long learning strategy were evaluated as the strengths of the Lithuanian Lisbon strategy implementation programme. It was also noticed that in order to implement the Lisbon goals Lithuania has to strengthen the science and technology basis by increasing the spending for the development of research and technology. Besides, Lithuania is encouraged to put additional efforts to improve innovation systems, to proceed with strengthening active labour market policy and to promote labour market mobility in the European Commission report<sup>672</sup>.

The Lisbon ranking was presented by the secretary of the Ministry of Economy to the members of the Committee on European Affairs of the Parliament. The Parliament members were satisfied with the fairly positive ranking. The member of the committee, Aušrinė Marija Pavilionienė, noticed that there is a recommendation to promote the cooperation of private and business structures, but there are examples in Lithuania, which indicate a reverse process. The leader of the opposition, Andrius Kubilius, raised a question what grand projects could be implemented by which we could attract the financial support of the structural funds<sup>673</sup>.

Speaking about the spring European Council - while the issues concerning the European energy policy and Belarus attracted most attention in Lithuania (both of the politicians and the journalists), there were only short comments regarding the other subjects discussed in this Council, including the implementation of the Lisbon strategy. The words of the Prime Minister Algirdas Brazauskas were quoted in the Government press release and in the newspapers presenting the European Council meeting results: "it is important that all EU member

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<sup>672</sup> Europos Komisija paskelbė Lietuvos nacionalinės reformų programos analizę [European Commission issued the analysis of the Lithuanian national reform programme], European Commission representation in Lithuania press release,

[http://www.eudel.lt/lt/index.php?action=showNews&news\\_id=498](http://www.eudel.lt/lt/index.php?action=showNews&news_id=498)

<sup>673</sup> Seimo Europos reikalų komitetas išklaušė poziciją dėl Nacionalinės Lisabonos strategijos įgyvendinimo programos [Committee on European affairs of the Seimas heard the position on the National Lisbon strategy implementation programme], Committee on European Affairs of the Parliament of the Republic of Lithuania press release, February 15, 2006, <http://www.eic.lrs.lt/index.php?1381202284>

states have proved out their national Lisbon programmes. Long-term European economic development would be impossible if the implementation of the national Lisbon programmes are delayed"<sup>674</sup>.

## Luxembourg

Since the Commission publishes a combined report of Belgium's and Luxembourg's data it is rather difficult to give precise evaluation of the specific Luxembourg situation in Luxembourg.

The Commission has put Luxembourg on the list of those member states that do better, together with Ireland. Regarding the internal market – divergence on the policies regarding the restrictions on workers from Eastern Europe, Luxembourg will apply a minimum procedure for agriculture, viticulture, hotel, and catering.

Concerning its general economic background, Luxembourg is the leader in the EU in GDP per capita (index of 225 points compared with a Union average of 100). GDP growth is expected to fall from 4.5 % in 2005 to 4 % in 2006<sup>675</sup>. The main factors behind this slight slowdown are less dynamism in the financial sector and constrained public spending (especially with regards to investments). Growth should pick up again in 2007 and it is expected to reach 4.5 % over the medium term. The economic climate in 2006 will be influenced by the export of goods and services other than financial. Private consumption should remain lacklustre and is expected to suffer as a result of the moderate rise in interest rates, the surpassed withholding of public investment spending and the absence of a more marked economic recovery. The employment growth profile is expected to remain flat during the period 2007-2008 and should be an average of around 3%. This dynamism which is marked in the European context is, according to STATEC protestations, incapable of contributing to lower unemployment in the absence of new economic policy measures. According to STATEC projections, the unemployment rate

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<sup>674</sup> ES pripažino Lietuvos energetikos problemą [EU has recognized the Lithuanian energy problem], Lithuanian Government press release, March 24, 2006, [http://www.lrvk.lt/main.php?id=aktualijos\\_su\\_video/p.php&n=3337](http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=3337)

<sup>675</sup> STATEC National accounts 2005-2008 Luxembourg feb. 2006

will not rise any further in 2008, peaking at 5.1 %.

This “high” unemployment rate is quite new to Luxembourg, a country used to living in a land of full employment like on a paradise island. Luxembourg has serious problems implementing the Lisbon strategy, especially where education is concerned. National education policy, especially concerning the learning of languages, is not simplified by the fact that 40% of residents are non-nationals . The “high rate“ of unemployment of Luxembourg residents that we see now is due to drop-outs, poorly qualified young people and the closing of traditional businesses (retail stores) and branches in which the foreign investors (e.g. TDK, DVD/CD production) claim high wage costs. ADEM – the national employment administration - sponsors many programs to boost professional education of young people and offer a second chance to older ones. The success of these measures has not been proved yet. Labour Minister François Biltgen has recently presented a new plan to implement the Commission’s recommendations and fight unemployment through innovation: the “*Plan national de l’innovation et du plein emploi*”. Luxembourg received bad marks in transposing new EU directives into national law.

According to the Lisbon strategy, the employment rate of women should be as high as 60% by 2010 in Luxembourg. Former Green Member of Parliament Dagmar Reuter Angelsberg regrets that Luxembourg still performs poorly in this regard:<sup>676</sup> “In 2006 Luxembourg shows the figure of 50.6% and the goal to be reached is still very far away. Even worse! In 2003 Luxembourg already had 52%, so it is easy to read that Luxembourg is going in the wrong direction. This negative trend has of course to do with the evolution on the labour market. Nobody seems to bother about these bad figures.” Angelsberg regrets that Biltgen’s plan does not really consider this situation and merely announces some generalities without making concrete recommendations.

## Malta

With regards Malta's reaction to the Lisbon Agenda there is a widespread debate going on

<sup>676</sup> L.L.17.2.2006 Dagmar Reuter-Angelsberg „Lissabon ? – 60 Prozent Frauenbeschäftigung bis 2010 ?“

about what Malta needs to do to become more competitive - we were again ranked last when it came to research and innovation in the European rankings.

The Government is keen to cut down on public holidays but the Unions are up in arms against this. So the debate goes on with no apparent compromise - this could result in union action later this year - the last thing one needs when they are trying to become more competitive.

The Government is also preparing the launching of a comprehensive five year R & D programme to promote more research and innovation across Malta. This is primarily geared towards the private sector and should be adopted in the next general budget later this year.

An interesting feature in this regard is the focus on the Mediterranean dimension of R & D: the so-called EuroMed ITI – EuroMediterranean Initiative for the promotion of technological Innovation between Europe and the Mediterranean. this initiative was launched earlier this year and is due to be further strengthened during the second half of 2006. A number of European R & D institutes have already joined this platform and both Tunisia and Egypt have expressed an interest to also join,

Thus Malta is seeking to further its niche in this sector which remains at an embryonic stage. The future of Malta's economy is dependent on such innovation - as highlighted by the announcement of Dubai agreeing to establish a Smart City in Technolgy in Malta over the next five years to the tune of 250 million euros.

## Netherlands

### *National Reform Programme*

In general the rather positive evaluation of the European Commission of the Dutch National Reform Programme (NRP) was welcomed and stressed in the Netherlands. In its advice on the revitalised Lisbon strategy for the European Spring Council the Central Economic Committee (CEC), an interdepartmental commission located at the Ministry of Economic Affairs, agreed to most of the judgements and points of attention raised by the commission.<sup>677</sup> The Dutch reform

<sup>677</sup> CEC Notitie over de voortgang van de vernieuwde Lissabonstrategie ten behoeve van de Europese

policies are regarded as a coherent package with the ability to provide the incentives for structural economic growth. The committee regards the evaluation as an approval of the chosen direction of the NRP and commits itself to the implementation at full speed. The three points of attention raised by the Commission are: the too ambitious private research and development expenditure target; the too limited policy initiatives to engage women on the labour market and the lacking policy concerning the labour participation of minorities. The committee fully agrees with the first point, but disagrees to a certain extent when it comes to the other two points of attention. In the opinion of the committee the policy initiatives to raise female labour participation will certainly contribute to a further increase of women on the labour market. With regard to the participation of minorities they point out that additional initiatives have started most often in close collaboration with the social partners and other relevant organisations. The evaluation of these initiatives is expected in autumn and should be the basis for deciding whether further actions are needed. In general the CEC praises the revitalised Lisbon strategy and its often ambitious and concrete national reform programmes, which in their opinion has led to an increased ownership of the overall strategy. They strongly recommend that the focus should now be on implementation of these economic reforms by member states as well as on the European level to deal effectively with the implementation gap of recent years. In this respect they warn the Commission not to put too much emphasis on new policy proposals, before realising existing policies and commitments.

### *Spring European Council*

In its position paper Europe full speed ahead for the Spring Council, the Dutch government supports the four selected areas as mentioned in the Commission's report, Time to move up a gear: research and innovation, business climate, globalisation/aging and energy and highlight that these areas are also central in the Dutch reform policies.<sup>678</sup> In its position the government follows the advice of the CEC

Voorjaarstop 2006, Centraal Economisch Commissie (Central Economic Committee), 1-14; summary: 1-2. at <http://europapoort.eerstekamer.nl/9345000/1/9vvy6i0ydh7th/vgbwr4k8ocw2/f=vh8zng70tkur.doc>

<sup>678</sup> Nederlands Standpunt voor de Europese Voorjaaraad 2006. Europa volle kracht vooruit. Annex 'Nederlands standpunt voor Voorjaarstop 2006', Letter to Parliament (LTP) of the Minister of Foreign Affairs and Minister of European Affairs, 17/03/06.

report by putting the focus on implementation first. On research and innovation the Netherlands welcomes the proposal to establish a European Institute of Technology (EIT). On business climate the Netherlands is pleased with the increased use of the Dutch Standard Costs Model for measuring the administrative burden and developing measures to reduce this burden for companies by the European Commission and member states. Furthermore it urges the commission to take more efforts to realise real competitive markets. On globalisation/aging the Netherlands supports measures to increase the participation of women in the labour market. However, the Netherlands does not support the formulation of specific labour market policies or quantitative targets for member states by the European Commission. This is, in their opinion, the competence of member states. On energy the government supports the main targets formulated: security of supply, increase of competition and sustainable development and aims at mutual reinforcement of these targets. The Netherlands urges the development of an external energy policy in the framework of the Common Foreign and Security Policy.

In its report to parliament on the Spring Council the government seems satisfied with the outcome of the Council, especially with the reconfirmation of the focus on growth and employment and the need for continuous reforms with special attention to implementation of existing commitments.<sup>679</sup> On research and innovation the Netherlands (re)committed itself to the 3% target of GNP for research and development in 2010 and welcomed the broad support for the Commission's proposal of establishing the EIT. The Netherlands' request of stressing the importance of eco-efficient innovations as contribution to growth and employment was incorporated in the conclusions of the chairmanship. On business climate The Netherlands fully supports the importance of the Small and Medium Sized Enterprises for the European economy and needed measures to improve the business climate to their needs. In this respect it welcomed the importance drawn by some heads of state and government to the completion of the internal market especially regarding services. The compromise reached on the Services directive was considered to be well balanced and more in line with Dutch interests. On increasing the

<sup>679</sup> 'Europese Raad te Brussel, 23-24 maart 2006', LTP, 18/03/06.

participation on the labour markets the government was satisfied with the compromise reached regarding the employment targets, which are non-binding and reflect the common ambition level, leaving room for the diversity of member states. As mentioned above, the Netherlands does believe that labour market policies should remain national competences. On energy the government welcomed the broad support for the Benelux position paper Energy security and foreign policy<sup>680</sup> asking for an external energy policy and the incorporation of the recommendation to request the High Representative for the Common Foreign and Security Policy to propose a common strategy for an external energy policy for the EU.

## Poland

Publication of the "Lisbon ranking" received relatively wide publicity in the Polish media, which, however, did not last long. Interestingly, none of the government institutions made any official statement on its merit. In a briefing with journalists, the deputy minister of economy in charge of Lisbon process in Poland questioned the informational basis of the CER report, stressing that 2-3 year-old data refer to the period of sharp economic downturn and are not applicable to the current situation.<sup>681</sup> Well, this is true when it comes to the GDP growth rate, but explains little as far as the quality of the institutional system is concerned.

It has to be noted also that think-tanks and academia did not dwell on the issue. The explanation seems to have several sources.

For the government the real issue on the European level was (and is) energy policy and safety and the services directive debate. What is more, the ruling party was preoccupied with fierce attempts to build a coalition that would guarantee a qualified majority in the Parliament. It should be stressed that the government officially sticks to the adopted plan of implementation of the National Reform Programme, and in the opinion of the already quoted deputy minister, this is the best response to any criticism.

<sup>680</sup> 'Geannoteerde agenda Europese Raad 23-24 maart 2006 incl. Ontwerp Conclusies Europese Raad en Benelux memorandum energie', LTP, 21/03/06.

<sup>681</sup> Bruksela krytykuje, Polska ma plan reform (Brussels criticises, Poland has a reform plan), in: nr Rzeczpospolita, Ekonomia i Rynek, 22.03.2006, nr 69.

For experts on development and the Lisbon strategy, the report did not bring anything new.

As for general public, it has shown little interest mostly due to the fact that on the one hand, many got tired of the noisy public life dominated by political games, and on the other hand, the past two years have brought economic changes that not necessarily in the short term comply with the CER publication: the unemployment rate is decreasing, GDP growth rate is 4 - 5%, there is confirmed by the CER report an export downswing, the currency is strong, European cohesion and structural policy is bringing its first visible results etc.

Bohdan Wyżnikiewicz, an expert representing one of the Polish think-tanks suggests that Poland is a victim of its outstanding success in the 1990s.<sup>682</sup> There was a premature feeling of success and that further reforms are not most burning issue.

If so, the CER report was published either too late or too early to have a stronger impact on Poland.

## Portugal

### *National Reform Programme*

The recommendations of the European Commission on the National Programme for Growth and Jobs 2005-2008 (PNACE) were positively received. The review of the Portuguese National Plan revealed that the European Commission was in agreement with the strategy and the priorities outlined. In particular, it was considered that the measures indicated by the Portuguese so-called "Technologic Plan" for the areas of science, technology and innovation and the investment in human capital were rather promising. But the Commission's report also highlighted certain areas where particular attention is required: the sustainability of public accounts; investment in R&D and innovation; competition in services; growth of overall employment rates; and modernisation of the labour market. In addition, the report pointed out the lack of detail in the definition of some strategic priorities and in the description of certain measures.

<sup>682</sup> Komentarz Bogdana Wyżnikiewicza z Instytutu Badań nad Gospodarką Rynkową, <http://gospodarka.gazeta.pl/gospodarka/1,33181,3224749.html>, 20.03.2006.

In reaction to the European Commission's assessment, the Portuguese government announced that "a process will immediately begin to describe in detail and develop the measures and policies foreseen in PNAE, including information on how the measures that have been or are being implemented are applied, as well as the data collected through the impact monitoring system and from the discussion of results with the economic and social agents and with the competent political institutions."<sup>683</sup>

There is indeed a general perception in Portuguese society that the key priority consists now in ensuring an effective execution of the Lisbon Agenda. As President Cavaco Silva underlined, "the execution of the Lisbon Strategy should impose a discipline and a responsibility (...) without which, it would end up by merely being a set of good intentions."<sup>684</sup>

In line with this argument, many commentators stress that the application of the Lisbon goals should imply an active commitment of all societal actors - government, social partners, civil society, companies and citizens -, as well as a coherent coordination between economic and social policies, financial resources and political institutions<sup>685</sup>. In this respect, several opinion makers consider that the modest results so far are mainly due to the lack of strong political interest on the part of interest groups in advancing and inciting new policies.<sup>686</sup>

#### *Spring European Council*

In regard to the latest Spring European Council, the Portuguese government has subscribed most of the proposals and targets put on the table by the Austrian Presidency. In particular, Prime Minister Sócrates has underlined the importance of the new generation of social and economic policies making it possible for the poorest sectors of society to enter the employment market. Measures include youth vocational training and the support for the employment of women and of ageing work force.

More controversial was the Commission's assessment of the National Innovation Policies, as well as its considerations on the low economic growth and competitiveness rates. In addition to Portuguese low rates regarding workforce qualification and lifelong learning, the Commission points out serious problems in the conception and management of innovation systems, as well as a fragmentation and lack of coordination between different policies which are under the responsibility of different governmental authorities.

In order to answer these problems, on behalf of PNAE goals, the Portuguese government has launched a considerable number of measures. In the past months, three major programmes were announced: (1) in accordance with the Technologic Plan, the launching of a regional "competition poles" programme seeking to promote a model of economic agents' self-organisation, to boost R&D, to stimulate education and training and to enhance entrepreneurial innovation; (2) a set of seven measures known as "A commitment to science for the future of Portugal", with the aim of stimulating national scientific potential in the perspective of a knowledge- and information-based economy<sup>687</sup>; (3) and, under the third pillar of governmental economic policy ("Contract for Trust"), the "legislative and administrative simplification" programme.<sup>688</sup> This programme is perceived as a fundamental tool to reduce public administration costs and overcome the bureaucratic obstacles to modernisation and competitiveness of the Portuguese economy. There is indeed a general conviction that the main obstacles to economic competitiveness are the rigidity of the state apparatus, the complexity of governance models, coupled with heavy bureaucracy and inefficient public management.<sup>689</sup>

Another relevant issue often raised in the domestic debate is the need to change the philosophy for the implementation of EU funds (namely the 2007/2013 financial framework) in order to use them for the implementation of the Lisbon Strategy goals. As a response to such concerns (and in line with the

<sup>683</sup> in <http://www.cnel.gov.pt/index.php?page=124>

<sup>684</sup> Speech by His Excellency the President of the Republic in Europe's Day 2006 Seminar, op.cit.

<sup>685</sup> Intervention of Maria João Rodrigues at the Seminar "The Lisbon Strategy Revisited", Lisbon, 16 May 2006.

<sup>686</sup> Sousa, Fernando, "Estratégia de Lisboa precisa de mais envolvimento público", in *Diário de Notícias*, 23 March 2006.

<sup>687</sup> Intervenção do Primeiro Ministro no debate mensal na Assembleia da República: Um Compromisso com a Ciência para o Futuro de Portugal, 29 March 2006.

<sup>688</sup> Intervenção do Primeiro Ministro no debate mensal na Assembleia da República: Simplificação administrativa e desenvolvimento da Economia, 27 January 2006.

<sup>689</sup> Intervention of Vítor Martins at Europe's Day 2006 Seminar, op.cit.

recommendations from the European Commission) the government has repeatedly announced that the National Strategic Reference Framework (QREN), will no longer be primarily destined to co-finance infrastructures, but will be essentially linked to qualification and vocational training, technological modernisation, innovation and renewal of business and productive fabric, as well as public administration modernisation.

The mainstream political parties generally continue to support the Lisbon Strategy, because it stresses “innovation” and an “entrepreneurship culture” as the key elements for economic development. Reservations in relation to the Lisbon goals come mainly from the extreme left parties (the Communist Party and the Left Bloc). Emphasising the neo-liberal dimension of the European Union project, they see the Lisbon Strategy as yet another policy further deteriorating social rights and increasing the precarious nature of employment.

## Romania

The Lisbon Agenda is not widely debated in Romania, as there are no noticeable reactions after the publication of the Lisbon ranking at an official level or within the public opinion. In the context of the alignment to the objectives of the Lisbon Strategy, Romania - together with the EU Member States - is currently preparing a National Reform Programme which - after its endorsement by the Romanian Parliament – will be transmitted to the European Commission this autumn. As regards the Romanian position towards the objectives of the Lisbon Strategy, Secretary of State Leonard Orban notes: “Romania approaches the actual alignment with the objectives of the Lisbon Strategy not as a formal/institutional effort, but as a *leap towards a proactive economic policy* able to respond to the international competition”<sup>690</sup>.

## Slovakia

Based on the media monitoring there is not too much to say about the reaction to Commission or Council recommendations regarding the national Lisbon agenda. At the end of January, when the Commission issued its recommendations, the Slovak media was

<sup>690</sup> Interview with Leonard Orban, Secretary of State, Ministry of European Integration.

preoccupied with the crash of an airplane transporting Slovak soldiers from Kosovo in which 42 people died. In March, after the European Council meeting, the floods and the up-coming elections got media coverage. From the Slovak perspective, far more interesting European issues than the Lisbon strategy were the liberalisation of the EU 25 labour and service markets in the first half of 2006.

The Slovak Republic was one of the nine countries that submitted their national Lisbon action plans to the Commission in October 2005. The national action plan of the Slovak Republic was drafted within the Minerva<sup>691</sup> project launched by Ministry of Finances. The National Competitiveness Strategy<sup>692</sup> and the subsequent Slovak National Reform Programme<sup>693</sup> (NRP) are documents that actually constitute the national action plan. The NRP identifies four key challenges for Slovakia: information society; research, development and innovation; business environment; and education and employment.

The Commission report issued in early 2006 shares the NRP’s analysis of the main priorities but at the same time points to the main deficiencies – the absence of sufficient measures for stimulating research, development and innovation (R&D) and for decreasing the regional disparities and structural unemployment.

The lack of ambitious goals in R&D was also emphasized at the Spring European Council in March 2006. In its conclusions, the Council invites all member states to undertake such policies and activities that would lead to the

*Table 1: Planned deficit of public administration budget*

Year	2007	2008	2009
Deficit in % of GDP	3	2,5	2

Source: Ministry of Finance of the Slovak Republic

<sup>691</sup> Minerva is an abbreviation of the governmental initiative „Mobilizácia Inovácií v Národnej Ekonomike a Rozvoj Vedecko-vzdelávacích Aktivít“ (Mobilisation of Innovations in National Economy and Development of Research and Education Activities).

<sup>692</sup> Report on fulfilment of the National Competitiveness Strategy available at:

<http://www.rokovania.sk/appl/material.nsf/0/CC597604E08AC189C125712B003121F3?OpenDocument>

<sup>693</sup> National Reform Program of the Slovak Republic 2006-2008, available at:

[http://www.finance.gov.sk/EN/Documents/IFP/nrp\\_2005\\_en.pdf](http://www.finance.gov.sk/EN/Documents/IFP/nrp_2005_en.pdf)

overall aim of reaching 3% of the GDP in investment to R&D by 2010. Slovakia's investment index in R&D was 0.53% in 2004, the third lowest among the EU-25 and it did not increase dramatically in 2005 (0.65%). The Slovak government set its priority in the R&D part of the NRP as follows: "to create the fundamental prerequisites for the development of science, research and innovation at the level of advanced European countries"<sup>694</sup>. Despite one of the lowest overall investments in R&D among the EU member states, the NRP does not set national targets. The opposition parties emphasize that R&D as well as education have been overlooked by the government for a long time. The amount of public expenditures allocated to those fields is the best evidence of governmental ignorance. Before the parliamentary election in June, they blamed Dzurinda's SDKÚ-DS that it used popular rhetoric on the importance of education, research and a knowledge-based economy only as an election maneuver. The fact is that the Ministry of Finance's most important priority during the whole electoral period 2002-2006 was the entry of Slovakia into the eurozone in 2009. This goal is achievable only when the country fulfills strict convergence criteria. The state's fiscal situation is relatively stable and there are expectations that the growth of the GNP will increase to 6.4% in 2006. In such a situation the government would be able to invest more in R&D. However the Minister of Finance, Ivan Mikloš, promotes the idea that first of all, the government should decrease the budget deficit, saying "public finances should be directed to decreasing of the deficit and public debt."<sup>695</sup>

Even if the NRP does not address the problem of financing R&D in detail, it gives special attention to external resources like EU funds, EU framework programs for research and development, EEA financial mechanism, Norwegian financial mechanisms or the European Science Foundation and to some non-state domestic resources. According to some statements, Slovakia aims to reach the 1.8% of the GDP level of investment in R&D by 2010. Vladimír Šucha, the head of the Slovak Agency for Support of Science and Research, considers the fulfilment of such an aim to be "a miracle and salvation for Slovak science"<sup>696</sup>.

The NRP strongly emphasises reforms that have already been launched (in the areas of public finances, taxation, pensions, healthcare and the labour market). According to the Commission, only few national targets have been set but not in relation to the EU targets on R&D and the overall employment rate. Besides more specific aims in R&D, more developed policies are also needed to tackle structural unemployment and regional employment disparities.

The recommendations of the European Commission did not stimulate extensive public reactions (they were hardly mentioned in any newspapers) but clearly aroused the attention of the political representatives. The impact of the recommendations was twofold.

First, the Slovak government issued the Report on fulfilment of the National Competitiveness Strategy (NCS) in March 2006. The Report is based on the results of a special Minerva

Table 2: State of Action Plans tasks fulfilment (till 31 January 2006)

	Imple- mented	Pending	All tasks	AP Education & employment	AP Science, R&D, innovation	AP Information society	AP Business environment
AP	21	41	62	17	14	20	11
Finished	9	2	11	4	0	3	4
Implemented according to schedule	-	22	22	3	9	6	4
Delay	12	17	29	10	5	11	3

Source: Report on fulfilment of National Competitiveness Strategy

<sup>694</sup> National Reform Program of the Slovak Republic 2006-2008, p. 26, available at [http://www.finance.gov.sk/EN/Documents/IFP/nrp\\_2005\\_en.pdf](http://www.finance.gov.sk/EN/Documents/IFP/nrp_2005_en.pdf)

<sup>695</sup> „Mikloš chce úspech využiť na zníženie dlhu“ in *SME*, 14.3.2006

<sup>696</sup> „Peniaze z eurofondov musia ísť najlepším“, interview with V. Šucha in newspaper *Pravda*, 14.3.2006.



Control Committee established by the Minister of Finance to monitor the fulfilment of the NRP aims. The NCS Action Plans specify altogether 62 tasks from which almost 30 were carry-over or not even started to be implemented at the end of January 2006 (see table 2).

The report expressed the satisfaction with significant improvement of the Minerva project management due to the newly established Committee even if it admits that there are still some deficiencies in the coordination of certain activities.

Second, the fight against most urgent deficiencies (investment in R&D and structural disparities) became an integral part of the political parties' election programs.

All seven political parties that were likely to clear the parliamentary threshold of 5% (see Table 3) integrated into their election programs development perspectives based on the concept of a knowledge-based economy. The election program that comes closest to the National Lisbon Action Plan is that of the SDKÚ-DS, the party that holds the position of the minister of finance in the current government. Like in the NRP, the SDKÚ-DS's election program also lacks specific measures that would be sufficient to meet the objectives set out. Yet, no other political parties' manifestos are more specific on the appropriate tools to be used.

Table 3: Election preferences of political parties (in%)

Political party	March 2006	May 2006
SMER – Social Democrats (SMER-SD)	29,5	28,3
Slovak Democratic and Christian Union – Democratic Party (SDKÚ-DS)	10,9	12,1
People's Party – Movement for Democratic Slovakia (ĽS – HZDS)	12,5	11,1
Hungarian Coalition Party (SMK)	10,7	10,6
Christian Democratic Movement (KDH)	10,3	9,8
Slovak National Party (SNS)	8,9	9,8
Free Forum (SF)	7,7	5,0
Communist Party of Slovakia (KSS)	5,0	4,8

Source: OMV SRo, 1 June 2006.

## Slovenia

There were not many reactions to the publication of the Lisbon ranking and the recommendations of the European Commission regarding the national action plan. Comments were mainly around the reform plan proposed by the government in 2005 (Slovenian development strategy) and its compatibility with the Lisbon goals. The proposal of the reforms is very wide ranging and is supposed to achieve the Lisbon goals and make Slovenia one of the most competitive and developed economies in the EU. Janez Potočnik, Commissioner for Science and Research, considered the reform efforts of the Slovenian government as positive, future-oriented and in accordance with the Lisbon strategy and the Proposal of the Commission.<sup>697</sup> Dr. Mojmir Mrak, former negotiator of the Slovenian government for the financial perspective, sees the goals of the Lisbon strategy as very much similar to those of the economic and social reforms of the Slovenian government.<sup>698</sup>

The Slovenian prime minister points out the essence of the recommendations of the European Commission. The implementation of the Lisbon strategy largely depends on the efforts and reforms of the member states' governments and not on the EU budget or EU policies. These are contributing factors but are not nearly as important as the national policies of the member states.<sup>699</sup>

### National action plan – being half-way

Just after the publication of the Commission's recommendation Slovenian Commissioner for Science and Research, Dr. Janez Potočnik, said that it is necessary for Slovenia to speed up the process of implementation of the Lisbon strategy.<sup>700</sup> The European Commission's recommendation criticises the Slovenian reforms for not being clear enough or concrete enough. The Commission also expressed the need for firmer plans to ensure a sustainable pension system and a better strategy for

<sup>697</sup> Janez Potočnik (2006) Evropsko gospodarstvo: strma pot v Lizbono [European economy: a steep way to Lisbon], Delo – Saturday supplement, p. 14, 7 January 2006.

<sup>698</sup> TV Slovenija (20 March 2006) Izzivi [Challenges].

<sup>699</sup> TV Slovenija (1 March 2006) Sprašujemo predsednika [We ask the president].

<sup>700</sup> Božo Mašanović (2006) Prestaviti je treba v višjo prestavo [It is necessary to change into a higher gear], Delo, p. 13, 26 January 2006.

research and innovation.<sup>701</sup> There are similarities between the recommendations on the Lisbon strategy and the recommendations in the negotiations for membership,<sup>702</sup> which make the Government's response to the Commission's recommendation, claiming that the Action Plan Slovenia proposed last year has been further elaborated,<sup>703</sup> rather vague.

Pessimists point out that, despite the renovation of the Lisbon strategy, the EU will not be able to achieve the Lisbon goals by the end of the decade.<sup>704</sup> On the other hand, the optimists praise the renewed Lisbon strategy since it points out two major goals – economic growth and employment growth. Thus it presents a clearer roadmap than the initial Lisbon strategy did with 300 goals. So the leaders of the countries will have a harder time avoiding the implementation by saying that the proposals are unclear and too ambitious. The way recommendations were made is perceived as somehow 'tricky' – they were not made in the form of a sharp critique but rather as suggestions that might be or might not be respected by the member states.<sup>705</sup>

In general the recommendation of the European Commission for Slovenia is positive. Slovenian EU Commissioner for Science and Research, Janez Potočnik, says that the Slovenian reform program is better than most of the others. Dr. Janez Šušteršič, director of the government's Institute of Macroeconomic Analysis and Development is satisfied with the fact that Slovenia set the right priorities.<sup>706</sup> Mr. Šušteršič attributed some of the criticisms to the early stage of reforms at which Slovenia submitted its plans to the Commission.<sup>707</sup>

### *Government setting a high priority on development*

In order to implement the reform plan the government established the post of the minister without portfolio – Minister for development. On 20 December 2005, the 'new age' economist - Dr. Jože P. Damijan, from the Faculty of Economics of the University of Ljubljana, was appointed Minister for Development. With this move, the Slovenian government showed that economic development is a high priority also in respect of implementation of the Lisbon strategy, since the reforms are intended to achieve the goals of the Lisbon strategy.

According to the ranking by the London-based Centre for European Reform, Slovenia was placed 11<sup>th</sup> among EU member states, thus being placed relatively high. Among 18 structural indicators Slovenia scored very high ('hero' in the fields of R&D and the strengthening of education and qualifications) and on one very low ('villain' in the field of climate change).<sup>708</sup> The commercial newspaper *Finance* published the ranking but with almost no comment added. It was only noticed that the methodology of the research was changed – there were much less indicators used for the last research. This is perceived as one of the main reasons that Slovenia fell from 7<sup>th</sup> place to 11<sup>th</sup>.<sup>709</sup> Boris Cizelj from the Slovenian Business and Research Association said that 11<sup>th</sup> place among 25 member states is a very good ranking but did not go into a deeper analysis.<sup>710</sup> Announcements of this ranking filled the government with satisfaction over its policy and were used as an argument against criticism over the insufficient and inadequate R&D policy, coming mainly from academia.

However, the time just after the announcement of the ranking was not a period of silence regarding the implementation of the Lisbon strategy in Slovenia. Slovenian Minister for development, Dr. Jože P. Damijan, visited Mr. Guenther Verheugen, vice-president of the European Commission responsible for enterprise and industry and thus for the implementation of the Lisbon strategy. At a

<sup>701</sup> B. R., STA (2006) EU opozarja na minuse slovenske reforme [EU warns of minuses of the Slovenian reform], *Dnevnik*, p. 2, 25 January 2006.

<sup>702</sup> Božo Mašanović (2006) Prestaviti je treba v višjo prestavo [It is necessary to change into a higher gear], *Delo*, p. 13, 26 January 2006.

<sup>703</sup> Dr. Janez Šušteršič, director of the government's Institute of Macroeconomic Analysis and Development in B. R., STA (2006) EU opozarja na minuse slovenske reforme [EU warns of minuses of Slovenian reform], *Dnevnik*, p. 2, 25 January 2006.

<sup>704</sup> Božo Mašanović (2006) Prestaviti je treba v višjo prestavo [It is necessary to change into a higher gear], *Delo*, p. 13, 26 January 2006.

<sup>705</sup> Darja Kocbek (2006) Nasveti, ne graje reformnih programov [Suggestions rather than blame on the reform programs], *Delo*, p. 16, 25 January 2006.

<sup>706</sup> SR (2006) Trojka za reforme [A three for the reforms], *Primorske novice*, p. 2, 26 January 2006.

<sup>707</sup> B. R., STA (2006) EU opozarja na minuse slovenske reforme [EU warns of minuses of Slovenian reform], *Dnevnik*, p. 2, 25 January 2006.

<sup>708</sup> Albina Kenda (2006) Danci so absolutni junaki lizbonske strategije [The Danish are the absolute heroes of the Lisbon strategy], *Finance*, p. 11, 22 March 2006.

<sup>709</sup> Albina Kenda (2006) Danci so absolutni junaki lizbonske strategije [The Danish are the absolute heroes of the Lisbon strategy], *Finance*, p. 11, 22 March 2006.

<sup>710</sup> Radio Slovenija (30 April 2006) Dogodki in odmevi [Events and echoes].

meeting with Mr. Verheugen the Slovenian minister pointed out that Slovenia is one of those member states that are undertaking the most ambitious steps towards the implementation of the Lisbon strategy with the project of economic and social reforms. Mr. Damijan denied that the Lisbon strategy is already doomed to fail.<sup>711</sup> He pointed out that Slovenian economic and social reforms target especially the state burden on the economy, stimulation of entrepreneurship, and technological development. The final goal of the reforms is to become one of the most developed EU countries in the next 10 years.<sup>712</sup> The EU should look to good examples, especially the Nordic countries. The 'Nordic model' should be a model for other countries – the European Commission should point out these good examples more.<sup>713</sup>

Despite the seemingly bright future of the implementation of the Lisbon strategy in Slovenia, there seems to be a lack of consensus among the members of the government on how to achieve Lisbon goals. Mr. Damijan resigned his post of Minister for Development just after three months of being in office.

## Spain

The Spanish National Reform Programme (NRP) has two main objectives related to growth and employment: completing Spain's real convergence with the EU-25 in terms of per capita income and raising the employment rate to 66% by 2010. In order to achieve these targets the Programme identifies seven key policy areas: budgetary stability; R&D; a better environment for business; greater competition; infrastructure development; a better labour market; and better education and human capital.

By and large, the European Commission shares the approach of the NRP, although it has pointed out certain limitations:

- the selection of priority measures is not always clear and some of the measures remain vague;

<sup>711</sup> Radio Slovenija (16 March 2006) Radijski dnevnik [Radio news].

<sup>712</sup> Barbara Grahek Lazarević (2006) Slovenija med najbolj ambicioznimi [Slovenia among the most ambitious], Večer, p. 6, 17 March 2006.

<sup>713</sup> TV Slovenija (1 March 2006) Sprašujemo predsednika [We ask the president].

- details on timetables and budgetary implications are limited, making it difficult to assess the practicability of the measures;
- there is limited information on the level of involvement of different stakeholders.

The Commission considers that the following points require further attention:

- competition issues, in particular in the retail and electricity sectors;
- segmentation in the labour market and the need to increase female employment.

Although the Lisbon Agenda should have been the key issue of the Spring European Council, energy issues (only a part of the Lisbon strategy) captured the attention of the meeting. The media covered the news on European energy policies amid discussions on 'economic nationalism' and the Spanish government's efforts to stave off EON's bid for Endesa.

## Sweden

The reaction has generally been one of satisfaction with the recognition from the rest of the EU that the Swedish – indeed Nordic – model is very interesting in “combining high growth and competitiveness with general welfare policies that eradicate class differences and high environmental ambitions.”<sup>714</sup> This in turn may imply a greater activism on the Swedish part since the Lisbon ranking indicates a front-runner position for Sweden. In its EU work program for spring 2006, the government furthermore indicates the Lisbon strategy to be one of the particularly important issues for the EU. Sweden would like to increase the focus on establishing an “equality pact” as well as highlighting the issue of sustainable energy supply.<sup>715</sup>

Related to the Lisbon strategy, the government also points to the importance of giving the sustainability strategy initiated in 2001 a more operative content and that it be implemented and evaluated in a clearer fashion.<sup>716</sup>

In connection to the Lisbon issue, the Swedish government has stated its satisfaction with the

<sup>714</sup> Ringholm, Bosse, speech March 30 2006

(<http://www.regeringen.se>); also see his article in the Swedish daily *Sydsvenska Dagbladet*, March 3 2006

(<http://www.regeringen.se>)

<sup>715</sup> "Regeringens EU-arbetsprogram för våren 2006", pp. 1-2 (<http://www.regeringen.se>)

<sup>716</sup> "Regeringens EU-arbetsprogram för våren 2006", p. 2 (<http://www.regeringen.se>)

compromise regarding the services directive. The Swedish näringsminister Thomas Östros commented in the Swedish daily newspaper *Dagens Nyheter* that “This is a great achievement for the EU and Sweden. We get a services directive that opens up for trade while preserving our labour market model.”<sup>717</sup>

## Turkey

In general, EU-level developments which do not directly concern the Turkish accession process and the relations between Turkey and the EU do not lead to significant public debates or reactions. In this context, the Spring European Council which took place on 23-24 March 2006 was mainly evaluated in terms of its implications for the enlargement process and the Turkish accession. At the present stage of EU-Turkey relations, the debate at both sides rather centres on the Copenhagen criteria. Thus, the Lisbon Strategy does not constitute a central focus, and Turkey is not fully involved in the process of preparing regular National Action Plans and receiving Commission Recommendations on its progress. The Spring Council Conclusions concerning the Lisbon Agenda have therefore not received a notable reaction in Turkey.

Within the minor debates taking place around the issue, the Lisbon Strategy is generally conceived to be highly relevant for Turkey, particularly with its focus on growth and jobs, and thus in terms of its ‘competitiveness’ aspects rather than its concern with social cohesion. Within this context, it is believed that adaptation to the Lisbon Strategy, through a programme including micro-economic reforms providing flexibility for the labour markets and improving the conditions for competition, provides one of the lasting solutions to overcome the fluctuations in the Turkish economy.

On the other hand, in view of the aging population of Europe, it is believed that Turkey could play an important role in the realisation of the Lisbon targets at the EU level with its young labour force potential and the entrepreneurial culture spreading among the youth. In this regard, it is argued that the young Turkish population could provide Europe with new human capital, as well as a new consumer market, especially if Turkey could ameliorate its educational levels.

<sup>717</sup> *Dagens Nyheter* May 29 2006, (<http://www.dn.se>)

## United Kingdom

In the general Commission review of the progress towards the Lisbon objectives, the UK National Action Plan<sup>718</sup> responds well to the main economic challenges facing the UK. However, some recommendations for improvement were made: budgetary consolidation to upgrade transport infrastructure and to ensure an adequate pension system; additional policy initiatives to boost research and development; further efforts to address skills challenges and to improve employment prospects for the most disadvantaged<sup>719</sup>.

As regards to the results of the Spring European Council, reactions to the Lisbon ranking were of low salience in the UK media. Unsurprisingly, the UK is top of the EU countries in achieving the Lisbon benchmarks and is seen as an example in pursuing the agenda of economic reform. According to Gordon Brown, Chancellor of the Exchequer, Britain is leading economic reform in Europe. The UK government is now “calling for the opening up of competition in utilities, energy and services, with new legal powers of investigation and enforcement where there are restrictions to competition. Britain will continue to match reform with pay discipline in the public sector”.<sup>720</sup>

Yet, rather than representing a strong motif for domestic change, the Lisbon Agenda is regarded by the British as a way to encourage other European partners to pursue economic reform. It is a commonplace of political analysis within the UK that the Lisbon Agenda has been failing in its goals at the EU level. Member states should devote more political capital to their commitments to reform within an agreed timetable and the Commission should develop a methodology for assessing National Action Plans.

In the next month, Britain’s reform efforts will concentrate on progress on energy liberalisation. According to the UK Treasury, the cost of absence of liberalisation has been a £40 billion extra bill for consumers in Europe over the last year—£10 billion for British

<sup>718</sup> Lisbon Strategy for Growth and Jobs, UK National Reform Programme, HM Treasury, October 2005

<sup>719</sup> European Commission, Time to move up a gear, UK Summary:

[http://ec.europa.eu/growthandjobs/pdf/2006\\_annual\\_report\\_uk\\_en.pdf](http://ec.europa.eu/growthandjobs/pdf/2006_annual_report_uk_en.pdf)

<sup>720</sup> Gordon Brown, House of Commons debates, 11 May 2006

consumers.<sup>721</sup> Likewise, while reticent on the social and environment policy aspects of the agenda, the UK government will continue to support a strong services directive and protect

its opt-out from the working time directive in line with other advocates of the liberalisation agenda against the alleged uprising of “economic nationalism”.

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<sup>721</sup> HM Treasury, European Economic Reform, accessible at: [www.hm-treasury.gov.uk/documents/international\\_issues/european\\_economic\\_reform/int\\_eerwp\\_indexmain.cfm](http://www.hm-treasury.gov.uk/documents/international_issues/european_economic_reform/int_eerwp_indexmain.cfm)

# 6

## Which future for the Western Balkans and EU-Enlargement?

- **This question concerns the perspectives of the Western Balkans as seen by political actors in your country with regard e.g. to:**
  - *the status of Kosovo and Montenegro,*
  - *the situation in Bosnia-Herzegovina,*
  - *the relationship/interdependence between a regional multilateral free trade agreement of the Western Balkan countries and the membership perspective.*

## Austria

The Balkan region is important and does have a significant impact on Austria. This is due to historical as much as present political reasons. Traditionally, Austria has deployed a large number of soldiers to the EU-mission in Bosnia-Herzegovina as well as to the UN-mission in Kosovo<sup>722</sup>. Furthermore, the integration of the Balkans into the European Union is one of the top priorities of Austria in the context of its current EU-presidency. Austria has particular interest in a stable partnership with the Western Balkans due to its geographic position and economic ties. In Croatia, for example, Austria is the largest foreign investor with a share of 25% of all foreign direct investments<sup>723</sup>. It can be said that there is a common understanding in Austria (with exception to the populist right wing orientated parties) for a European perspective of the Western Balkan countries.

However, further enlargement of the EU is regarded very critically in Austria. Referring to a Eurobarometer survey, Austrian support for enlargement ranks last among all EU-member states<sup>724</sup>. Especially the recent green light for Bulgaria and Romania has been critically discussed in the Austrian media<sup>725</sup>. Austria's fear is the danger that the EU would lose its credibility and strength in order to put pressure on the two countries to fulfil the necessary criteria for entering the European Union. Although Austria is economically and industrially very present in Bulgaria and Romania in the field of the financing-sector and energy market<sup>726</sup>, scepticism is very high among the Austrian population.

A tremendously crucial topic is the accession of Turkey into the European Union. There is a great debate among the Austrian political elite as well in the media whether Turkey should join the EU. The main newspapers<sup>727</sup> watch and critically examine Turkey since the vast majority of Austrians oppose Turkish EU

membership. The media reports very much about the struggling of Ankara to comply with EU demands and about the failures to reach European standards concerning the rule of law, women's rights and torture.

## Belgium

The general stance towards the future membership of Western Balkans countries can be summarized in the idea of a "yes, but...<sup>728</sup>": even though it seems clear that all of these countries remain in the queue for accession, a proper timetable must be respected.<sup>729</sup>

Although he supports an enlargement process that explicitly envisages up to more than 35 members comprising the Federal Republic of Yugoslavia and including Kosovo and Montenegro<sup>730</sup>, Foreign Minister Karel De Gucht nevertheless wants no further enlargements after Romania and Bulgaria without the introduction of new decision-making rules. He therefore proposes that the acceptance procedure of new Treaties should be made by qualified majority<sup>731</sup>. Contrary to Chancellor Angela Merkel, he does not think of debating over the fixing of borders, as he declared in Vilnius: "Does Europe have borders? Yes and no. It has no geographical borders, but borders are shaped by values. Accession criteria must be met in their whole content. But Europe has also frontiers in time, it needs time. The ultimate goal is the unification of the continent, but one has to remain frank in order not to provoke deceptions<sup>732</sup>."

Former leader of the Socialist Party Guy Spitaels suggests following the French approach that would subject any further accession after Romania, Bulgaria and Croatia to a referendum procedure<sup>733</sup>. He deplores that the EU is forgetting its political ambitions in favour of an ever-growing market area inspired by neo-liberal thinking and is thus becoming a weak, intergovernmental organisation.

<sup>722</sup> This information is based on several discussions with members of the cabinet of the Federal Minister of Defence.

<sup>723</sup> Information based on the Austrian Chamber of Commerce, interview in May 2006.

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[http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_251\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_251_en.pdf)

<sup>725</sup> Especially the biggest newspaper, the "Kronen Zeitung" is strongly opposing the enlargement of Bulgaria and Romania.

<sup>726</sup> The Austrian OMV has bought the Romanian Petrom National oil company.

<sup>727</sup> "Kronen Zeitung", "Die Presse", "Der Standard", "Kurier".

<sup>728</sup> Le Soir, 5 May 2006.

<sup>729</sup> As was summarized by Paul De Bruyn in the *Gazet van Antwerpen*, 21 February 2006.

<sup>730</sup> Vers l'Avenir, 23 May 2006.

<sup>731</sup> De Standaard, 24 May 2006

<sup>732</sup> Le Soir, 5 and 10 May 2006, cited by Maroun Labaki.

<sup>733</sup> "L'opinion de Guy Spitaels" Trends tendances, 26 January 2006

## Croatia

The question of regional free trade area in the Western Balkans was highly debated in Croatia. The first idea of establishing a free trade area was presented in the Commission Communication "Western Balkans on the Road to EU: consolidating stability and raising prosperity" was not very positively perceived. It was understood as a regional incentive from the EU leading to integration on regional level only (even in the form of a customs union, which was not the idea of the document), instead of being linked to the region's integration into the EU. Although the Communication brought good news for the whole region (confirmed possibility of full membership), among experts it was primarily perceived in Croatia mostly through its trade aspect only.

However, Prime Minister Sanader's later proposal to extend the remaining CEFTA into a South-eastern Europe trade area was very well accepted. The idea was perceived not as an alternative to the process of EU integration, but complementary to wider integration (encompassing apart the Stabilisation and Association Process countries, two acceding countries, some countries outside the region, such as Moldavia and Ukraine) and having the characteristics of a preparatory phase for EU integration. The Croatian Government put a lot of efforts to raise the awareness of the importance of regional trade cooperation and its interdependence for the EU membership as well as in promoting Croatia as a regional leader.<sup>734</sup> This was the case at the Summit of CEFTA in Bucharest<sup>735</sup> as well as on the occasion of the start of Croatian Presidency in the South-eastern Europe Cooperation Process - SEECP.

Among arguments that favour Croatia's participation in such a trade area, the benefits of gradually raising the competitiveness through regional cooperation in an area of 60 million consumers was mentioned. However, eliminating or reducing trade barriers as such could not significantly improve the economic situation in the region without being accompanied by deeper reforms and measures for attracting foreign direct investments<sup>736</sup>. There were opinions that the

proposed trade area already exists, being established already in 2001 through a network of 31 bilateral agreements.

The effects of the envisaged inclusion into the Pan-European Diagonal Cumulation of Rules of Origin are estimated to be very helpful for the region's exports to the EU and seen as the strongest positive outcome of a regional trade area<sup>737</sup>, while the "formal", multilateral integration could hardly result from stronger growth of intraregional trade<sup>738</sup>.

On a very recent event in the region, the Croatian public generally welcomes the outcome of the independence referendum in Montenegro (21 May 2006) and consequently accepted the full-fledged sovereignty of this country. However, there is a slight dissonance among the reactions. Most of the opposition parties ask for immediate recognition of Montenegro<sup>739</sup>. Nevertheless, Croatian Government declared that Croatia will provide full recognition only with the consent of the EU. There were also some words of reservation expressed about the hasty recognition of Montenegro, requesting not to forget the war crimes committed by Montenegrin soldiers at the beginning of Serbian aggression against Croatia in 1991, especially in the area surrounding Dubrovnik<sup>740</sup>. Notwithstanding this, the final recognition of Montenegro in June 2006 was well received by the general public.

As regards Kosovo, the Croatian political elite supports the efforts of international community to formulate a constitutional status acceptable for both constitutional parties – the Serbian and Albanian ethnic groups. There are comments in the Croatian media warning that the eventual solution must be one that does not trigger extreme nationalistic feelings in Serbia, threatening the stability in the entire region of SEE and possibly in Europe more broadly<sup>741</sup>. As to Bosnia and Herzegovina, official policy is not in favour of interfering, at least not publicly, in the current split inside the main Croatian party in the country, the HDZ. However, some hints of supporting the so-

<sup>734</sup> Ivo Sanader, closing speech at the Crans Montana Forum, Zagreb, 7 April 2006.

<sup>735</sup> 6 April 2006.

<sup>736</sup> Zarko Primorac, chief adviser in Deloitte, in: Vjesnik, 18 April 2006.

<sup>737</sup> Kresimir Jurin and Visnja Samardzija: "The free trade area in South-eastern Europe is already established", in: Vjesnik, 1 March 2006.

<sup>738</sup> Neven Mimica: "Croatia should trade with the EU, not with the countries of the region only", in: Jutarnji list, 4 February 2006.

<sup>739</sup> President of Socio-democratic party, Ivica Račan, 22 May 2006.

<sup>740</sup> Vjesnik, 22 May 2006

<sup>741</sup> Interview with President Mesić, Globus, 24 May 2006.



called dissident faction are in place, although this very faction contributes a lot to the rejection of recently proposed constitutional changes aimed at strengthening of the state authority in the country. A very prominent columnist commented: "The problem of Croatian policy towards the Croatian population in this country is the lack of any kind of policy"<sup>742</sup>. Formally, Croatia supports the entirety of this country pointing out that the solution for problems of Bosnian Croats must be found in Sarajevo, not in Zagreb.

Croatian political leaders are aware of the mission of the country to act as a producer of stability in the region. "Croatia holds regional cooperation to be one of the most important elements of its foreign policy. Peace, stability and democracy in our neighbouring states are of vital national interest for Croatia, which cannot be stable without stability and prosperity in the region"<sup>743</sup>. Consequently, Croatia is interested in the fact that Serbia should become a democratic and stable country, willing to assist in this endeavour not in a paternalistic, but in a friendly and constructive way<sup>744</sup>. However, during recent TV discussion on how to democratize Serbia, 64 percent of viewers stated that it is not in Croatia's interest to help the process of democratisation in Serbia<sup>745</sup>.

## Cyprus

Cyprus believes that the future of the Western Balkans lies in the EU. Membership perspective should be weighted against the Union's capacity to absorb new member states, the ability of each state to adopt the relevant criteria and the evolution of the situation on the ground. It is evident that the EU perspective gave a new dynamic to peace-building and reconstruction of the Western Balkans. Cypriot analysts believe that this EU perspective was, and is, a catalytic factor for the countries in the specific region, and encourage them to seek peaceful solutions to their chronic problems.

Additionally, the EU's contribution through its peace-building and peacemaking policies especially after the Dayton Agreement in the case of Bosnia and Herzegovina and also

during and after the Ohrid Agreement in the case of the Former Yugoslav Republic Of Macedonia (FYROM) was, and is, significant. EU policies and membership perspectives also encouraged the Western Balkan countries to proceed with vital structural reforms in their public sector aiming to make their overall functioning more efficient, effective, and compatible with the respective public sector of the EU member-states. Improvements in democratic standards, human rights, and ethnic minority rights have gone hand in hand with better state capacity and economic performance.

The Cypriot citizens are generally in favour of the EU's future enlargement. According to the Autumn 2005 Eurobarometer, 67% of Cyprus' population is supporting further enlargement, especially as far as the Western Balkans are concerned. Specifically, 67% of those asked support Romania's bid for accession, 64% Bulgaria's bid, 59% Serbia's, 53% Croatia's, 51% for Bosnia-Herzegovina, and 48% for FYROM. On the other hand, there is a negative percentage for Albania's EU aspirations, rated at 53%, as well as for Turkey's, which reaches 80%.<sup>746</sup>

However, the initial positive figures were altered when the enlargement issue is linked to Cyprus' job market. Some 82% of the Cypriots interviewed in the special Eurobarometer 251, "*The Future of Europe*", consider that further enlargement of the European Union would increase problems in their country's job market.<sup>747</sup>

Even though the Cypriot Government is also in favour of further enlargement, diplomats admit that they share the concerns of other EU member states and support the view that in case of a new enlargement, we have to take into account the ability of the EU to absorb new member states without jeopardizing the normal functioning of the EU.

In addition, diplomats emphasized that all the candidate countries have to fully adopt the fundamental values and norms of the Union and to fulfil their overall obligations towards the Union. Thus, Cyprus supported the Commission's decision to call off the negotiating round on a Stabilisation and Association Agreement with Serbia and

<sup>742</sup> Jutarnji list, 13May2006.

<sup>743</sup> Minister of Foreign Affairs, Ms. Kolinda Grabar-Kitarović, Croatia Review, February/March 2006.

<sup>744</sup> Ibidem.

<sup>745</sup> Talk show "Latinica", HTV, 22 May2006.

<sup>746</sup> See Standard Eurobarometer 64, Opinion & Social, December 2005

<sup>747</sup> See Special Eurobarometer 251, The Future of Europe. May 2006

Montenegro scheduled for 11 May, in line with its conclusions of 3 October 2005 and 27 February 2006<sup>748</sup>.

In view of the Council's latest decision on Serbia and Montenegro, Cypriot diplomats stressed the need for a similar treatment to be applied to all countries which are seeking closer relations with the EU. Thus, they point to the case of Turkey which refuses to comply with its obligations that derive from the Additional Protocol to the Ankara Agreement as signed in July 2005. It should be recalled that, according to this protocol, Turkey has to extend its Customs Union to the 10 new EU member states including the Republic of Cyprus (see question 8 as well).

Cyprus also supported a fair and orderly referendum process in Montenegro, hoping that both sides will comply with the referendum law and accept the outcome. Cyprus allied itself with the rest of the EU member states who "stressed the importance of ensuring that the voters in Montenegro can make a free and informed choice between distinct alternatives and can freely express their will, without any undue interference"<sup>749</sup>.

The failure of the constitutional reform in Bosnia and Herzegovina (BiH) has caused disappointment. Cyprus is among those EU member states that encourage the BiH authorities to continue on the path of constitutional reforms in order to give the citizens of BiH more functional state structures that approximate the European standards. It is noteworthy that, for a while in the past, some foreign diplomats supposed that the BiH model exemplified a paradigm for the resolution of outstanding international disputes (which touched upon discords in multiethnic communities), such as the Cyprus problem<sup>750</sup>. The Cypriot political elites and public opinion reject any similarity to the "Cyprus problem".

Moreover, as regards Kosovo, during the Cyprus visit of the Serbian President, Boris Tadic, on 8 March, the Cypriot Foreign Minister, George Iacovou, stated that Cyprus was very close to Serbia's position on the question of Kosovo and supported the European future of the Western Balkans. He

added that Kosovo's independence without the consensus of Belgrade could destabilise the Balkan region.

More generally, Cypriot diplomats believe that EU enlargement has turned out to be the Union's most effective foreign policy tool, and, as in the case of the Western Balkans, it helped to implement successfully programmes aiming at further democratisation.

## Czech Republic

Although the Balkans, and particularly the Western part, have traditionally belonged to those areas where the Czech Republic has been very active, the issue of EU membership of the countries of the Western Balkans does not spark much discussion. This is because, unlike the vast majority of issues connected with the EU, all the major political parties, and the population as such, have near-identical views of those countries' accessions. According to Eurobarometer, Czechs are among the most enthusiastic supporters of Balkan countries' aspirations to join the EU. Thus, for instance, about two thirds of Czechs support Croatian EU membership, which is comparable with the proportion of Croats supporting accession themselves.<sup>751</sup>

Although Croatia seems to be Czech politicians' favourite, Czech support for the memberships of other countries of the Western Balkans is also quite pronounced. Prime Minister Paroubek (Social Democrats) has met with representatives from all the countries in the region in recent months, and even declared the Western Balkans "the region of natural Czech national interests."<sup>752</sup> When, in discussions about the future of the Western Balkans, two groups of EU countries crystallise, one supporting a quick start of the accession process, and the other advocating mere "membership prospects", Czech Foreign Minister Svoboda is a keen supporter of the former.<sup>753</sup>

<sup>751</sup> Eurobarometer Autumn 2005. Support for future enlargement.  
[http://ec.europa.eu/comm/enlargement/opinion/eurobarometer\\_en.htm](http://ec.europa.eu/comm/enlargement/opinion/eurobarometer_en.htm)

<sup>752</sup> České zájmy na Balkáně (Czech Interests in the Balkans).  
[http://socdem.cz/vismo/dokumenty2.asp?u=422010&id\\_orq=422010&id=590333&p1=8360&p2=&p3=](http://socdem.cz/vismo/dokumenty2.asp?u=422010&id_orq=422010&id=590333&p1=8360&p2=&p3=) (originally an article written by Prime Minister Paroubek for the newspaper Metro)

<sup>753</sup> EU potvrzuje, že čeká na balkánské země, ale nespěchá (EU confirms that it awaits Balkan countries, but

<sup>748</sup> Council Conclusions on the Western Balkans, 15 May 2006.

<sup>749</sup> Ibid.

<sup>750</sup> This assumption was fervently endorsed by Mr. Richard Holbrooke, the US diplomat. See Holbrooke, Richard (1998), *To End a War*. New York: Random House

While Czech diplomacy still maintained in March that the EU should treat Turkey and the countries of the Western Balkans equally, in late April the preference for Balkan accessions came to the fore: During a visit of Prime Minister Paroubek to Zagreb, he espoused the view that membership negotiations with Croatia and Turkey should be led separately.<sup>754</sup>

The positive reception of Czech activities in the Balkans was partially damaged by the Prime Minister Paroubek's surprising proposal to divide Kosovo along the existing ethnic lines. His statement directly contradicted the Union's official position, which supports Kosovo's unity. Yet the plan also received insufficient support in the Czech diplomacy, and so four months later in March the idea was basically forgotten.<sup>755</sup>

## Denmark

The Government is positive but cautious towards further enlargements including the Western Balkans into the EU as well as into NATO<sup>756</sup>. EU-enlargement is perceived by the Government as a resounding success throughout the history of the Union, spreading 'freedom, security and prosperity in Europe'. Freedom, security and prosperity is also desired in the Western Balkans, and it is mainly in prolongation of this line of argumentation that the Danish Prime Minister, Anders Fogh Rasmussen, considers it important that the EU continues its 'tremendous effort to stabilise the region' over the last 15 years through the means of enlargement. Rasmussen continues: 'They [the Western Balkans] are part of Europe. It is important that the perspective of EU membership is perceived as credible, even if membership may not be on the agenda for the years to come. It means that we can encourage them to implement reforms that will

make them a stable and successful part of Europe'.<sup>757</sup>

The head of the largest opposition party, Social Democrat Helle Thorning-Schmidt, former MEP, also expresses a general support for continuing the enlargement process. She argues that EU-enlargement will bring peace and prosperity to the Balkans, but that enlargement is conditioned upon the willingness amongst Balkan leaders to cooperate with the International Criminal Tribunal for the Former Yugoslavia in The Hague<sup>758</sup>.

### *The status of Kosovo*

The Danish Government has not expressed its opinion on what particular status for Kosovo it finds appropriate. Principally, any outcome which is acceptable to all parties, is considered appropriate—except for (1) a reintegration of Kosovo into Serbia-Montenegro (which would be unacceptable to the Kosovo-Albanians), (2) an ethnic division of Kosovo (a nondurable solution creating new streams of refugees) and (3) some kind of union with Albania.<sup>759</sup> That obviously leaves the bargaining space comprising either a sovereign Kosovo or some federal attachment to Serbia-Montenegro. Either way, the Danish Government sees protection of the Serbian minority in Kosovo as essential (minority rights and protection of Serbian cultural heritage).<sup>760</sup> Per Stig Møller, Danish Minister of Foreign Affairs, has suggested looking to the Danish-German solutions to minority issues in the Slesvig region for inspiration.<sup>761</sup> The border between

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that it is not in a hurry). 11 March 2006, Czech News Agency

<sup>754</sup> Česko chce, aby EU jednala s Chorvatskem a Tureckem zvlášť (Czech Republic wants separate EU-entry negotiations with Croatia and Turkey), 24. April 2006, Czech News Agency

<sup>755</sup> Paroubek šokoval EU receptem na Kosovo (Paroubek shocked EU with his plan for Kosovo), Mladá fronta Dnes, 1 December 2005, [http://zpravy.idnes.cz/zahranicni.asp?r=zahranicni&c=A051130\\_230624\\_zahranicni\\_ad](http://zpravy.idnes.cz/zahranicni.asp?r=zahranicni&c=A051130_230624_zahranicni_ad)

<sup>756</sup> Foreign Ministry (2004): "Danmarks regionale strategi", Maj 26th 2004.

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<sup>757</sup> Speech by Prime Minister Anders Fogh Rasmussen, Achieving Europe, at Copenhagen University on 21 April 2006. Online: <http://www.statsministeriet.dk/Index/dokumenter.asp?o=6&n=0&d=2576&s=2>

<sup>758</sup> Thorning-Schmidt, Helle (2005): "Traktaten er død - samarbejde lever", feature article, Berlingske Tidende, June 23rd 2005

<sup>759</sup> Skau, Minna (2005): 'Seks år efter bomberne skal Kosova afklares', Politiken, August 19, p. 11; Jensen, Sten (2005): 'Danmark vil sætte fart på Kosovo-løsning', Berlingske Tidende, May 19, p. 12. Rasmussen, Niels Aadal (2005) "Kosovo uafhængigt – men hvordan?", feature article, Berlingske Tidende. 21 October. P.13. Online background report in English. Rasmussen, Niels Aadal (2005): Kosovo Independence – de jure versus de facto. DIIS report. Online: <http://www.diis.dk/graphics/Publications/Reports2005/diis-report-2005-14.pdf>

<sup>760</sup> Foreign Ministry (2005): statement by the Foreign Minister, May 19. Online: <http://www.um.dk/NR/exeres/4655C159-590B-4D15-8F63-76814D9D643F.htm>

<sup>761</sup> Foreign Ministry (2005): statement by the Foreign Minister, May 17. Online:

Denmark and Germany was drawn at the end of the First World War following a referendum among the citizens in the border area. This settlement was supplemented by an extensive cooperation between Danish and German authorities and an agreement on support for minorities.

The Danish Government expects the involved parties - Serbs, Kosovo-Serbs and Kosovo-Albanians - to show a will to compromise. It is expected that not all parties will be totally satisfied with the results of the negotiations but all parties must accept the outcome – there is no room for ‘winners’ and ‘losers’. If such a solution is not obtained, it will endanger the stability of the region in the long run.

The Danish Government hopes for a solution to the problem very soon, because the unclear future has a negative effect on the socio-economic situation in Kosovo. The unemployment rates are staggering but without clarity regarding the future, foreign investors are scared away. Furthermore, social stability is necessary to ensure security in Kosovo.<sup>762</sup> The Danish Government launched a business development programme in Kosovo in 2005, which will run until 2008. The aim of the programme, which has a budget of 50 million Danish Kroner (app. 6.5 mil. €), is to promote investment in small and medium sized enterprises, including agriculture, in order to increase employment levels.

#### *The status of Montenegro*

Shortly after the Montenegrin independence referendum, the Danish Foreign Minister congratulated the Montenegrin people on the elections – both in relation to the result and with regard to the way in which the elections had been organised.<sup>763</sup> He would, however, not comment on whether or not the referendum would ease Montenegrin accession to the EU.<sup>764</sup> Prior to the referendum, the Danish Government had stated that the developments

in Serbia-Montenegro were positive and that the union was moving closer to the EU.<sup>765</sup>

The Danish Government fully supports the European Commission’s stance that Serbian association with the EU is determined by the capture of Mladic and his presentation before the court in The Hague.<sup>766</sup>

#### *The situation in Bosnia-Herzegovina*

From the viewpoint of the Danish Government, the highest priorities concerning the further development of Bosnia-Herzegovina are economic development and the creation of jobs. Both are means to social stability and the reintegration of former refugees and internally displaced persons.<sup>767</sup> The Danish embassy in Bosnia-Herzegovina is considering the situation stable enough to make Bosnia-Herzegovina a target for Danish investments.<sup>768</sup>

#### *Regional multilateral free trade agreement*

The Danish Government supports the initiative establishing a regional free trade area based on the CEFTA, as it would increase regional commercial exchange, and thereby economic growth rates, as well as create more regional cooperation, which is a precondition for EU-membership. It is experienced that the agreement is neither a replacement for EU-membership nor a precondition for EU-membership, but a means to generate further positive developments in the region, thereby bringing the countries closer to EU-membership.<sup>769</sup>

## **Estonia**

Estonia continuously and consistently supports the further enlargement of the EU. The main reason for this policy is that “the prospect of joining the EU would retain the transition countries’ motivation to continue the necessary

<http://www.um.dk/nr/exeres/dd26223e-ef1f-4a39-a93a-0803a7ac9f80.htm>.

<sup>762</sup> Møller, Per Stig (2005): ‘Et skelsættende år for Kosovo’, Politiken, April 2. Online:

<http://www.um.dk/nr/exeres/8119991d-905d-4d39-8955-81ff0d1b1c12.htm>.

<sup>763</sup> Foreign Ministry (2006): Statement by the Foreign Minister, May 24. Online:

<http://www.um.dk/da/service/menu/Nyheder/Udenrigspolitik/FolkeafstemningI MontenegroDen21Maj.htm>

<sup>764</sup> Aagaard, Martin (2006): “Europas nye land satser både på at komme med i EU og til VM i fodbold”, Politiken, May 23rd 2006.

<sup>765</sup> Foreign Ministry (2005): statement by the Foreign Minister, May 18. Online:

<http://www.um.dk/nr/exeres/bcb737b9-775b-44b7-9bcf-1dc37e319c5e.htm>

<sup>766</sup> Kongstad, Jesper og Rikke Albrechtsen (2006): “Krigsforbrydelser: EU advarer Serbien”, Jyllands-Posten, February 28th 2006.

<sup>767</sup> Foreign Ministry (2006): ‘Dansk støtte til Bosnien-Herzegovina’. Online:

<http://www.um.dk/da/menu/Udviklingspolitik/LandeOgRegioner/Naboskabsprogrammet/Landeindsatser/BosnienHerzegovina/>

<sup>768</sup> Stenstrup, Mads (2005): ‘Miraklet Bosnien’, Jyllands-Posten, June 2, p. 12

<sup>769</sup> Source in the Foreign Ministry

political and economic reforms,” thus contributing to overall stability and security in Europe.<sup>770</sup> Foreign Minister Urmas Paet has also claimed that EU should not waste energy on the arbitrary question of defining Europe’s borders: enlargement should be based on common values and willingness to live by the same rules. Estonia insists that further enlargement should proceed from the same principles and criteria as the previous rounds.

The Estonian government claims that member states should avoid negative rhetoric about enlargement and should make sure that the positive aspects of the last enlargement round receive proper coverage. It points out that the many fears related to the 2004 enlargement, such as the influx of cheap labor or a paralysis of EU decision-making, proved unfounded. Estonia cites its own transition path as an example of added reform incentives provided by the prospect of membership and emphasizes its willingness to share its experience with the current and prospective candidate countries.<sup>771</sup>

The government insists that the EU should keep the promises it has issued with regard to enlargement, including the prospect of Western Balkan membership issued in the Thessaloniki agenda. The last few months have been lively in terms of political contacts with current and prospective candidate countries. In early April, Foreign Minister Paet paid an official visit to Turkey. In late April, Paet met with the Macedonian Foreign Minister and emphasized Estonia’s willingness to organize EU integration related training for Macedonian civil servants. In May, both the Foreign Minister of Montenegro Miodrag Vlahovic and the Foreign Minister of Serbia and Montenegro Vuk Draškovic visited Estonia. Estonia’s response to Montenegro’s independence referendum has been positive.

## Finland

Finland fully supports the EU’s enlargement agenda and the integration of Western Balkans in particular and will advance this issue during its EU Presidency.

<sup>770</sup> Ministry of Foreign affairs, Estonian priorities in the European Union during the Austrian presidency,

<sup>771</sup> Ministry of Foreign Affairs information sheet, “Eesti Euroopa Liidus,” 10. mai 2006.

The future of the Western Balkans has some special importance for Finland because former President of Finland (from 1994 to 2000) Mr Martti Ahtisaari (Social Democratic Party) leads the negotiations on solving the future status of Kosovo. Furthermore, the Finnish Commissioner Olli Rehn who is responsible for enlargement increases national interest in this matter as well. However, the details of EU policy towards the region are not very widely discussed in Finland, above all because the region is distant from Finland and the Finns have little traditional links with it.

Mr Rehn has had some negative publicity this year because of what many saw as a humiliation of the EU Commission in its attempts to have the suspected Yugoslav War criminal, General Ratko Mladic, arrested and brought to the Hague Tribunal. The deadline for General Mladic’s capture was originally set to be 1 April, but was later postponed by Mr Rehn to 1 May. As the Serb authorities failed to capture General Mladic, Commissioner Rehn announced on 3 May that the EU puts the rapprochement with Serbia negotiations on halt, as capturing General Mladic was a precondition for continuing the negotiations. According to Mr Rehn, “The Commission is ready to continue with the negotiations when Serbia has shown its full cooperation”. Thus, there is a chance that the negotiations will be continued soon, possibly during Finland’s Presidency.<sup>772</sup>

The Finnish people are more critical towards further enlargement of the EU than the political elite. The 2004 enlargement round was accepted by the Finns without too much objection, but Bulgarian, Romanian and Turkish future memberships face considerable opposition. Almost two-thirds of Finns (62%) would put the enlargement on hold at the moment.<sup>773</sup>

## France

The consensus developing in France is that after the scheduled enlargement to include Bulgaria and Romania, the Union should slow down the pace. In December 2005, Jacques Chirac explained that “all the countries and the peoples of the Balkans have their place in Europe”. But the whole issue is when? On the same day, the Minister of Foreign Affairs was in Brussels to argue against giving the status

<sup>772</sup> Helsingin Sanomat, 4.5.2006

<sup>773</sup> EVA 2006, pp. 41-42

of candidate state to FYR Macedonia. That summarizes the hesitations of the French on the issue.

Michel Barnier, a former French Foreign Minister and a former European Commissioner, explained: "Let's be frank. The debate about the borders of the Union is open, but it is not relevant for the Balkans. The Balkans are in Europe. History and geography prove it, if necessary. But it is their duty to seize the opportunity. There is no other future for them than to become members of the Union except instability and chaos. To create links with the Union, to be associated, and eventually to become full members, is a form of contract which entails rules, demands and discipline. One cannot step into the Union just because one sees light inside or because the door is open. There is no and there will be no short cuts or leniency. The European Union is a community of values. There are also technical conditions, both economic and political, and they will have to be respected."<sup>774</sup>

## Germany

Government and opposition are strongly in favour of the membership of Croatia without delay: "We have very, very good relations between Germany and Croatia. [...]The accession negotiations have been opened. Hard work is being done to complete this process expeditiously and with determination."<sup>775</sup> They plead that Croatia should not be taken hostage neither because of the stalemate in deepening nor because of the overall enlargement fatigue in Germany and wide parts of the EU. The Western Balkans are clearly regarded as the next region which will produce candidates for further membership: "We insist on the European perspective also for the other states of the Western Balkans, as agreed upon at the European Council in Thessaloniki."<sup>776</sup> Interestingly enough, at some stage Ms Merkel suggested a "privileged partnership" for countries of the Western Balkans: "the question of full membership should not be the next question at all, it is rather about political stabilisation, for which

Europe should feel responsible"<sup>777</sup> This notion takes up ideas and proposals for a second track and alternatives to membership that are intensively discussed in the CDU/CSU,<sup>778</sup> however mostly with regard to Turkey.<sup>778</sup> Moreover, from Kosovo to Bosnia-Herzegovina and Macedonia, the region is perceived as a potential crisis area and an area where a lot is at stake for the European Union.<sup>779</sup> Therefore, the negotiations on a new status for Kosovo and the reports by the International Commission on the Balkans of which former German president von Weizsäcker is a member,<sup>780</sup> are taken up with great interest. On the status of Kosovo, Foreign Minister F.W. Steinmeier pointed out, that "President Ahtisaari, who conducted and moderated the status talks as a special envoy of the general secretary of the United Nations, has undertaken no simple task. He has our full support in his activities."<sup>781</sup> Across political parties it is expected that the (membership) perspective for the countries of the Western Balkans is indispensable for political and economic progress and stability. Foreign policy experts in the parties and inside the administration emphasize the concern for stability and the geopolitical implications. As Minister of State Gernot Erler from the Federal Foreign Office pointed out: "We are convinced that, despite all the difficulties in the European constitutional process, the success of integration policy, which has consistently encouraged peace and stability, cannot be

<sup>774</sup> Michel Barnier, « Les Balkans sont définitivement en Europe », *Le Figaro*, 12 December 2005.

<sup>775</sup> Press meeting between Chancellor Angela Merkel and Ivo Sanader (Prime Minister of Croatia, Tuesday, 13.06.06.

<sup>776</sup> Statement by the federal government on WB-policy, REGIERUNGonline – Europapolitik, available at: <http://www.bundesregierung.de/Politikthemen/Aussenpoliti-k-und-EU-,12869/EU.htm> (last access: 13.06.06).

<sup>777</sup> Ms Merkel cit. in: Ekrem Krasniqi, Mark Beundermann: Merkel moots 'privileged partnership' for Balkans, *euobserver.com*, 17.03.2006, available at: [www.euobserver.com/9/21163/?print=1](http://www.euobserver.com/9/21163/?print=1)

<sup>778</sup> Cf. proposal by Matthias Wissmann (MdB, CDU): Das Modell der abgestuften Integration. Neue Strategien für künftige Erweiterungsschritte der EU, in: *Internationale Politik/ [International Politics]*, May 2006, p. 64-68, see also position-paper by the German Social Democrats in the European Parliament on the future of EU-enlargement: „An der Entscheidung, die Beitrittsverhandlungen mit Kroatien und der Türkei mit dem Ziel der Vollmitgliedschaft zu eröffnen, halten wir fest.“ Available at: <http://www.spd-europa.de/content/Positionspapier-EU-Erweiterung.pdf> (last access: 04.07.06).

<sup>779</sup> Cf. Andreas Rinke, Eric Bonse: "Berlin warnt vor instabilem Balkan. Außenminister Steinmeier mahnt EU-Beitrittsperspektive für die Region an – Brüssel überprüft Erweiterungskurs", in: *Handelsblatt*, 03.04.06, p. 5.

<sup>780</sup> Cf. Report of the International Commission on the Balkans 2005: *The Balkans in Europe's Future*, Sofia, available at: <http://www.balkan-commission.org/activities/Report.pdf> (last access: 03.07.06).

<sup>781</sup> Statement by Foreign Minister F.W. Steinmeier (SPD), interview in „Vecernje novosti“, Belgrade, available at: <http://www.bundesregierung.de/Content/DE/Interview/2006/03/2006-03-02-interview-mit-bundesaussenminister-steinmeier-in-der-belgrader-zeitung-vecernje-novosti-layoutVariant=Druckansicht.html> (last access: 03.07.06).

brought into question.”<sup>782</sup> However, policy-makers dealing with EU-affairs (“the integrationists”) insist on strong conditionality and also refer frequently to the absorption capacity of the European Union. Some point, for example, to the future representation of microstates from the Western Balkans in the institutions of the European Union, namely the Council, the European Parliament and the European Commission. They speak of the possible imbalances in power and representation that might flow from the extrapolation of the existing rules and structures.

In Germany, most of the debate about consolidation, absorption capacity and the next steps in enlargement are discussed with regard to Turkey and probably other Eastern European countries like the Ukraine – “a privileged partnership as an alternative to EU-membership.”<sup>783</sup> Contrary to this, Croatia is seen as a small country which has a clear European vocation, and that could be quite easily integrated into the EU. Serious attention for a real implementation of obligations and responsibilities is now given to Bulgaria and Romania.<sup>784</sup> It is widely agreed that they should join in 2007. However, the Bundestag will only complete the ratification shortly before Christmas 2006. It will take into account the Commission report of October 2006 and its recommendations, probably also with regard to invoking the safeguard clauses in the areas of the single market or aspects of justice and home affairs.

<sup>782</sup> Speech by Gernot Erler (minister of state, Federal Foreign Office) in the German Bundestag, available at: <http://dip.bundestag.de/btp/16/16037.pdf> (last access: 03.07.06), p. 3305.

<sup>783</sup> On the concept of a “privileged partnership as an alternative to EU-membership” cf. Andreas Wissmann: Das Modell der abgestuften Integration. Neue Strategien für künftige Erweiterungsschritte der EU, in: Internationale Politik/ [International Politics], May 2006, p. 64-68. Cf. also on clarification of EU-absorption capacity Andreas Schockenhoff (MdB, CDU): Aufnahmefähigkeit der EU klären, position-paper, Berlin, 18.02.06.

<sup>784</sup> „Abgeordnete mahnen fortdauernde Kontrolle von Bulgarien und Rumänien an“ hib-Meldungen (heute im Bundestag), 31.05.2006, available at: [http://www.bundestag.de/aktuell/hib/2006/2006\\_166/04.html](http://www.bundestag.de/aktuell/hib/2006/2006_166/04.html). Cf. also Ralf Beste, Horand Knaup, René Pfister: Der ungeliebte Beitritt. Deutschland soll die Aufnahme Rumäniens und Bulgariens in die EU absegnen. In der Großen Koalition wächst der Widerstand gegen neue Mitglieder aus Südosteuropa, in: DER SPIEGEL, 13/2006, p. 28.

## Greece

Greece has been a constant and insistent champion of the Western Balkans progress towards the EU, once enlargement to Bulgaria and Romania is over. Greece has also made it a major point of its foreign policy to support territorial integrity in the region. The future of Kosovo is seen mainly in this context as well as in the context of stability (or destabilisation that might be the consequence of Kosovar independence, further leading to Albanian minority problems in the FYRoM) - see also the Greek answer to question 4.

Greece has expected political benefits from EU participation ever since accession was considered an anchor for its political system away from the authoritarian/dictatorial tendencies of the late 60s/early 70s. That era is a long-forgotten memory, but political benefits are now expected from EU membership in both symbolic (e.g. the FYRoM name issue) and substantial (relations with Turkey, the Cyprus issue) fields of Greek foreign policy.<sup>785</sup> This has meant both centrality of “Europe” in Greek public debate and increasing fluctuations in public sentiment, the latter depending on whether “Europe” “helps us or works to the benefit of our foes”. A new anti-European wave can be expected/feared due to this configuration.

## Hungary

Hungary is convinced that lasting stabilisation and increasing prosperity in the region can primarily occur in the framework of European integration. With this in mind Hungary launched in 2004 the so-called “Szeged-process” (named after a Southern city of Hungary close to the Serbian border). This started with the aim of providing diplomatic and expert assistance to the countries concerned in developing their ties to the EU. This process was further deepened and widened in October 2005, when a tighter cooperation was launched between the Visegrad countries (Poland, the Czech Republic, Slovakia and Hungary) together with Austria and Slovenia, and the states of the Western Balkans (Serbia and Montenegro, Croatia, Bosnia-Herzegovina, Macedonia and Albania)<sup>786</sup>. The first meeting of the 11 foreign ministers took place in Budapest, and the partners pledged to convene every year. The aim of this Regional

<sup>785</sup> Cf. the Greek answer to question 1.

<sup>786</sup> <http://www.mtv.hu/nyomtatás.php?id=66914>

Partnership is primarily to assist the Western Balkan countries during their economic and social restructuring and to provide them with the European integration experiences gathered by the Central European Member States. In this context Hungary undertook to provide help in justice and home affairs, the Czech Republic in Internal Market issues, Austria in environmental policy, Poland in using the EU Funds, Slovenia in animal and plant health, and Slovakia in how to prepare the society for EU obligations and rights<sup>787</sup>.

Hungary shares the view of the other Member States and the Enlargement Commissioner that Serbia should make more efforts to cooperate with the International Court of Justice as a precondition for further intensification of relations. In the case of both Serbia and Montenegro Hungary agrees that the phase of Stability and Association Agreement cannot be skipped on the way towards EU membership, and today it seems that with Podgorica this can happen faster than with Belgrade. In fact, during the negotiations on the 2007-2013 budgetary perspective Hungary put emphasis on a reinforced pre-accession strategy and financing in order to help these states better prepare for membership.

## Ireland

The process of EU enlargement has been broadly supported in Ireland throughout each phase with particular pride being felt on 1 May 2004, when ten new Member States were welcomed into the Union at a ceremony in Dublin under the Irish Presidency of the EU Council. In the initial deliberations of the National Forum on Europe, in the context of the debate on the second Nice referendum, it clearly emerged that “all participating parties and groups have indicated that they support enlargement – no voice opposed to the process has been raised.” This positive attitude has been reflected in the results of successive Eurobarometer opinion surveys.

Eurobarometer 63, in Autumn 2005, indicated that 68% of Irish respondents were in favour of some further enlargement of the European Union (the figure for the EU as a whole was 65%). Only 13% were opposed to any further enlargement (the figure for the EU as a whole

was 25%). However, 16% of Irish respondents expressed no opinion on this question as compared with a figure of only 5% for the EU 25. A relatively high number of ‘don’t know’ responses is characteristic of Irish poll findings on European questions. By comparison, Eurobarometer 57, three years earlier, indicated that 66% of Irish respondents favoured some further enlargement, with 10% opposed and 23% with no opinion. The corresponding figures for the then EU15 were 61% in favour, 21% opposed and 14% ‘don’t know’.

The most favoured countries for future EU membership are Switzerland and Norway and the least favoured are Turkey and Serbia and Montenegro. In general, the Irish results on individual countries are in line with the EU25 average. In general, the countries of the Western Balkans have a rating in line with overall EU 25 preferences, with fairly strong support for Croatia and for Bosnia and Herzegovina.

Overall, 38% of Irish respondents in Eurobarometer 63 support Turkish membership of the Union. Even among those who express support for unlimited expansion, more than one in five do not say ‘yes’ to Turkish accession. Two fundamental criteria are seen to be basic to eventual Turkish membership; systematic respect for Human Rights and significant improvement of the state of the economy. Up to 80% of respondents hold the view that Turkish membership “could risk favouring immigration to more developed countries in the European Union.” Views differ on issues such as Turkey’s geographic status and history as part of Europe and its potential role as a bridge between Europe and the Muslim world.

Irish political circles have been strongly supportive of EU enlargement, recognising that Ireland, as an enlargement country itself, had benefited greatly from membership.

On 8 December 2005, Minister for European Affairs, Noel Treacy, adverted to the publication of the Commission’s enlargement strategy paper which was published against a background of enlargement fatigue and concerns about the absorption capacity of the Union. The Minister commented that Ireland is broadly supportive of the Commission’s approach emphasising the need for rigorous conditionality while maintaining a credible

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<http://www.mfa.gov.hu/kum/hu/bal/Kulpolitikank/visegrad/visegradinyilatkozatok/051011kozosnyil.htm>



European perspective for the countries of the Western Balkan region.

Speaking in Dail Eireann on 7 March 2006, the Taoiseach described a meeting in Dublin with the Prime Minister of Croatia, Dr Ivo Sanader:

“Our discussions focused on Croatia’s EU accession process and ways of enhancing our bilateral relations. We agreed that greater potential exists to develop trade, tourism and economic links. I congratulated the Prime Minister on Croatia’s progress to date in accession negotiations and assured him of Ireland’s continued support throughout the process. The Prime Minister was interested to learn about Ireland’s economic progress since joining the EU. I assured him that we would be happy to share the knowledge resulting from our economic experiences.”

Prime Minister Sanader addressed the National Forum on Europe on 2 March 2006 on Croatia’s accession process. He warned against what he saw as ‘enlargement fatigue’ in the European Union. The Minister for Finance, Brian Cowen TD, responded that he too was concerned about the effect that the stalemate over the European Constitution might have on the momentum behind Croatian efforts to achieve membership.

The impact of the French and Netherlands referendums on the enlargement process cannot be ignored. The Taoiseach, reporting on the European Council meeting in December 2005, addressed the enlargement issue in significant terms which sum up the general political position in Ireland:

“In addition to reaching agreement on the financial perspectives, the European Council adopted important conclusions on other issues. It decided to grant candidate status to the former Yugoslav Republic of Macedonia. In taking this decision the European Council made clear that further steps would have to be considered in the light of the debate on the EU’s enlargement strategy. Immediately before the European Council, Foreign Ministers agreed that it was necessary to have a further discussion on enlargement strategy in 2006. Such a debate is useful and necessary at this stage. The views of our citizens need to be taken into account in this debate and we also have to pay particular attention to the absorption capacity of the European Union. In our discussions and negotiations with candidate and other countries who aspire to

eventual membership, the EU needs to ensure, in a fair and rigorous way, that the conditions laid down for membership are fully met. At the same time it is necessary for us to give encouragement to the candidate countries, and to all the countries of the Western Balkans, by reconfirming their European perspective. Membership of the European Union must remain open to those European states that meet the criteria for membership.”

In a detailed briefing to the Joint Committee on European Affairs on 23 February 2006, Minister of State, Noel Treacy, made reference to various aspects of the situation in the Western Balkans. He spoke of the visit by Commission President Barroso to the region where he delivered a message of encouragement and assurance that the EU remained committed to the European perspective of the Western Balkans. He commented on the situation in respect of compliance with the requirements of the International Criminal Tribunal on the Former Yugoslavia and indicated that a positive response by the Council would follow the arrest of Radovan Karadzic and Ratko Mladic.

The Minister welcomed the opening of talks on the status of Kosovo, facilitated by the UN Special Envoy, Martti Ahtisaari. “The participation of both sides is a positive indication of their commitment to engage in the status process and we hope this momentum can continue. We have every confidence in Special Envoy Ahtisaari’s skills and ability in facilitating the status process and will continue to support this important work in what will inevitably be a difficult period ahead.” He further expressed support for the efforts of EU High Representative Solana in facilitating the parties in the Montenegro referendum negotiations in the search for mutually acceptable solutions to outstanding issues.

The Irish Government has welcomed the initiative of the European Commission – set out in its Communication ‘The Western Balkans on the Road to the EU’ in January 2006 – aimed at enhancing practical co-operation between the EU and the countries of the region. The importance of the Stabilisation and Association Process was underlined but it was recognised that the political situation remained fragile and required a supportive approach from the EU and from Member States.

On 22 May 2006, the Minister for Foreign Affairs, Mr Dermot Ahern T.D., conveyed his

congratulations to the people of Montenegro for the free and fair way in which the referendum on independence was conducted. The Minister said: "Ireland welcomes the positive report on the election of the OSCE's Office for Democratic Institutions and Human Rights. I call on all sides to accept the outcome and work together for the future welfare of Montenegro and the Western Balkans region as a whole. Co-operation within the region is indispensable if its European perspective is to be realised.

I hope that the Governments of Serbia and of Montenegro will arrive at an amicable arrangement on future relations between the two Republics in the wake of the referendum result. I look forward to future friendly relations between Ireland and Montenegro."

The Institute of European Affairs in Dublin has a dedicated Balkans group and its deliberations on the Balkans are available on the website: [www.iiea.com](http://www.iiea.com).

## Italy

The day after the failures of the French and Dutch referenda, some media suggested the opportunity to suspend the enlargement process, so that the Union could solve its internal problems before further enlarging EU membership. The idea was rejected by most commentators and political leaders. In a joint article with the presidents of six other European countries, Italian President Carlo Azeglio Ciampi stated the "the principle 'pacta servanda sunt' [engagements must be respected] must apply", meaning that the promise to continue the enlargement process shall be kept. The government fully shared the view that enlargement shall proceed as planned: both former Prime Minister Berlusconi and Foreign Affairs Minister Fini strongly supported EU enlargement (including the entry of Turkey). Fini had already reaffirmed his position the day after the French referendum, in a meeting with President Barroso. Referring to the Western Balkan countries, he then added that we have "to take concrete steps toward offering real integration prospects to a region that is European in every way"<sup>788</sup>

The new government kept the same political line towards enlargement. The refrain is the same: going ahead with the enlargement

<sup>788</sup> Gianfranco Fini, "The carrot is EU membership", Herald Tribune, 17th January 2006

according to the already established procedure and favouring stabilisation of the Western Balkans through support for a European perspective. The newly appointed Foreign Affairs Minister D'Alema recently spoke about the Western Balkan's stabilisation as a crucial issue, a vital interest and Italian first priority in the enlargement process. He then expressed the idea that "the Balkan's readjustment and reconciliation process will be complete with integration in the European Union"<sup>789</sup>. Prime Minister Prodi recently met Bulgarian Prime Minister Stanishev and encouraged him to proceed with reforms so that Bulgaria will be able to gain the full European membership in January 2007 as established. He also met Macedonian President Crvenkovski, to whom he confirmed the Italian support for fixing a date for accession talks, once Macedonia has completed reforms.

The academic and intellectual debate contributed to the clearer definition of Italy's interests in the enlargement process. Ettore Greco, Tommaso Padoa-Schioppa and Stefano Silvestri argued, in a recent paper<sup>790</sup>, that enlargement to the southeast acquired strategic value for Italy, since the most recent enlargement tipped the European Union scales towards the north and the east. This loss of balance could fuel a dynamic of confrontation between North/South, Europe/Mediterranean and Middle East that would be very dangerous for the EU and for Italy in particular. It has also been underlined by many authors that the break of already accepted engagements towards those countries would have unpredictable, and probably negative, consequences. Thus accession for Bulgaria and Romania and negotiations with Turkey and Croatia should go on as planned, and a European perspective should be maintained for the Balkans. But, as Ferdinando Nelli Feroci, Head of Cabinet of the newly appointed Minister D'Alema, pointed out<sup>791</sup>, new engagements should be avoided; not only because the EU is already struggling to absorb the last enlargement's impact, but also because public opinion already shows hesitations towards enlargement, and it would

<sup>789</sup> Umberto De Giovannangeli, "Caro Bush, l'Italia è cambiata", l'Unità, 22nd May 2006

<sup>790</sup> Ettore Greco, Tommaso Padoa-Schioppa and Stefano Silvestri, "Fifteen Proposals for a Bipartisan European Policy in Italy", The International Spectator, Vol. XLI, No. 1, January-March 2006

<sup>791</sup> Ferdinando Nelli Feroci, "L'Unione Europea: tra crisi del trattato costituzionale e i dilemmi dell'allargamento", in La Comunità internazionale, vol. LX, n.4, 2005

be wise to avoid decisions insufficiently legitimated by popular support.

As a matter of fact, while Italians declare themselves in favour of the enlargement processes in general (53% of Italians, according to the last Eurobarometer<sup>792</sup>), a majority of them opposes the accession of Western Balkan countries and of Turkey. On the contrary, they favour EU enlargement to prosperous and small European countries such as Switzerland, Norway and Iceland. Regarding the Western Balkans, only 40% of Italians support Croatia's accession, while support for Bosnia-Herzegovina (37%), Serbia and Montenegro (36%) and Albania (31%) is even smaller. As for Turkey, the government's pro-Turkish stance is not shared by the population. A majority (56%) of Italians believe the cultural gap is too wide to accept Turkey as a member state, and the concern about a flow of Turkish immigrants is widespread.

### Latvia

According to a policy statement of the Ministry of Foreign Affairs, Latvia supports EU enlargement in Southeastern Europe and is willing to assist the countries of that region in their development.<sup>793</sup> Latvia is reckoning with the admission of Bulgaria and Romania in 2007, the possibility of Turkey joining the Union in about ten years, and gradually closer relations with Albania and the countries that once constituted the former Yugoslavia. The prospect of moving toward the EU, as Latvia can affirm from its own experience, is the most effective stimulus for making the necessary political, economic and social reforms that would ensure peace, democratic stability and economic growth in that region. EU enlargement, however, is possible only when a candidate country fully meets the Copenhagen criteria. Latvia supports the EU conditions (including, cooperation with the Hague Tribunal by Serbia and Montenegro, constitutional reforms by Bosnia and Herzegovina) for those countries moving toward the Stabilisation and Association Pact with the Union. Latvia has recognised Montenegro as an independent state. Concerning Kosovo, Latvia upholds the idea of a multilateral solution via dialogue

between all the parties; the EU and the USA should assist in this process.<sup>794</sup>

### Lithuania

The question of the perspectives of the Western Balkans in the EU are not very widely discussed in Lithuania, but the general principle is that Lithuania supports the open door politics in the EU as different Lithuanian officials emphasize. In a meeting with the foreign affairs minister of Montenegro the Lithuanian foreign affairs minister Antanas Valionis said that the EU leaves the door open for those neighbour states, which are ready to implement the necessary reforms. What concerns the EU membership perspectives of the Western Balkan states, the minister emphasized that the perspectives are better than ever<sup>795</sup>. Speaking in a discussion about EU enlargement in the Parliament, the Head at interim of the EU Sector Policies Coordination Division of the Foreign Affairs ministry Vidmantas Purlys presented Lithuania's position on this issue. He noticed that EU enlargement policy has been a successful policy, which fosters democratic transformations in non-EU countries. Therefore, the EU has to stay open for the deepening of relations with neighboring regions and not only with the Western Balkans states or Turkey, but also with our eastern neighbours<sup>796</sup>.

What concerns Croatian membership in the EU, the president of the Republic of Lithuania Valdas Adamkus emphasized that Lithuania supports Croatian aspirations to become a member of the EU. He expressed his belief that "Croatia, after having conducted all necessary membership requirements, will become a full member of the European democratic community"<sup>797</sup>. Speaking on

<sup>794</sup> See Latvia's position papers of May 2006 (<http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2006/Majis/09-9/>) and November 2005 (<http://www.mfa.gov.lv/lv/eu/3863/aktualitates/2005/novembris/pozicijas/>).

<sup>795</sup> ES palieka atviras duris Vakarų Balkanų šalims, sako Lietuvos UR ministras [EU leaves the door open for the Western Balkan states, says the Lithuanian Foreign Affairs minister], news agency Baltic News Agency, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=4842&LangID=1>

<sup>796</sup> Discussion organized in the Lithuanian Parliament by the Committee on Foreign Affairs and the European Information Centre of the Committee on European Affairs "The European enlargement: do we have to define the borders?" on April 24, 2006

<sup>797</sup> „Lietuva remia Kroatijos siekius tapti ES ir NATO nare“, - pabrėžė V. Adamkus [“Lithuania supports Croatia's

<sup>792</sup> Standard Eurobarometer 64, December 2005

<sup>793</sup> See <http://www.mfa.gov.lv/lv/eu/ES-paplasinasanas/?print=on>.

another occasion, he remarked that Croatian membership in the EU and NATO would increase stability in the Western Balkans<sup>798</sup>. Commenting on the EU decision to start the accession negotiations with Turkey and Croatia, the President claimed that the start of negotiations stands for an epoch. According to him, these decisions open the door to the perspective of pan-European integration, the finalité of which is a Europe united by values, free trade and internal market<sup>799</sup>. Valdas Adamkus claimed that Lithuania favours the decision to start accession negotiations with Croatia. He claimed that Croatia has made great progress in cooperation with the International Criminal Tribunal and “we have no reason to delay the start of the negotiations”<sup>800</sup>. The Lithuanian foreign affairs minister Antanas Valionis also emphasized that “the decision to start the accession negotiations with Turkey and Croatia is of exceptional importance in European history”<sup>801</sup>. The minister emphasized that Lithuania has always favoured Croatian membership in the EU<sup>802</sup>.

## Luxembourg

Nicolas Schmit, the delegate Minister for European Affairs was confronted on several occasions with students’ widespread

apprehensions over further EU enlargements<sup>803</sup>. As it is already confirmed by the ‘Eurobarometer’, most young people oppose a possible Turkish membership. Minister Schmit recalled the government’s position in the Balkans policy. He points out that South-East-European nations must get a “European perspective”, especially after the bloody wars of the 1990s. Just as Prime Minister Juncker did before, Minister Schmit stresses the point that the European project is and must be a peace project as it was in Western Europe in the immediate post-war period. This point could not convince everybody, especially when the fears of a new wave of immigration from Central and Eastern Europe were openly expressed: lost jobs, rise of unemployment and social dumping.

The results of the Montenegro independence referendum cannot be criticized in Luxembourg, as Charles Goerens, former Defence and Cooperation Minister, current member of the Luxembourg Parliament Foreign Affairs Committee and special envoy of Council of Europe to Montenegro points out: “As a citizen of a nation of 450,000 souls, you cannot forbid a new nation of 600000 people to become an independent state”<sup>804</sup>.

Referring to Serbia, C. Goerens tells the Luxemburger Wort newspaper: “The Serbia of 2006 cannot be identified with the country that committed the war crimes in the 90s”<sup>805</sup>.

Goerens, although now an opposition politician, acknowledges - like the actual government - the efforts of the acting Serbian government. For Kosovo he sees the solution in a most extensive autonomy with the respect of a Serbian *conditio sine qua non* that minority rights must be preserved.

2006 will be a decisive year for the Western Balkans with regards to the Montenegro referendum results. Goerens, like many other Luxembourg and European politicians, can only confirm that the Serbian-Montenegro Union never worked properly. But the separation of the parts of the union will pose some practical problems starting with the control of the Sanjak border region. Here, Luxembourg is concerned in certain way. A great number of refugees from

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aspiration to become a EU and NATO member”, - emphasized V. Adamkus], Lithuanian President press release, May 19, 2006

<http://www.president.lt/lt/news.full/6710>

<sup>798</sup> Prezidentas pabrėžė Lietuvos paramą Kroatijai siekiant narystės ES ir NATO [The President has emphasized the Lithuanian support for Croatia in seeking the membership in the EU and NATO], Lithuanian President press release, November 4, 2005, <http://www.president.lt/lt/news.full/6154>

<sup>799</sup> Prezidento Valdo Adamkaus pasisakymas 12-ojo Vidurio Europos prezidentų susitikimo plenarinėje sesijoje [The speech of the President Valdas Adamkus during plenary session of the 12<sup>th</sup> meeting of the presidents of Central Europe], Lithuanian President press release, October 14, 2005, <http://www.president.lt/lt/news.full/6066>

<sup>800</sup> ES neturėtų atidėlioti narystės derybų su Kroatija, mano Lietuvos prezidentas [The EU should not delay the start of the membership negotiations with Croatia, assumes the Lithuanian president], News agency Baltic News Service, September 30, 2005

<http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=4348&LangID=1>

<sup>801</sup> Derybų su Turkija ir Kroatija pradžia – padrašinantis signalas mūsų rytinėms kaimynėms, sako Lietuvos užsienio reikalų ministras [The start of the negotiations with Turkey and Croatia is an encouraging sign for our eastern neighbours, says Lithuanian Foreign Affairs Minister], Lithuanian Foreign Affairs Ministry press release, October 4, 2005 <http://www.urm.lt/index.php?1989904651>

<sup>802</sup> Ibid.

<sup>803</sup> Ministère des Affaires Européennes: „Letzebuerg an Europa eist Liewen eis Zukunft“ Luxembourg 2006 see also [www.europaforum.lu](http://www.europaforum.lu)

<sup>804</sup> RTL Radio Luxembourg language service : Interview 22.05.2006

<sup>805</sup> L.W.18.5.2006 Joelle Merges: « Montenegro stimmt am Sonntag über seien Unabhängigkeit ab»

former Yugoslavia living in Luxembourg are persecuted Montenegrin and Serbian Muslims from the Sanjak region. There is the political will in Luxembourg to give them a return perspective. This can only be reached if there is no risk of political, ethnic and religious persecution in the Sanjak.

Charles Goerens confirms that progress has been made in the way of an approach of Serbia and Montenegro towards the EU. But for Serbia the problem of the extradition of war criminal Radko Mladic, wanted by the Hague Tribunal, may be crucial<sup>806</sup>. No results can be reached without a resolution of this problem. This may be a certain advantage for an independent Montenegro.

As far as the free trade agreement of the Western Balkan countries is concerned, there is no proper position of Luxembourg government or opposition other than the commonly agreed EU policy on this matter.

## Malta

Malta fully supports the future enlargement of the European Union within the parameters set by the Treaties, the Copenhagen criteria and in accordance with an appropriate pace of successful absorption in the interests of a strong, well-integrated European Union. In this regard, Malta views further enlargement of the Union as an impetus for the creation of a wider European area of peace, stability, democracy, and human rights dedicated to the prosperity of its peoples in a spirit of solidarity.

In line with the Strategic Objectives of Malta's Foreign Policy document that was published in spring 2006, the Western Balkans form an important part of Malta's focus on Mediterranean neighbours, in this case neighbours who also belong to Europe.

Malta has systematically been seeking to build mutually beneficial relationships with its counterparts in the Western Balkans. The case of Croatia is a clear example. Official visits have been exchanged at foreign minister and prime ministerial level. The President of Malta is scheduled to visit Croatia later in 2006. Malta took an early stand supporting Croatia as a candidate for membership of the EU and, at one point, was one of a small number of

voices asking for the bar not to be raised in relation to Croatia's candidature.

Malta believes that recent positive developments with Croatia can be a successful catalyst and influence to all other Western Balkan states. Croatia can be a trailblazer for other Western Balkan countries in their relations with the EU and a true tangible example of a European perspective in progress as Slovenia was before it.

In March 2006 Croatian foreign minister Kolinda Grabar-Kitarovic visited Malta and together with her counterpart Minister Michael Frendo, established a framework for closer bilateral ties in the form of an agreement on cooperation between the two ministries of foreign affairs.

There is another dimension to Malta's commitment to the Western Balkans – the humanitarian assistance and development aid dimension. Maltese NGOs have long been active in Albania, with a particular focus on Kosovo.

Following the referendum on independence in Montenegro on 21 May 2006, Malta immediately expressed its intention to extend full recognition to Montenegro as an independent state. This followed the meeting of EU foreign ministers in Luxembourg where member states declared collectively that they will henceforth deal with Montenegro as an independent state.

The shifting dynamics in the Western Balkans must be kept in view with a European perspective for the region constantly kept in mind. Malta reflects this position in all interventions on the Balkans it adopts within the EU.

## Netherlands

### *Western Balkans*

On the Western Balkans the government supports the report of the European Commission "The EU and the Western Balkans: strengthening stability and prosperity" and its focus on concrete measures to consolidate stability and to enhance economic prosperity. To the Netherlands the basis for the relations with the Balkans goes back to the Thessaloniki Summit of 2003, when providing these countries with a conditional perspective

<sup>806</sup> LA VOIX DU LUXEMBOURG 20.5.2006 Marion Bur : « Le député Charles Goerens de retour d'une mission de suivi en Serbie-Montenegro »

on EU membership. In the opinion of the government this means strict adherence to the criteria.<sup>807</sup> On Kosovo the Netherlands supported a facilitating role for the EU in the process of finding a successor for Rugova to continue talks on the final status of Kosovo with special attention for the rights of minorities. On the basis of the experiences with such missions in the Western Balkans, the Netherlands also proposed to supply an EU-led mission for Kosovo after the finalisation of the talks on the future status of Kosovo. On Bosnia Herzegovina, the Netherlands welcomes the progress made. The Bosnian negotiating team on the Stabilisation and Association Agreement (SAA) seems well prepared. Continued progress will be needed especially on politically sensitive dossiers like cooperation with the International Criminal Tribunal for former Yugoslavia (ICTY); reform of the policy, education and public broadcasting services. On Serbia full cooperation with the ICTY is continuous a precondition for continuing the negotiations with Serbia Montenegro on the SAA with the ultimate consequence being the suspension of talks if Mladic and Karadzic are not handed over. When it comes to the membership perspective for the Western Balkans in general, the Netherlands advocates a strict adherence to the criteria, especially the cooperation with the ICTY is seen as a precondition. In this respect the government urged the EU Chairmanship to organise the much needed and in December 2005 promised debate concerning enlargement on basis of the European Commission's Enlargement Strategy Paper. The government supports the Commission's leading principles of consolidation, conditionality and communication. And it also would like to take into consideration the absorption capacity of the EU when discussing further enlargement. In general the Commission's proposed systematic of creating an extra step in the process by offering a country candidate status without starting the negotiations is welcomed as well as putting the focus on implementation of the SAA first. Also, a candidate country should be accountable to the Copenhagen criteria during its accession negotiations.

Concluding, it can be stated that the Netherlands still supports the membership perspective for the Western Balkans, but

<sup>807</sup> 'Geannoteerde agenda RAZEB (=GAREC) 30 jan 2006', Letter to Parliament of the Minister of Foreign Affairs, 24/01/06.

insists on strict adherence to the criteria.<sup>808</sup> The government also stresses that public support is very important to any further enlargement and that decision-making should be transparent and communicated to the citizens.<sup>809</sup> Although the government is still supporting the membership perspective for the Western Balkans, the biggest political party in government, the Christian Democrats (CDA), is speaking differently. In their Europe Manifest published early March for the local elections, CDA called for a halt in the enlargement process after the accession of Bulgaria and Romania. For countries of the Western Balkans and Turkey they advocate a close partnership without formal membership. Countries like Ukraine or Belarus will not qualify for such a partnership and will remain within the framework of the European neighbourhood policy.<sup>810</sup> In a letter to parliament the Minister of Foreign Affairs Mr. Bot, also a Christian democrat, stated that creating a special membership (read partnership) is out of the question, because it will give Ukraine and Moldova false hopes of obtaining such a membership while the government states that those countries should not be offered membership perspective at all. Apart from CDA there are no other political parties supporting what they call a 'b-membership'. Although the foreign affairs spokesman of the Social Democrats does point to the possible negative consequences for the democratisation of former Soviet republics if no perspective on EU membership is offered.<sup>811</sup>

## Poland

With the last six months (as the period covered by the current edition of EU-25 Watch research) being largely dominated in Polish politics by domestic preoccupations, Western Balkan problems are not widely commented on in Poland.

<sup>808</sup> 'Verslag RAZEB 30-31 jan 2006', LTP, 3/02/06; 'Geannoteerde agenda RAZEB 27 feb 2006', LTP, 21/02/06; 'Geannoteerde agenda RAZEB in Gymnich 10-11 maart 2006', LTP, 15/03/06; 'Geannoteerde agenda RAZEB 20-21 maart 2006', LTP, 15/03/06 and 'Geannoteerde agenda Europese Raad 23-24 maart 2006 incl. Ontwerp Conclusies Europese Raad en Benelux memorandum energie', LTP, 21/03/06.

<sup>809</sup> 'Algemeen overleg over EU-uitbreiding op 11 april as.', LTP, 10/04/06.

<sup>810</sup> CDA manifest Verder met Europa at [http://gemeenteraadsverkiezingen.cda.nl/attachments//Eur\\_opafinaal.doc](http://gemeenteraadsverkiezingen.cda.nl/attachments//Eur_opafinaal.doc) and 'CDA geen nieuwe uitbreiding van Europa', NRC, 9/03/06/

<sup>811</sup> 'Kabinet: beperk groei EU', NRC, 10/04/06.

Nonetheless, the future of the Western Balkans sometimes appears in the media and political discourse in the wider context of Polish European policy and enlargement issues. Similarly, major developments - like the referendum and proclamation of independence by the Montenegrin Parliament were present in all major media sources, although not particularly widely discussed and commented on. Still, the future enlargement – discussed in the wider context of the EU's future shape and possible reforms has been present in statements by both the President of the Republic and those by Foreign Ministers, including the new one that took office in May. The clear support for the idea of an open Europe ready to accommodate more new members was expressed by President Lech Kaczynski during his meeting with the ambassadors of EU member states and candidate countries in Warsaw on 22 February.<sup>812</sup>

A good occasion for discussion of the Union's future was also the second anniversary of Poland's accession to the Union. On some occasions around this event President Lech Kaczynski commented, among other things, on the future of enlargement, stressing the importance of EU action as an "exporter of democracy, freedom and peace"<sup>813</sup>. In the President's view, Poland would like to see the gradual reversal of the Union's stance of "deepening first - enlargement later"<sup>814</sup>. Speaking for the Polish Press Agency on 28 April, the President referred to EU enlargement as a process that should not be seen as a completed one and declared Poland's stance as an advocate of the Union always open for new members<sup>815</sup>.

Similarly, the openness of the Union and future enlargement as the principles that Poland is to committed advocate have been stressed in the statements of the new Foreign Minister of Poland, Anna Fotyga, who declared the continuation of Poland's foreign policy - especially its European policy and its previous policy vis-à-vis the Union's enlargement. She additionally expressed clear support for the candidates and future candidates from the Western Balkans region<sup>816</sup>.

The most often mentioned among the Western Balkan countries is Croatia, appearing most often is enlargement discussions next to Ukraine and Turkey (with support for the Romanian and Bulgarian entry being rather obvious). Support for Croatian EU aspirations was expressed by both Minister Fotyga<sup>817</sup> and Prime Minister Kazimierz Marcinkiewicz during his meeting with Croatian Prime Minister Ivo Sanader in Warsaw in April. The issue of future EU enlargement was the main subject of talks between Prime Ministers and Marcinkiewicz declared Poland's support for Croatia's efforts on the way to EU membership, with the latter wishing to use Polish experiences in negotiations and adjustment processes<sup>818</sup>.

As if symbolically, the support for independent states of the Western Balkans was expressed by the decision of the Polish Foreign Minister on the removal of the fees for Polish visas for the citizens of Serbia and Montenegro, Bosnia and Herzegovina as well as Macedonia starting on 1 May 2006 (and lasting until full implementation by Poland of the Schengen agreement)<sup>819</sup>.

Most recently, speaking at the meeting of heads of states of Central-Eastern European countries in Sofia, President Lech Kaczynski stressed the importance of support for membership of Croatia, Macedonia, Bosnia and Herzegovina as well as – in a longer perspective - also Serbia.

As regards the public opinion support in May 2006 for future enlargement and especially towards Western Balkan countries, Poles would welcome Croatia in the European Union most (38%) next to Ukraine (38%) and more than Bulgaria (30%), Romania (22%) and Turkey (20%).

In this context Croatia's membership is seen as most wanted with 38% of respondents that would like to see Croatia in "as soon as possible", 41% "not so soon", with 7% of respondents being against and 14% undecided<sup>820</sup>.

## Portugal

### *Position on enlargement*

Enlargement is not a high-salience issue in the Portuguese European debate, neither in general terms (costs and benefits of

<sup>812</sup> Polish Agency Europap Service [www.europap.com.pl](http://www.europap.com.pl)

<sup>813</sup> President Lech Kaczynski in Vilnius at a conference "Wspólna wizja wspólnego sąsiedztwa", after Polish Agency Europap Service on 4 May 2006

<sup>814</sup> President Lech Kaczyński for *Sygnaly Dnia* (a news programme by National Polish Radio Chanel 1), after Polish Press Agency Europap Service on 6 May 2006

<sup>815</sup> Polish Press Agency Europap Service on 28 April 2006 and 17 May 2006

<sup>816</sup> Polish Agency Europap Service on 19 May 2006

<sup>817</sup> *ibid*

<sup>818</sup> Polish Agency Europap Service on 26 April 2006

<sup>819</sup> Polish Agency Europap Service on 27 April 2006

<sup>820</sup> Survey of 16 May 2006 conducted by PBS DGA for Gazeta Wyborcza Daily, source: [www.pbssopot.com.pl](http://www.pbssopot.com.pl)

enlargement) nor the feasibility/desirability of integrating specific EU candidate countries. When visiting Portugal in May 2006, Commission for enlargement Olli Rehn commented, half jokingly, that he wished other EU Member States had the same sensible and pragmatic approach that Portugal and its leaders display in relation to enlargement.

In general terms, Portuguese positions on enlargement remain those defined by the successive governments since 1995, that is, a clear support to the ambitions of candidate countries, based on a political understanding of the strategic relevance of extending the Union's zone of stability and prosperity, as well as on a recognition of the importance of EU accession for the consolidation of democracy. This rationale is, therefore, the basic reason for Portugal's unequivocal support of current enlargement processes, namely to Bulgaria and Romania, as well as to Turkey and Croatia.

This rather positive approach has an echo in civil society and among political analysts, where it is very hard to find a clear and strong opposition to EU enlargement. Centre-right political figures who tend to have a cultural view of the European project raise some concerns about the impact of Turkey's accession on Europe's identity<sup>821</sup>, but these do not correspond to an outright rejection of Ankara's political ambitions.

### *The Western Balkans*

The Portuguese government takes pretty much the line of the European Commission in relation to the Western Balkans. The former Yugoslav republics that are not yet negotiating their EU accession, plus Albania, should be granted a so-called "European perspective", that is, a clear commitment that the final stage of their relation with the EU is, indeed, accession.<sup>822</sup> No alternative schemes, such as a multilateral free-trade agreement is considered as a viable option.

There is, however, an implicit recognition that the current political mood is much less favourable towards enlargement than 2-3

years ago<sup>823</sup> and hence the stronger emphasis on the long-term, open-ended nature of accession negotiations, as well as on the "very rigorous" monitoring of criteria fulfilment. This extra-rigour is, in the case of the Western Balkans, due to their recent historical experience and the fragility of their institutions.<sup>824</sup>

### *Status of Kosovo and Montenegro*

No official positions have been issued by the government on both questions recently. In the absence of any particular national interest related to the two regions, Portugal continues to align its position with that of the EU as, for example, in relation to the referendum on independence in Montenegro.

### **Romania**

Romania's official position concerning the Western Balkans has been publicly stated on several recent occasions by President Traian Băsescu. At the meeting of the heads of state in Durres on 28 April 2006, President Băsescu said that Romania would continue to firmly support the Western Balkans countries in their EU and NATO bid<sup>825</sup>. In the Romanian President's opinion, as long as the Western Balkans states keep trying to solve their problems unilaterally, considerable difficulties would still remain. On this occasion, the Romanian head of state said the Durres meeting should transmit to the EU message of a renewed will for reform and solidarity among the countries in the region: "Such attitude would show that the region reached a considerable degree of maturity and that it understands that the integration needs a joint effort. [...] Although we are at the end of the European process, we do know that we have the moral duty to get involved in the effort to show our EU partners that the Western Balkans may change from a reason of concern into the certainty of stability"<sup>826</sup>. From his point of view, EU enlargement to include the countries in the area would contribute to peace and stability, objectives attained best through

<sup>821</sup> For instance, Queiró, Luís, op.cit.

<sup>822</sup> Intervention by the Secretary of State for European Affairs Fernando d'Oliveira Neves at the debate *O Futuro da Europa: Mitos e Realidades sobre o Alargamento*, Centro de Informação Europeia Jacques Delors, 25 May 2006.

<sup>823</sup> See, for instance, the words of Foreign Affairs Minister Diogo Freitas do Amaral after meeting the Minister-President of Bavaria: "Turkish accession to the EU requires much more reflection and debate". "Freitas do Amaral: Adesão da Turquia deve ser muito reflectida", in *Publico.PT*, 25 May 2006.

<sup>824</sup> *Idem*.

<sup>825</sup> Department for Public Communication Presidential Administration, press release, 28 April 2006.

<sup>826</sup> *Ibid* 18.



regional solidarity: “The EU enlargement towards the countries in the area is a historical chance to erase the demarcation lines among us, Europeans. The South-Eastern European countries must irreversibly enter this circle of prosperity, and their leaders must be the main actors in that process”<sup>827</sup>.

The point of view on the need to provide the Western Balkans the EU accession perspective, as expressed by the Romanian President, belongs to the larger vision of connecting the issue of democracy in Europe with the developments around the Black Sea and those in the Western Balkans. That idea has been restated by Băsescu during the *Transatlantic Challenges in a Global Era* forum that took place on 30 April 2006, in Brussels.

Romanian officials treat the Western Balkans issue together with the strategy underlying Romanian relations with the Republic of Moldova. Their intention – in particular that of President Băsescu – is to bring Moldova closer to the Balkan states, as they are closer to the EU accession perspective. Holding the CEFTA (Central European Free Trade Area) presidency this year, Romania – with the support of the Austrian EU Presidency and the European Commission – launched the initiative to expand CEFTA towards Moldova, Albania and Bosnia-Herzegovina. Consequently, during the CEFTA summit in Bucharest on 6 April 2006, a joint declaration was adopted and a clear negotiation schedule was established in order to sign the new agreement before the end of 2006, when Romania would leave it in case it accedes to the EU on 1 January 2007.

As regards the Kosovo issue, Băsescu states that Romania supports without reservation the principle of inviolability of borders, noting that Pristina and Belgrade must be encouraged to have actual negotiations without waiting for external solutions. In an interview with the Serbian daily *Politika*, Băsescu explains in detail his firm position against granting sovereignty to the Kosovo province. Its basis is the principle of inviolability of borders: “We think Kosovo needs a European solution, somewhere between the French and Belgian autonomy models. However, we believe nobody has the right to challenge the borders of a European state. Our solution is based on these assumptions, excluding the establishment of another state, together with our idea that the EU has to get involved more

substantially in solving the Kosovo issue. It will certainly be simpler to approach the issue of the European autonomy standards, which are to be negotiated, together with the EU. I consider that the only negotiable issue is the level of autonomy and certainly not the integrity of Serbia”<sup>828</sup>.

Although Romania at an official level supports the perspective that the Western Balkan states join the European Union, there are no public debates on that issue, and the Romanian citizens are not that much interested in those developments in the close neighbourhood of Romania.

However, academic opinions tend to follow the Romanian official position. Dr. Nicolae Idu agrees with the position expressed by Commissioner Olli Rehn concerning the proposal of Elmar Brok, Chairman of the European Parliamentary Committee on Foreign Affairs, to prepare a wider study to establish the borders of the European Union: “We shouldn’t kill hopes!”<sup>829</sup> He states that peace and stability of the European Union cannot be ensured in a divided Europe, exposed to the risk of terrorism which may become more pronounced if the Western Balkans are not granted the EU accession perspective as soon as possible.<sup>830</sup>

Without excluding the possibility that the EU enlargement process would include at one moment the Western Balkans, Secretary of State Leonard Orban considers however that: “after Romania and Bulgaria join the EU, a longer period of time will be necessary to ensure the internal consolidation of the Union, taking mainly into account the changes to the EU Treaty, in order to adjust the current decision-making process to a Union of at least 27 members”<sup>831</sup>.

Explaining the Romanian position regarding the scenario of the future integration of the Western Balkans into the EU, Prof. Mihail Ionescu thinks that this alternative is “perceived as a solution to the local tensions and Romania supports peaceful solutions, through negotiations, to any lagging problems

<sup>827</sup> Ibid

<sup>828</sup> Interview with Romanian President Traian Băsescu in the Serbian daily *Politika*, 18 April 2006.

<sup>829</sup> Olli Rehn, Commissioner for Enlargement.

<sup>830</sup> Interview with Dr. Nicolae Idu, director general, EIR.

<sup>831</sup> Interview with Leonard Orban, Secretary of State, Ministry of European Integration.

in the Western Balkans, should it refer to Kosovo or any other<sup>832</sup>.

There are also more sceptical opinions concerning the possibility to enlarge the EU towards the Western Balkans. They are based on the fact that, beyond obvious cultural differences, the Balkan states must solve internally their security and stability issues before aspiring to EU member status<sup>833</sup>.

Without extensively covering the issues concerning EU enlargement to the Western Balkans, Romanian political analysts usually promote the Romanian official position and take some opinions circulated in the Western mass media that focused on the need for a more courageous EU strategy in the Western Balkans.

## Slovakia

Slovakia has been a general supporter of the policy of further enlargement. Though enthusiastic about the perspective of EU membership for countries of the Western Balkans, some political parties are less keen on Turkey's potential EU membership. In particular, the Christian Democrats (KDH) state in their pre-election manifesto that "the KDH supports the enlargement of the European Union to countries that share common European values." Hence, the KDH "will support the enlargement to the Balkan states but will not endorse enlargement beyond Europe's borders. In the case of Turkey the KDH deems a privileged partnership to be the best option.

In the spring of 2005, Slovakia's representatives opposed a decision of EU member states to postpone the opening entry talks with Croatia until after March 2005 on the grounds of Zagreb's unsatisfactory cooperation with the ICTY. Slovakia unsuccessfully advocated a revision of Croatia's ambitions until October 2005. During arduous negotiations about the EU mandate for opening entry negotiations with Turkey, the ICTY's Chief Prosecutor Carla del Ponte announced that Zagreb was fully cooperating with The Hague in locating and detaining Croatian general Ante Gotovina who had been

charged with war crimes.<sup>834</sup> Slovakia supported opening accession negotiations with Croatia immediately after del Ponte's announcement. Early in the morning of 4 October 2005, the Union reached a compromise political agreement over launching entry talks simultaneously with Turkey and Croatia.<sup>835</sup>

Slovakia's leaders welcomed the compromise decision to open entry talks with Zagreb and Ankara at the same time. Premier Mikuláš Dzurinda emphasised the security aspect of this decision. "Europe will be much safer if Turkey develops in a desirable way, if the Western Balkans develops in a desirable way and countries of the former Yugoslavia develop in a desirable way," he said. Foreign Affairs Minister Eduard Kukan highlighted the EU decision's political dimension. "We were very much aware that sending another negative signal about a disagreement over the issue of [future] enlargement would be simply bad," he said. At the same time, Kukan emphasized the specific nature of future negotiations with Turkey. "Accession negotiations with Turkey will be very difficult, very long and very complicated, which is determined by the character of the state."<sup>836</sup> Dzurinda said Slovakia would offer Croatia cooperation in negotiations over particular chapters of the *acquis communautaire* and added that Slovakia will strive equally hard to make Ukraine and Serbia and Montenegro follow suit, confirming that in the next round of EU enlargement, Slovakia will focus on priority countries of its foreign policy.

Additional proof of Slovak diplomacy's active role in the Western Balkans came on 16 December 2005, when the EU High Representative for the CFSP Javier Solana appointed Miroslav Lajčák, General Director of the Foreign Affairs Ministry's Political Section and Slovakia's former ambassador to Belgrade, to be his personal envoy in Montenegro.<sup>837</sup> Lajčák's principal role was the facilitation of Montenegro's referendum on its independence, which was held in May 2006. While Lajčák's work for Javier Solana is a

<sup>832</sup> Interview with Prof. Mihail Ionescu, director of the Institute of Defence Political Studies and Military History.

<sup>833</sup> Interview with Prof. Dragos Negrescu, Academy of Economic Studies.

<sup>834</sup> We cannot rule out that the statement by Carla del Ponte was politically motivated, since some EU member states (e.g. Austria) refused to endorse opening entry talks with Turkey if they are not simultaneously opened with Croatia. The fact, however, remains that General Ante Gotovina was apprehended on the Canary Islands and transported to The Hague several weeks after the EU had officially opened accession negotiations with Croatia.

<sup>835</sup> TASR news agency, 3 October 2005.

<sup>836</sup> SITA news agency, 4 October 2005.

<sup>837</sup> TASR news agency, 16 December 2005.

specific confirmation of the fact that the region of the Western Balkans is a priority of Slovakia's foreign policy, it is important to state that Slovakia's activities have largely focused on developing ties with Serbia, Montenegro and Croatia. Bratislava's engagement in Bosnia and Herzegovina is comparatively more recent and more limited since Slovakia opened its own embassy in Sarajevo only two years ago. In contrast, Slovakia does not have its own diplomatic missions in Macedonia, Albania or in Kosovo. Hence, the degree of engagement in these places is certainly lower than in other parts of the Western Balkans.

Despite the compromise decision to open accession talks with both Turkey and Croatia, Slovak leaders acknowledge the big question mark that keeps hanging over the next round of EU enlargement. During his official visit to Germany when he met with former Chancellor Gerhard Schröder, Dzurinda conceded this fact by saying somewhat surprisingly that the Union's absorption capacity has its limits and that the EU enlargement needs a break.<sup>838</sup> This statement should be interpreted in the context of Dzurinda's visit to Germany, where the Union's future enlargement round is not exactly welcomed. Nevertheless, the statement's timing provoked doubts over mutual coordination of Slovakia's top representatives in publicly defining the country's foreign policy goals. Dzurinda's statement was presented on the same day President Ivan Gašparovič received his Croatian counterpart Stipe Mesić and publicly declared that Slovakia officially supported Croatia's full-fledged EU membership.<sup>839</sup>

While Dzurinda's statement did not alter Slovakia's official attitude to integration aspirations of Croatia or Serbia and Montenegro, it certainly reflected the tension within the EU regarding its future enlargement. The Union's relation to the area of the Western Balkans, which Slovakia's foreign policy views as its priority, remains particularly problematic. This became clear during a meeting of the General Affairs and External Relations Council (GAERC) in December 2005 when France vetoed the decision to grant the Former Yugoslav Republic of Macedonia status as a

candidate country. France's Foreign Affairs Minister Phillippe Douste-Blazy argued that the Union needed a detailed discussion on further enlargement that should take place in 2006.<sup>840</sup> Although French political leaders changed their position and the European Council meeting held on 15 – 16 December 2005 granted the status of a candidate country to Macedonia, the fact that the EU must consider its own capability of successfully incorporating new members (for further details see *European Council Conclusions*, 15 – 16 December 2005) means that Slovakia's long-term goals of full-fledged EU membership for Croatia, Serbia and Montenegro, let alone Ukraine, remains subject to further adjustments within the EU.

## Slovenia

The question of the European perspective for the Western Balkans ranks high on the agenda of Slovenian foreign policy. There are a couple of strong reasons for that: 1) the Western Balkans is a very important region for the Slovenian economy as Slovenia is one of the major investors in the region (for example in 2005 it was the biggest investor in Bosnia and Herzegovina<sup>841</sup>); 2) Stability of the region is very important for Slovenia since it borders the region; 3) Historically Slovenia has strong ties with the region. For over 70 years it was a part of the same state (Kingdom of Serbs, Croats, and Slovenes, Kingdom of Yugoslavia, Socialist Federal Republic of Yugoslavia) together with all the countries of South Eastern Europe except Albania.

Public support for enlargement remains high. In a public opinion survey that referred to the support for the endeavour of the countries of the Western Balkans, including Bulgaria, and Romania, to enter the European Union, the majority of respondents supported endeavours of these countries. Only support for Albania is lower than 50 % (48 %). Results show the second lowest support for Serbia (52 %), and the results for the other countries were the following: Rumania (62 %), Croatia (63 %), Bulgaria (63 %), Montenegro (63 %), Bosnia and Herzegovina (65 %) and, with the highest support, Macedonia (69 %).<sup>842</sup>

<sup>838</sup> SITA news agency, 3 November 2005.

<sup>839</sup> Also, it should be noted that Gašparovič may have supported Croatia but it did not prevent him from mixing it with Serbia during an official press conference. It seems that Slovakia's top constitutional figures have problems not only with mutual coordination of their public statements but sometimes also with basic orientation in foreign policy relations.

<sup>841</sup> Oslobođenje (2006) Slovenija najveći strani ulagač u BiH [Slovenia the biggest foreign investor in BiH], p. 11, 27 May 2006.

<sup>842</sup> Politbarometer 2/2006 (March 2006) Javnomenjske 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

The main characteristics of the Slovenian position towards the future of the Western Balkans are thus the support for the clear European perspective of the region, but with no derogation on fulfilment of the conditions, either in Croatian accession negotiations or in Serbian negotiations on the Stabilisation and Association Agreement.<sup>843</sup> A slightly more favourable view for Macedonia and its accession process can be traced.<sup>844</sup> There is no wider discourse on the relations between the countries of the region, only the opposition Social Democrats stated the importance of regional co-operation between the countries of South Eastern Europe to ensure stability in the region.<sup>845</sup>

### *Striving to surmount the EU enlargement fatigue*

At the first meeting of the General Affairs and External Relations Council under the Austrian presidency at the end of January, Slovenian Foreign Minister, Dr. Dimitrij Rupel, acknowledged that the EU is tired from enlargement and that for the new wave the EU's help will not be enough. According to him, help of the wider international community will be needed. However, the EU needs to and will strengthen its role as the main guarantor of the stability in the region.<sup>846</sup>

Lojze Peterle, the first Prime Minister of Slovenia and currently member of the European Parliament sees the absorption capacity of the European Union as one of the main conditions for further enlargement.<sup>847</sup> Mr. Peterle is one of the few politicians that have expressed concern about a future enlargement that is broadly supported by the majority of the Slovenian political establishment. Prime Minister Janez Janša expressed his criticism and deep concern over the European Parliament's proposal to establish a new category of states in the EU accession

process, in order to take time to analyse the absorption capacity of the EU for further enlargement. Mr. Janša expressed this concern in talks with German Chancellor Angela Merkel in his first official visit to Germany in March.<sup>848</sup>

In talks with Commissioner Olli Rehn at his visit in Slovenia in February 2006, Slovenian foreign minister, Dr. Dimitrij Rupel, reconfirmed the Slovenian standpoint on EU enlargement by saying that the European perspective will contribute to stability and bring a more optimistic view of the future.<sup>849</sup>

### *EU perspective for Western Balkans*

In March, the Slovenian public survey 'Politbarometer' included two questions regarding the Western Balkans. One of the two questions was: How much can the European Union achieve in managing the following in the former Yugoslav republics: prevention of military confrontations, strengthening of democracy, enforcement of the rule of law and economic development? Slovenian respondents ascribe the biggest role to the EU in the economic development of the region (49 % think that the EU can play a big role in economic development), which is followed by the role ascribed to the EU in enforcement of the rule of law (29 % of respondents think that the EU can have a big role in this respect), a further 25 % think the EU can have a big role in the strengthening of democracy, and 24 % of respondents ascribe a big role to the EU in preventing military confrontations.<sup>850</sup>

Slovenian foreign minister, Dr. Dimitrij Rupel, continuously points out that Slovenia is one of the states that supports further enlargement the most. Slovenia strives hard that the EU would keep the promise of the Thessalonica summit given to the countries of the Western Balkans.<sup>851</sup> Despite there being a strong consensus among the leading politicians on the importance of the region for Slovenia, criticism of the government over the financial

Slovenia], p. 26-27, available at [http://cjm.si/PB\\_rezultati](http://cjm.si/PB_rezultati) (13 May 2006).

<sup>843</sup> In this respect the coalition party new Slovenia expressed the support for the suspension of the negotiations over the failure of the Serbian and Montenegrin authorities to deliver General Ratko Mladić to the Hague tribunal (in their answers to the questions we sent them).

<sup>844</sup> New Slovenia in their answers to the questions we sent them.

<sup>845</sup> Social Democrats in their answers to the questions we sent them.

<sup>846</sup> Božo Mašanović (2006) Od širitve utrujena EU [EU tired from enlargement], Delo, p. 1, 31 January 2006.

<sup>847</sup> Stojan Žitko (2006) Ali se je EU sposobna širiti? [Is the EU able to enlarge?], Delo, p. 3, 13 May 2006.

<sup>848</sup> Frankfurter Allgemeine Zeitung (2006) Janša kritisiert "Wolkenschieberei" in der EU [Janša criticizes "Wolkenschieberei" in the EU], p. 2, 16 March 2006.

<sup>849</sup> S. Z., STA (2006) Širitvena utrujenost EU [Enlargement fatigue of the EU], Dnevnik p. 7, 11 February 2006.

<sup>850</sup> Politbarometer 2/2006 (March 2006) Javnomenjske raziskave o odnosu javnosti do aktualnih razmer in dogajanj v Sloveniji [Public opinion surveys on the attitude of the public towards current affairs and developments in Slovenia], p. 26-27, available at [http://cjm.si/PB\\_rezultati](http://cjm.si/PB_rezultati) (13 May 2006).

<sup>851</sup> Radio Slovenija 1 (11 March 2006) Druga jutranja kronika [Second morning chronicle].

perspective and over its inability to take advantage of the knowledge about the Western Balkans, which is constantly claimed by the government officials to be one of Slovenia's major advantages in the EU, is not rare and not without substance.<sup>852</sup>

Borut Grgič, director of the Institute for Strategic Studies Ljubljana, concludes that Europe does not have a clear picture for what to do with the Balkans – that is showed by the fact that the clear promise of the Thessalonica summit has been watered down by careful statements of high-ranking EU officials. This might be a dangerous game to play since the vague European perspective might push the Western Balkans into instability. The same is already happening for Turkey, which is already looking to the direction of Islamic fundamentalism.<sup>853</sup>

#### *Multilateral free trade agreement*

The only comment concerning the Commission's proposal was found in the commercial newspaper, *Finance*. Mr. Borut Šuklje, a former Slovenian ambassador to Belgrade and now director of the Agency for Strategic Studies, commented that the proposal seems to best be understood in terms of a halt to enlargement as a response to the French dilemmas, as expressed by the French Minister de Villepin in his interview to the *Financial Times* on Saturday, 28 January 2006, and in his intervention in Salzburg. Mr. Šuklje supports his argument also on the comments by Minister Rupel, who said that accession of the Western Balkan countries to the EU will be very difficult to achieve before the EU brings its house in order, meaning before it is based on a new document (Constitutional Treaty) and precisely determines its common values. Mr. Šuklje thus sees the Commission's initiative as an instrumentalisation of relations between the countries of the region, which is to constructively fill in the void until the actual accession can take place.<sup>854</sup>

#### *Croatia – the 'roguish' neighbour*

Ever since Slovenian independence in 1991, none of the Slovenian governments have been

able to solve the numerous issues hindering good bilateral relations between Slovenia and Croatia. The biggest issues are the unsettled borders between the states on land and sea, common managing of the nuclear power plant Krško, and the return of the savings to Croats with money in the Zagreb branch of the Slovenian bank, Ljubljanska banka.

At the beginning of the accession negotiations between the EU and Croatia, the Slovenian government decided to address these issues in a new way. The Slovenian foreign minister, when talking about the bilateral relations with Croatia, said that "in front of the face of Europe we have to behave European and not Balkan any more."<sup>855</sup> There are even more extreme nationalistic voices, often expressed by one of the most important members of the opposition Slovenian National Party and member of the Slovenian parliament Sašo Peče, calling upon the EU to do something about the Croatian aggression against Slovenian territory.<sup>856</sup>

It seems that the Slovenian government has decided to follow more determined patriotic steps. Foreign minister Dr. Dimitrij Rupel stated that the solution of the problem of Croatian customers of Ljubljanska banka will be a condition for Slovenian support of the entry of Croatia into the EU.<sup>857</sup> Mr. Borut Ožura, the former director of Ljubljanska banka, is convinced that the position of the ministry is the right one and that it explains the situation the best.<sup>858</sup>

However, there are not only statements in an unfriendly tone towards Croatia. In principle, the Slovenian government supports Croatian accession to the EU.<sup>859</sup> Mr. Ivo Vajgl adviser

<sup>855</sup> POP TV (10 March 2006) Pogojevanje ni zaostrovanje [Conditioning is not aggravation], available at [http://24ur.com/bin/article.php?article\\_id=3070640](http://24ur.com/bin/article.php?article_id=3070640) (29 May 2006).

<sup>856</sup> Mr. Peče's words relate to the border dispute between Slovenia and Croatia, in Zoran Potič (2006) EU je notranja politika 25 držav [EU is internal politics of 25 states], *Večer*, p. 2, 3 March 2006.

<sup>857</sup> POP TV (10 March 2006) 24 ur [24 hours], and the press release of the Ministry of Foreign Affairs, 10 March 2006, available at

[http://www.mzz.gov.si/index.php?id=13&tx\\_ttnews\[pointer\]=19&tx\\_ttnews\[tt\\_news\]=1702&tx\\_ttnews\[backPid\]=141&cHash=8b33075749](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[pointer]=19&tx_ttnews[tt_news]=1702&tx_ttnews[backPid]=141&cHash=8b33075749) (30 May 2006).

<sup>858</sup> Igor Drnovšek, Drago Pilsel (2006) Slovenija z varčevalci LB pogojuje vstop Hrvaške v EU [Slovenia conditions Croatian entry into the EU with the savers of LB], *Dnevnik*, p. 2, 13 March 2006.

<sup>859</sup> Radiotelevision Slovenia (10 March 2006) Rupel si želi evropskih Hrvatov [Rupel wants European Croats], available at [http://www.rtvsllo.si/modload.php?&c\\_mod=rnews&op=sections&func=read&c\\_menu=1&c\\_id=103081](http://www.rtvsllo.si/modload.php?&c_mod=rnews&op=sections&func=read&c_menu=1&c_id=103081) (30 May 2006).

<sup>852</sup> Radio Slovenija 1 (1 May 2006) Dogodki in odmevi [Events and echoes].

<sup>853</sup> Saša Vidmajer (2006) Oddaljene evropske perspektive Balkana [Distant European perspectives for Balkans], *Delo*, p. 8, 11 May 2006.

<sup>854</sup> Borut Šuklje (2006) Francosko sporočilo o prihodnosti EU [French message on the future of the EU], *Finance*, p. 9, 1 February 2006.

for international relations to the Slovenian President, Dr. Janez Drnovšek, is certain that Croatia will become an EU member, irrespective of other countries of South Eastern Europe. In his opinion, Croatia also should enter the EU independently from Turkey as the accession of Turkey is a question of different considerations.<sup>860</sup>

#### *Serbia – long way out of Milošević's regime*

After the death of Slobodan Milošević, the Slovenian foreign minister was convinced that the death might be a turning point for Serbia and a symbolic start of the brighter European future of Serbia.<sup>861</sup> However, this bright prediction did not fulfil – Serbia did not pass over to the Hague tribunal the war criminal Ratko Mladić by the deadline given by the EU. Thus, the negotiations on the Stabilisation and Association Agreement were brought to a standstill. Jelko Kacin, president of the biggest opposition party, Liberal Democracy of Slovenia, said that the fact that Serbia did not hand over Ratko Mladić shows that Serbia has returned back to its myths and lost touch with reality as it did ten years ago.<sup>862</sup>

In spite of the recent developments, the Slovenian foreign minister said that Slovenia wishes that Serbia would become as 'European' as possible and that it will approach the EU as soon as possible. Once again he made a distinction between the 'European' and the 'Balkan' way of doing something.<sup>863</sup> This distinction became popular in Slovenia after the bloody dissolution of Yugoslavia in the 1990s, implying that Slovenia managed to become 'European'.

#### *Kosovo and Montenegro – on the path to independence?*

In November 2005, Slovenian President Janez Drnovšek proposed a plan on the final status of Kosovo. The proposal was judged in Slovenia as very controversial since the Slovenian president was one of the first high officials in international community who expressed the need for some form of autonomy of Kosovo outside Serbia. The proposal was still echoed in 2006, when the negotiations on the final

status of Kosovo began in February. Mr. Vajgl, advisor for international relations to President Janez Drnovšek, said that the proposal of the president for the future status of Kosovo has all the elements that representatives of the international community and Mr. Martti Ahtisaari, the Special Envoy of the UN Secretary-General Kofi Anan on Kosovo, consider. Mr. Drnovšek's proposal stressed protection of the Serbian minority and the protection of religious, historical and other important artefacts.<sup>864</sup> The Slovenian media strived to present the proposal of the Slovenian president on the future status of Kosovo as internationally influential. The Secretary General of the United Nations has praised the proposal as a valuable contribution and a creative approach.<sup>865</sup>

At the occasion of the visit of Foreign Minister of Montenegro, Mr. Miodrag Vlahović, to Slovenia in January, Slovenian Foreign Minister Dr. Dimitrij Rupel reconfirmed Slovenian respect for any result concerning the future of Montenegro that will come about democratically, provided it respects European standards and contributes to stability in the Balkans. Mr. Rupel also reconfirmed that Slovenia will offer Montenegro information and knowledge in the process of approaching the EU.<sup>866</sup>

#### *Support for accession of Bulgaria and Romania on 1 January 2007*

There is not much debate going on concerning the entry of Bulgaria and Romania into the EU. It does not seem to be a controversial issue. Slovenian Prime Minister Janez Janša expressed his support for the entry of Bulgaria and Romania into the EU on 1 January 2007. On the occasion of his official visit to Bulgaria in May, he pointed out that Bulgaria has successfully tackled the problems of corruption and the legal system.<sup>867</sup>

<sup>860</sup> TV Pika (13 March 2006) Pogovor s svetovalcem predsednika države za mednarodne odnose [Discussion with the Adviser of the Slovenian President for international relations].

<sup>861</sup> Radio Slovenija 1 (20 March 2006) Radijski dnevnik [Radio news].

<sup>862</sup> Info TV (4 May 2006) Novice [News].

<sup>863</sup> TV Slovenija 1 (16 May 2006) Dnevnik [News].

<sup>864</sup> TV Pika (13 March 2006) Pogovor s svetovalcem predsednika države za mednarodne odnose [Discussion with the Adviser of the Slovenian president for international relations].

<sup>865</sup> Saša Vidmajer (2006) Odprite okno [Open the window], Delo, p. 1, 7 January 2006.

<sup>866</sup> M. B. (2006) Opora Črni gori na poti v EU [Supporting Montenegro on its way to the EU], Večer, p. 6, 11 January 2006.

<sup>867</sup> Tino Mamić (2006) Podpora vstopu v EU [Support for the entry into the EU], Primorske novice, p. 3, 11 May 2006.

## Spain

This question concerns the perspectives of the Western Balkans as seen by political actors in your country with regard e.g. to the status of Kosovo and Montenegro, the situation in Bosnia-Herzegovina and the relationship/interdependence between a regional multilateral free trade agreement of the Western Balkan countries and the membership perspective.

The fifth enlargement is considered one of the most significant events in the history of the European Union. After some initial hesitations during the beginning of the nineties, Spain wholeheartedly supported the process of enlargement. Spanish support for enlargement has not decreased, though the country's elites do not hide that their support for further enlargement processes is conditioned on the ratification of the Constitution. There is a clear reluctance –and doubts about the EU's capacity– to face the cost of a new enlargement process, especially if the European Constitution is not ratified. Therefore, Spain shares the sort of "enlargement fatigue" present in so many European capitals, Spain shares the view that enlargement processes may be temporarily halted but does not support the idea put forward by Merkel of definitively defining the borders of Europe. Should the CT get back on track, the government would not see any problem in proceeding ahead with Western Balkan membership.

## Sweden

All major political actors in Sweden remain supportive of the enlargement idea, hence, there is not much of a public discussion on enlargement. The government's position, as spelled out in its EU work program for this spring, is that "the enlargement discussions for 2006 ought to confirm commitments already made by the EU. Enlargement is an important driving force not least for the accession and candidate countries."<sup>868</sup> There has been no major discussion in the country regarding this position. The new foreign minister, Jan Eliasson, recently portrayed Sweden as one of the "leading proponents of EU enlargement and active outreach policies towards the Union's eastern neighbours. And we remain so. Very simply, enlargement is a policy for

<sup>868</sup> "Regeringens EU-arbetsprogram för våren 2006", p. 4 (<http://www.regeringen.se>)

peace, democracy and prosperity."<sup>869</sup> The realisation of the Bulgarian and Romanian membership should be achieved as swiftly as possible, and the membership perspective for the Western Balkans states should be continuously reaffirmed. As for negotiations with Croatia and Turkey, these should proceed in a technical rather than political fashion, which in effect means that these countries should be allowed to open further negotiations as progress is made. All in all, the foreign minister nicely summarizes what can be conceived as the general character of the Swedish enlargement position: "Membership criteria must be fulfilled. But it would be a historic mistake to draw the conclusion that we should now close the door to further EU enlargement."<sup>870</sup> The Deputy Prime Minister draws on the same logic: "the best way to achieve stability and prosperity is to keep the door open for those European countries that want to approach the EU and to support their reforms."<sup>871</sup> The government furthermore maintains that there is no contradiction between deepening and widening, quite the contrary, in the sense that "enlargement strengthens the EU's position and influence in the international arena."<sup>872</sup>

## Turkey

The general opinion in Turkey, both the public at large and the political and economic elite, conceive EU enlargement as one of the most successful policies of the EU. The perspectives on the issue of the future of the Western Balkans and EU-Enlargement have developed within the general approach that enlargement should be an inclusionary project. For that reason, there is support for the membership of Bulgaria, Romania, Croatia and (the former Yugoslav Republic of) Macedonia to the EU. In this respect, there is no sense of competition with these countries in terms of accession. Turkish public opinion is rather positive also on the issue of membership of the Western Balkans and also of Ukraine in the long-term. The decision of the European Council to grant Macedonia candidate status at the December 2005 Council Summit was welcomed in Turkey

<sup>869</sup> Eliasson, Jan, speech May 23 2006

(<http://www.regeringen.se>)

<sup>870</sup> Eliasson, Jan, speech May 23 2006

(<http://www.regeringen.se>)

<sup>871</sup> Ringholm, Bosse, speech May 4 2006

(<http://www.regeringen.se>)

<sup>872</sup> Eliasson, Jan, speech May 23 2006

(<http://www.regeringen.se>); also see speech by Bosse Ringholm March 30 2006 (<http://www.regeringen.se>)

and was perceived as a reflection of the inclusionary tendency of the European integration process. It is thought that further enlargement would bring stability to the European periphery, extend the “security community” to the more turbulent regions of Europe and also enrich the EU culturally.

#### *Perspectives on the Western Balkans*

Turkish public opinion with respect to the recent developments in the Western Balkans has been rather positive. The general attitude in Turkey has been to support the co-operation and integration of the countries in the Western Balkans with the Euro-Atlantic institutions. As such, the extension of the EU Stability and Association Agreement to Albania was conceived as a positive step on the road to membership. In Turkey, the efforts of the international community with regards to talks concerning the final status of Kosovo are strongly supported. Similarly, Turkish public opinion has been supportive of the Turkish involvement in EUFOR in Bosnia and Herzegovina and EUFOR in Macedonia, which are perceived as signs of Turkish support to the efforts of the international community in ensuring peace and stability in the region. Moreover, the referendum and the decision of Montenegro on independence were welcomed and supported. Turkey officially recognised the Republic of Montenegro shortly after the declaration of independence. The event received wide coverage in the media as well. It is also widely thought in Turkey that the only way to ensure sustainable political and economic development in the Western Balkans is through increasing co-operation and integration. With such an aim, Turkey itself has been trying to develop its trade and co-operation with the countries of the Western Balkans. However, it is widely believed that improved relationship and interdependence between the countries in the region can only be fruitful and enduring within a process that perceives membership in the European Union as the final step.

#### *Perspectives on Enlargement*

Turkish public opinion, both the general public and the well-informed public, does not like the discussion on the limits of enlargement. The rise of negative feelings on Enlargement in European countries increased the resentment towards the European Union in Turkey. It is thought that this debate on the “limits” revolves mainly around the Turkish accession. Thus, it

is widely perceived as an exercise to exclude Turkey from the EU. In this respect, the discussion on the limits of Europe formulates the limits in “essentialist terms” taking into consideration geography, history, religion and culture as the main determinants of the limits of Europe. Europeanness is defined through these essentialist categories and these categories are used to show that Turkey does not belong to Europe and to the EU. Turkish public opinion is opposed to the definition of “Europeanness” on these grounds. It is believed that Europeanness, if it is going to be defined, should be defined in terms of economic and political values and should be an inclusionary project. In this respect, “Privileged partnership” is still perceived as a debated strategy that aims to exclude Turkey by some European countries who would like to define Europeanness in essentialist terms of culture and religion. Another issue is the stance of the EU and the internationally recognised Cypriot government, represented by Greek Cypriots, as Turkey starts its negotiations for membership that exacerbate the existing resentment. The general feeling in Turkey is that the position of the European Union on the Cyprus issue is rather unfair and its demand on the opening of ports to the Greek Cypriot Administration, which is accepted to represent the whole of Cyprus in the EU, is considered one-sided. The developments in this context have also increased scepticism, both among the public in general and the political and economic elite in particular, and are seen as another exercise to distance Turkey from the EU. Turkish public opinion is extremely sensitive to the debate about the “alternatives” to enlargement. Notwithstanding those who adopt a rather sceptical view as already mentioned, there is a near consensus that Turkey should be part of the EU as a full member state. Relations short of full membership are conceived in Turkey as ways of excluding or marginalizing Turkey. In the discussions related to alternatives to membership, as Turkey acquires a central place, this attitude strengthens sceptical and anti-European positions in Turkey and diminishes the level of support and trust in the EU.

Moreover, the “neighbourhood policy”, one of the novel policy areas of the EU, is not conceived in Turkey as an alternative to enlargement. However, in Turkey this policy is not well-known and there is not much discussion about it. One should derive some lessons from previous experiences. For



instance, the Barcelona Process and the EU-Med relationship in Turkey were conceived as alternatives to membership in Turkey. For this reason Turkey never took action in the Barcelona Process and did not contribute to the EU's Mediterranean policy, thinking that this could result in the exclusion of Turkey from full membership. If the neighbourhood policy is formulated as an alternative to full membership, this could lead to an opposition to this policy in Turkey and may be conceived as a policy to exclude Turkey as a full member and put it in a different category. But if the neighbourhood policy is formulated more as a complementary policy to the general policy of European enlargement rather than as a substitute, then Turkey could also contribute to the EU neighbourhood policy.

## United Kingdom

### *The status of Kosovo and Montenegro*

Working with its Contact Group Partners (France, Germany, Italy, Russia and the US) the UK government is supportive of a lasting Kosovo status settlement that promotes a multi-ethnic society and enhances stability in the region. Ideally, the process should involve all parties directly concerned, including Pristina and Belgrade, as well as provide a distinct role for Kosovo Serbs. In addition, provisions for decentralisation of government are also believed to be crucial to the final status because they can ensure that minority communities remain central to Kosovo's future and similarly allow for the return of displaced persons.

Thus, the UK government supports the Provisional Institutions of Self-Government to help ensure implementation of UN Security Council-endorsed 8 Standards as well as the work of UN special envoy Marti Ahtisaari in order to foster realistic solutions.

A return to the status quo ante 1999 and the partition of Kosovo have therefore been ruled out by both the Contact Group and the European Union. At the Contact Group meeting held in London last January, ministers have introduced new elements into the political process: efforts should be made to achieve a negotiated settlement in the course of this year. This is accepted by the majority of people in Kosovo. The Contact Group has also stated that differentiated circumstances distinguish Kosovo from other areas under dispute and

that a negotiated settlement was the preferred outcome in order to unlock the benefits of Euro-Atlantic integration.

As regards to the Montenegrin referendum, the Minister of Europe welcomed the election results, praising their compliance with international standards and congratulating the pro-independence government of Milo Djukanovic. With reference to the EU declaration of Montenegro Independence, Mr. Hoon said: "The people of Montenegro have expressed a clear desire for an independent state. This is an important moment in the history of Montenegro", calling for "all sides in Montenegro, and the Serbian Authorities [to] work together to determine the way forward".<sup>873</sup>

### *Regional multilateral free trade agreement*

The UK is still committed to helping the countries of the Western Balkans on their path to join the EU as it is hoped that the goal of membership will help preserve stability in the region. In order to join the EU, the UK stresses the importance of compliance with the International Criminal Tribunal for the former Yugoslavia (ICTY). In this regard, Serbia's recent signs of non-cooperation on commitments to transfer indicted war criminals to the Tribunal are seen as breaking a non-negotiable condition for EU integration. Therefore, the UK has been supportive of Enlargement Commissioner Olli Rehn's recent decision to suspend Serbia and Montenegro's Stabilisation Association Agreement negotiations over its non-compliance with The Hague.

Similarly, a functioning market economy is also regarded by the UK as vital to the prospect of membership. To this end, the UK supports the liberalisation of trade between the EU and the Western Balkans as well as a regional free trade agreement between countries in the region to enable their markets to develop and to prepare for eventual membership.

### *Situation in Bosnia-Herzegovina (BiH)*

The UK government welcomes implementation efforts to be made by the current government to pursue the constitutional reform package

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<sup>873</sup> FCO, "Hoon welcomes Montenegro referendum result", 23 May 2006, accessible at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391638&a=KArticle&aid=1145899287045>

signed by Bosnian political leaders on March 2006. It is vital for BiH to maintain Lord Ashdown's (High Representative and EU Special Representative 2002-2006) efforts to push through reforms in the defence, rule of law, and public administration sectors, which have put BiH on the path towards European and NATO reform. The British government is also supportive of the EU decision to open

negotiations on a Stabilisation and Association Agreement with BiH.

In line with the longstanding goal of British diplomacy, the UK expects the EU to reaffirm its commitments to the countries of Western Balkans, and would like to see those states that can meet the conditions join the EU in the long run.

# 7

## Which future for the Greater Middle East?

- **Please point out the role that the EU should take up with regard to:**
  - *Iran (nuclear question)*
  - *the Israel-Palestinian conflict (after the elections in Israel and for the Palestinian Legislative Council)*
  - *the question of energy security (also with regard to Russia, Southern Caucasus etc.)*

## Austria

In general, the Austrian government supports the EU policy towards the Greater Middle East<sup>874</sup>. This refers to all aspects including the Israeli-Palestinian conflict and the nuclear policy of Iran. However, it is very important not to confuse political questions like the behaviour of the Iranian government or the Israeli-Palestinian conflict with economic relations. In particular the Chamber of Commerce argues that energy policy should not be an instrument of political bargaining and economic sanctions<sup>875</sup>. The EU is largely dependent on fossil energy sources from the Middle East and is thus interested in having reliable energy suppliers. At the same time, the development of energy demand in Europe has a considerable impact on energy exporting countries. The mutual interest of stable business relations is not only valid for energy sources but extends to all sectors of economic activity.

With respect to the Israeli-Palestinian situation, Austria has a long tradition of being a negotiator and mediator. During the Austrian EU-presidency, the government supported various strategies in order to supply humanitarian aid and further steps for reaching stability in the region (although it is generally perceived that a long lasting peace is not realistic in the near future).

The media is relatively calm about reporting on the region and very much tries to follow an objective and rather observable position.

While the government is not too talkative about the role of the US and her allies in terms of her foreign policy in Iraq and Iran, the opposition condemns the Bush administration's policy towards the Greater Middle East<sup>876</sup>. Yet, overall the public activity in the region remains relatively low. In general, it can be said that Austria supports all efforts made by the European Union and the United Nations.

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<sup>874</sup> Information based on the author's expertise on Mediterranean Aspects of the EU while working for the Austrian Federal Ministry of Defence, Bureau for Security Policy.

<sup>875</sup> Interview with an analyst from the Chamber of Commerce in May 2006.

<sup>876</sup> Interview with an expert for foreign affairs from the Greens (Bundesparteibüro) in April 2006.

## Belgium

### *The role of the EU with regard to the Israel-Palestinian conflict*

The main part of the debate focused on the outcome of elections and the question of aid to the Palestinian government after the historic victory of Hamas.

Véronique De Keyser<sup>877</sup>, who was responsible for the mission of observation in Gaza, analysed the victory of Hamas as a sign of change: the situation has to change and Hamas has to change as well. She declared she was worried about the state of despair of the Palestinian population, who is waiting for a clear statement from the EU that the situation they are living in violates international law, and about the new political game which was set up. According to her, E. Olmert does not give a sufficient margin to Hamas in immediately requiring the public recognition of the Jewish State, which might lead to new negotiations<sup>878</sup>.

Louis Michel<sup>879</sup> said he was particularly worried about the humanitarian situation of the Palestinian population, worsened by the collapse of Palestinian public services<sup>880</sup>. He underlined three major preoccupations: gathering sufficient financial support in order to anticipate a dramatic increase in the needs of the population; setting up a minimal contact structure with the Palestinian authorities even if the money remains in the control of humanitarian organisations; and ensuring that these organisations are not burdened with the task of acting as a substitute for the Palestinian authorities.

The Flemish Socialist Union (ABVV) urged the EU not to abandon aid to the Palestinian population, pointing out that Israel was never punished in the past for its violations of international law<sup>881</sup>.

## Croatia

Croatian political leaders tend to abstain to deliver rather transparent statements on the entire situation in the region. Media and NGO's are dealing with this issue mainly through criticism of American policy towards the region.

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<sup>877</sup> Member of the European parliament since 2001.

<sup>878</sup> La Libre Belgique, 21 March 2006.

<sup>879</sup> Former President of MR (Mouvement réformateur, *Movement for reform*)

<sup>880</sup> Le Soir, 5 May 2006.

<sup>881</sup> De Morgen, 12 April 2006.

They are mostly criticizing and accusing American policy of producing instability in the region and on the other hand supporting a more flexible EU approach<sup>882</sup>. It is also related to supporting the more constructive EU approach with regard to Iran, but also expressing disappointment for the Iranian rejection of each productive EU proposal<sup>883</sup>.

The general public is nevertheless rather confused with the messages sent with regard to trying to remain neutral and objective towards the Israel-Palestinian conflict, especially after the elections in both countries. The media and NGO's supported the EU position of breaking off financial support to new Palestinian Government (Hamas) as long as Hamas recognizes Israel and refrains from terrorist acts<sup>884</sup>.

Nevertheless, dealing with the question of energy security, political leaders issued some statements mainly oriented toward diversifying the sources of energy consumption relying more on the genuine sources<sup>885</sup>. As far as the political aspect of energy security is concerned, there are not many official comments. The media is, however, in this sense very active in providing a lot of political-economic analysis on this issue<sup>886</sup>.

Most of the comments regarding the security in the region are put in the context of Croatian role in the development of those problems, especially how and whether this role would threaten the security of the country as such. In this context, the accession process to NATO is suspect. "If Croatia gets actively involved in those problems, which will happen once it becomes a member of NATO, we can expect terrorist attacks on our own grounds"<sup>887</sup>. A prominent representative of the ruling party did not share this concern. He stated that "Nobody can press Croatia to send its soldiers to Iraq or elsewhere in the region if Croatia does not want to, once Croatia becomes the member of NATO"<sup>888</sup>.

<sup>882</sup> Novi list, April 2006.

<sup>883</sup> Vjesnik, May2006.

<sup>884</sup> Slobodna Dalmacija, April2006.

<sup>885</sup> Ivo Sanader, Crans Montana Forum, 5-7 April2006.

<sup>886</sup> Novi list, May2006.

<sup>887</sup> Tonči Tadić, Croatian Party of Right, Večernji list, April 2006.

<sup>888</sup> Minister of Foreign Affairs, Ms. Kolinda Grabar-Kitarović, Vjesnik, 24May2006.

## Cyprus

In our interviews, diplomats emphasised that the EU has a significant "honest broker" role to play in the most problematic region of the Middle East.

The crisis regarding Iran's nuclear programme seems to be deteriorating. The dispute reached its climax after the IAEA Director General adopted its report of 28 April. Iranian authorities have failed to comply with the requests made by the Agency's Board of Governors and the UN Security Council. Among the EU-3, namely Britain, France and Germany, there is an overt suspicion that Iran's nuclear project may have a military dimension as well. On 15 May 2006, the Council called on the Iranian authorities "to cooperate fully with the IAEA, suspend all enrichment related and reprocessing activities, including research and development, and to suspend the construction of a reactor moderated by heavy water in order to create conditions in which negotiations might resume. The EU fully supports the Security Council making this mandatory"<sup>889</sup>. It is obvious that this decision expressed the will of all EU member states to stand united to deal with the Iran crisis. The EU member states agree that Iran has the right to the use of nuclear energy for peaceful purposes in conformity with its obligations under the Non Proliferation Treaty. The EU is prepared to support Iran's development of a safe, sustainable and proliferation-proof civilian nuclear programme, "if international concerns were fully addressed and confidence in Iran's intentions is established"<sup>890</sup>. The Council remains committed to finding a diplomatic solution.

The EU-3 are closely collaborating with the US in order to offer Iran new incentives for abandoning its current nuclear program.<sup>891</sup> This initiative is expected to deal not only with what incentives to offer Iran but also with possible punitive measures if it refuses to suspend its enrichment program.<sup>892</sup>

Cyprus supports a diplomatic solution to the problem. Cypriot diplomats who spoke on condition of anonymity told us that Cyprus will ally its policy with any proposal that serves the

<sup>889</sup> Council Conclusions on Iran, 15 May 2006.

<sup>890</sup> Ibid.

<sup>891</sup> Steven Weisman, "Help With Reactor Included in European Offer to Iran", The New York Times May 18 2006.

<sup>892</sup> Nazila Fathi, "Iran Snubs Europe's Nuclear Plan", The New York Times, May 18 2006.

interests of the EU and lies within the framework of the UN Charter.

Even though there are some different approaches among the member states vis-a-vis the escalating crisis over Iran's nuclear plans, Cypriot diplomats are convinced that the EU can determinedly contribute to a diplomatic and peaceful solution. The EU can become an honest broker among the concerned parties and try to solve the crisis based on the fundamental European values of compromise and mutual understanding. In addition, they stated that a military intervention would not only harm the EU economy but, as it will certainly affect negatively the Union's relations with the Muslim world, it must be avoided.

In the case of the Israeli-Palestinian conflict, our interlocutors in the Cypriot Foreign Ministry believe that the European Union must continue its aid programmes towards the Palestinian Authority and at the same time pressure Hamas to recognize Israel, denounce terrorism and stick to the Road Map. On the other hand, the EU has to pressure Israel to accept the prospect of negotiations with a government which would include Hamas. Cyprus as a member of the European Union and as neighbouring country of Israel and Palestine - with excellent relations with both parties- can contribute to the bridging of the existing gap. During his official visit to Egypt, in May 2006, the President of Cyprus, Tassos Papadopoulos, reaffirmed that his country's policy on the Israeli-Palestinian conflict is based on principles and on the relevant UN resolutions.

As regards to the Iraqi case, the Cypriot diplomats believe that the European Union must continue its support of the new government of national unity and should continue contributing to the reconstruction of the state by implementing peacekeeping and peace-building policies with the assistance of the Iraqi government.

## Czech Republic

The Czech foreign policy elite is still in the middle of forming their views of the Middle East, including on sensitive issues like the Iranian nuclear programme. Moreover, unlike with the Balkans or Eastern Europe, the Czech Republic clearly does not hold any ambitions of playing a more influential role in the region. As

a result, Czech officials gladly follow the lead of the European Union.

Thus, when Iranian President Ahmadinejad rejected Israel's right to exist and the other EU members strongly criticised that statement, the Czech Foreign Ministry also came out with a strong denunciation.<sup>893</sup> Similarly, uncertainties about the proper reaction to the on-going Iranian nuclear programme have been behind the rather toothless statement calling for a diplomatic solution to the problem.<sup>894</sup> In general, the remarks of Czech political representatives on Iran follow a clear structure – first stressing the unacceptability of Iranian threats and development of nuclear weapons, etc., yet only to conclude that the instruments of diplomacy have not yet been fully exhausted.<sup>895</sup>

Conversely, for the Israeli-Palestinian conflict Czech diplomacy has a different position from most EU member states. Acknowledging the results of the recent Palestinian election, Czech diplomats strongly urged the Union to adopt strict conditions for Hamas in order to qualify continuing financial support from the EU.

Czech Foreign Minister Svoboda therefore welcomed not only the requirement that the new party in power should “disavow all forms of violence and terror”, as his initial statement demanded,<sup>896</sup> but also the strictly defined dissolution of its military wing, the acceptance of the “Road Map”, etc. Although not all Czech demands were incorporated in the EU's resulting position, the Czech FM expressed his satisfaction.<sup>897</sup> The critical stance towards

<sup>893</sup> Prohlášení MZV ČR k hrozbám Iránské republiky (The Statement of the Ministry of Foreign Affairs of the Czech Republic regarding the threats of the Republic of Iran), <http://www.mzv.cz/wwwo/mzv/default.asp?id=35095&ido=10544&idj=1&amb=1>

<sup>894</sup> Prohlášení MZV ČR k obnovení iránského jaderného programu (The Statement of the Ministry of Foreign Affairs of the Czech Republic regarding the Revival of the Iranian nuclear programme), <http://www.mzv.cz/wwwo/mzv/default.asp?id=36428&ido=10544&idj=1&amb=1>

<sup>895</sup> See for instance, the views of Czech MEPs Jana Hybášková and Libor Rouček in EP chce, aby se jadernými záměry Iránu zabývala OSN (The EP wants the UN to look into Iranian nuclear plans), 15 February 2006, Czech News Agency

<sup>896</sup> Prohlášení MZV ČR k palestinským volbám (The Statement of the Ministry of Foreign Affairs of the Czech Republic regarding the Palestinian election), <http://www.mzv.cz/wwwo/mzv/default.asp?id=36770&ido=10544&idj=1&amb=1>

<sup>897</sup> EU vyzvala Hamas, aby se zřekl násilí, uznal Izrael a odzbrojil (EU called on Hamas to give up violence,

Hamas was so pertinent in the Czech political discourse that even the most vocal supporters of Palestinian rights, the Communists, limited themselves to neutral depiction of the election and the requirements of the European Union.<sup>898</sup>

Questions relating to energy security are usually not seen as linked so much to the Middle East as to Russia, from where the Czech Republic imports most of its oil and gas. Energy security has gradually gained prominence in Czech foreign policy, attested to by the raising of the issue during the March meeting of Czech ambassadors in Prague.<sup>899</sup> To further underline the point, Prime Minister Paroubek insisted on the need for the EU to forge a common energy policy that should also tackle the question of alternative sources of energy, such as nuclear power.<sup>900</sup>

However, the Czechs are somewhat less enthusiastic about the common energy policy than Poland and some other East-Central European countries. The main reason for this is that the Czech Republic is currently enjoying more or less problem-free and friction-free relations with Russia, and, notwithstanding the recent Ukrainian energy crisis, fears of dependence on a Russian energy supply are substantially smaller.

## Denmark

### *Iran*

Recent setbacks in the negotiations with Iran have made the Danish Government pessimistic about finding a solution to Iran's nuclear programme through the EU-3.<sup>901</sup> Denmark demands full suspension of the enrichment programme. If not, Denmark is ready to discuss the matter in the UN's

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acknowledge Israel and demilitarise), 30 January 2006, Czech News Agency  
<sup>898</sup> Palestinský pat (The Palestinian Stalemate), 31 January 2006,  
<http://www.kscm.cz/article.asp?thema=2742&item=28942&category=>

<sup>899</sup> Do popředí diplomacie se dostává energetická bezpečnost (Energy security is moving to diplomatic priorities), 6 March 2006, Czech News Agency  
<sup>900</sup> Paroubek: Unie by měla mít jednotnou energetickou politiku (Paroubek: The Union should have a unified energy policy), 22 February 2006, Czech News Agency  
901 Speech by foreign minister Per Stig Møller, "Nuclear proliferation in the 21st century: will multilateral diplomacy work", 25-08-2005. Online:  
<http://www.um.dk/en/servicemenu/News/FrontPageNews/NuclearProliferationInThe21stCenturyWillMultilateralDiplomacyWork.htm> (latest access: 28.11.2005).

Security Council and eventually impose sanctions.

Danish Foreign Minister Per Stig Møller was supportive of the invitation given by Russia to have Iranian plutonium enriched<sup>902</sup>. In January, Danish Prime Minister Anders Fogh Rasmussen said that he would like the case of Iran to be discussed in the UN Security Council<sup>903</sup>, in which Denmark is currently seated, as this could strengthen the diplomatic efforts and the IAEA's position on the case. In the preparations for the meetings of the Ministers of Foreign Affairs on March 20<sup>th</sup>-21<sup>st</sup> 2006, the Danish Government introduced its view on the situation for the Danish Parliament. It stated that it expects that Iran comply with the resolutions set up by the IAEA and guarantee that the atomic program is completely for civilian purposes. At the moment the Government is working for a united stance in the Security Council, condemning the Iranian pursuit of nuclear weapons. But still the Danish Government supports negotiation and not confrontation.<sup>904</sup>

### *Israel-Palestinian conflict*

The Danish Foreign Minister Per Stig Møller wrote in a feature article on January 23<sup>rd</sup> 2006 on the importance of a fair and permanent solution to the conflict<sup>905</sup>. Per Stig Møller pointed to the important role played by the EU in the attempts to resolve the conflict and stated that the EU should play an even stronger role in the future. The current initiatives taken by the EU show a willingness to engage as an important actor on the global scene. Mr. Møller has elsewhere argued that the EU punches below its weight in international affairs and encouraged an EU with a stronger presence in international relations, promoting integration as a way to ensure peace and stability<sup>906</sup>. Concerning the present situation, Denmark supports the EU's freezing of economic support to the Palestinian authorities. Denmark itself has not contributed economically to the authorities since Hamas took office. The Danish Government underlines

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<sup>902</sup> Damkjær, Ole (2005): "Per Stig Møller: Irans sidste chance" i Berlingske Tidende, December 1st 2005

<sup>903</sup> Reuters/Ritzau (2006): "Kold skulder til Iran", Politiken, 18<sup>th</sup> January 2006

<sup>904</sup> Per Stig Møller (2006): "Mellemøsten fylder for meget", Erhvervsbladet, 11. maj.

<sup>905</sup> Møller, Per Stig (2006): "Nye perspektiver for EU", feature aticle, Politiken January 23rd

<sup>906</sup> Møller, Per Stig (2005): "Working Even Closer: the EU, the United Nations and the Reform of the Security Council"

that this embargo is not directed towards the civilians but only towards the authorities.<sup>907</sup>

### *The question of energy security*

Danish Prime Minister, Anders Fogh Rasmussen, supports that energy security is developing into an important EU priority<sup>908</sup>. He points to renewable sources of energy, not including atomic energy, as the main way forward for the EU. Energy is seen as one of the projects that can revitalise the EU in the current crisis. Anders Fogh Rasmussen, however, also expressed an interest in discussing atomic energy in the EU at the European Council Meeting in Brussels in March. His interest in discussing atomic energy at the EU level received some discussion in the Danish press, as Mr. Rasmussen, like his predecessors, firmly rule out the use of this energy source in Denmark.<sup>909</sup>

On March 23<sup>rd</sup>, three Danish ministers, Foreign Minister Per Stig Møller, Transport and Energy Minister Flemming Hansen and Minister of the Environment Connie Hedegaard wrote a common feature article on the future of European energy<sup>910</sup>. In this article they expressed a wish for a common European energy policy, which should focus on energy that is cheap and friendly to the environment. They gave their full support to the energy strategy as presented by the European Commission. As well as being an important topic on the environmental agenda today, the three conservative ministers see energy as one of the major topics on the foreign policy agenda in the future and underline that no region or country should be given the opportunity to use energy dependence against Europe. The means are two-fold: The EU should invest in more effective use of energy as well as in research on, and the development of, renewable sources of energy. At the same time, the EU should play an active role in relation to producing countries and regions, negotiating agreements that make it attractive to sell energy to the EU, as well as in relation

<sup>907</sup> Jesper Kongstad (2006): "Mellemøsten: EU standser støtte til Hamas", Jyllands-Posten, 11. April, p. 7.

<sup>908</sup> Lauritzen, Thomas and Thomas Flensburg (2006): "De Store EU-projekters tid forbi", Interview with Anders Fogh Rasmussen, Politiken, January 30<sup>th</sup> 2006.

<sup>909</sup> Nielsen, Ole Bang og Claus Kragh (2006): "EU-glæde over nordisk åbenhed overfor a-kraft", Berlingske Tidende, March 25<sup>th</sup> 2006.

<sup>910</sup> Møller, Per Stig, Flemming Hansen and Connie Hedegaard (2006): "Vi skal vise rettidig omhu med Europas energi", feature article, Jyllands-Posten, March 23<sup>rd</sup> 2006.

to promoting peaceful and sustainable solutions to conflicts.

The Confederation of Danish Industries (DI) has also called for energy security. They point to the importance of better and more competition on the energy market and say that the time has come for common European action. In addition, they argue that supply safety and alternative energy sources should be major priorities of the EU<sup>911</sup>.

Generally, when discussing energy security, it is relevant to note that Denmark, at present, is a net-exporter of energy<sup>912</sup>.

### **Estonia**

Estonia does not have much of an independent foreign policy on the Middle East. The standard statement is simply that Estonia supports EU's and NATO's initiatives in the region.

### **Finland**

#### *Iran*

As an EU member, Finland has contributed to forming the EU's positions on Iran's nuclear crisis and thus stands behind them. The EU has been trying to persuade Iran to give up its nuclear enrichment ambitions. The latest of lucrative offers include building a light-water nuclear reactor. Finland's Minister for Foreign Affairs, Erkki Tuomioja (Social Democratic Party) stresses the need to aim at resolving the crisis diplomatically, in a peaceful manner.<sup>913</sup> Mr Tuomioja has stated that a coalition of the EU, Russia, China and the US should produce a package in which the benefits of alternative forms of energy supply for Iran are truly illustrated.<sup>914</sup>

#### *The Israeli-Palestinian Conflict*

After the Palestinian and Israeli elections, both held this year, the state of affairs has become

<sup>911</sup> "Fælles strategi for energipolitikken", article from DI business nr. 11 – 20 march 2006. Online: <http://www.di.dk/DI+Business/200611/Artikler/Falles+strategi+for+energipolitikken.htm> (located on March 22<sup>nd</sup>)

<sup>912</sup> This factor is briefly discussed and documented in the Euobserver article: "EU satser på gas fra Iran", which can be found at: [http://www.euobserver.dk/index.php?page\\_id=13&data\\_id=4211](http://www.euobserver.dk/index.php?page_id=13&data_id=4211) (located on March 23<sup>rd</sup> 2006).

<sup>913</sup> Helsingin Sanomat, 17.5.2006

<sup>914</sup> <http://www.tuomioja.org/>, 22.5.2006



critical in the region. Finland has and will fully support the position of the EU for a non-violent settlement in resolving the conflict. Mr Tuomioja, who has time and again criticised Israel and defended Palestine in the conflict, stated during a recent visit of Palestinian President Mahmud Abbas to Finland that the three conditions set by the EU for Hamas remain: renouncing from violence, recognising Israel, and complying with the agreements set previously by the Palestinian administration. He reminded that the end result in solving the conflict should be the creation of two states whereby all questions concerning their status will be covered. Mr Tuomioja concluded that Finland respects the efforts of Mr Abbas for striving to re-start negotiations with Israel.<sup>915</sup> In discussions with Mr Abbas, President Halonen also expressed his support for the EU's peace process.<sup>916</sup>

### *The Cartoon Crisis*

The Muhammad cartoons have been published in Finland only by a small and marginal Finnish far-right organisation Sisu that put the cartoons on its internet pages on February 10<sup>917</sup>. To the surprise of most commentators, Prime Minister Vanhanen apologised for this "on his personal and on the Government of Finland's behalf". He was widely criticised by the press for overreacting. Through his apologies that were covered by worldwide news agencies, Mr Vanhanen involved Finland into the international crisis. Somewhat earlier, Foreign Minister Tuomioja and President Halonen wrote a letter to the press of the Islamic world, appealing for an end to violence.

Commissioner Rehn has stated that the cartoon crisis does not affect Turkey's EU membership bid. He stresses that Turkey has acted as a mediator between the Islamic world and Europe.<sup>918</sup>

### *Russia and Energy Security*

As mentioned above, Finland's energy interests are focused on the Eastern neighbour: 100% of gas, 80% of (crude) oil, about 25% of uranium and more than 10% of electricity consumed in Finland is imported from Russia<sup>919</sup>. In January 2006 the supply of

electricity from Russia to Finland was reduced due to severe colds in St. Petersburg. Although this caused minor problems for providing electricity in Finland at the time, it nevertheless started an extensive debate on a long-term concern: Is Russia a capable and reliable energy supplier?

Since then, Russian energy supply has had a continuous coverage in the Finnish media, and concern about Finland's dependence on Russian energy has increased. Unlike several new, eastern EU member states, the Finnish political elite has not, however, expressed open criticism towards Russian energy policy. In order to increase the level of national energy production and independence, a nuclear reactor is being built in Western Finland that should be in operation before the end of 2009<sup>920</sup>.

Russia has suggested building an underwater cable from Sosnovyi Bor, a nuclear plant on the Southern coast of the Gulf of Finland, to near Kotka, a coastal city East of Helsinki, in order to transport more electricity to Finland. The initiative has been received with suspicion, one of the reasons being the shortage of energy supply in the Leningrad region. However, Russia has decided to build at least two new 1100 megawatt reactors to replace the old Soviet energy appliances by 2013<sup>921</sup>, which should guarantee energy supply for the region. Finland has not yet taken a final position on this question.

There is no particular interest in Finland towards the Middle East or Caucasus as far as national energy supply is concerned.

### **France**

Initiatives taken by the European Union with regard to the Iranian nuclear issue, or the will to play a greater role in the Israel-Palestinian conflict, are welcomed by French public opinion, but with scepticism. The French want the Union to be more active, but doubt it has the capacity for it. 65% of the French approve the prospect of a common foreign policy<sup>922</sup>. In the past year, these issues have had a relatively low saliency in France. Public opinion has been mainly preoccupied by internal difficulties (suburban riots in November 2005, student protests at the beginning of 2006).

<sup>915</sup> <http://formin.finland.fi/suomi/>, Päiväyri 27.4.2006

<sup>916</sup> <http://www.tpk.fi/netcomm/news/showarticle.asp?intNWSAID=50614&intSubArtID=21091>

<sup>917</sup> <http://www.suomensisu.org/content/view/328/9/lang.fi/>

<sup>918</sup> Turun Sanomat, 17., 19., 24. and 26.2.2006

<sup>919</sup> YLE A-Piste, 22.5.2006

<sup>920</sup> <http://www.tvo.fi/770.htm>

<sup>921</sup> Helsingin Sanomat, 18.5.2006

<sup>922</sup> Eurobarometer n°65, spring 2006.

## Germany

### Iran

Germany<sup>923</sup> shares the concerns of others about Iran's nuclear programme and favours a peaceful solution through negotiations even though other means like economic sanctions are not excluded in principle. German concerns stem from the destabilising effects Iran's atomic policy may have on the region and on the international regime of nonproliferation. In addition German politicians are very much worried about the antisemitist rhetoric of Iranian President Ahmadineshad which is perceived as being dangerous for the further existence of the state of Israel. Germany fully backed the decision of the International Atomic Energy Agency to bring the Iranian issue on the agenda of the UN Security Council.

The Grand Coalition government favours an integrated approach of the international community and claims to play an active part. It hopes that the Iranian government will be impressed by the collective stance the international community has been able to achieve and may have pains to ignore the comprehensive economic and political offers the EU has submitted to Teheran to help the country to establish a new relationship with other parts of the world. Germany is in a key position as it is part of the EU-3 (France, the United Kingdom, Germany plus the EU High Representative for the CFSP, Solana, since recently) which has turned out to be the main EU voice towards Teheran and towards the other most important international actors like the United States, Russia and China. The Berlin government puts great weight on this position not only for the sake of a viable solution for the Iranian case but also for Germany's own stance as a major power on the international stage.

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<sup>923</sup> Sources for this answer include: Web-Site des Auswärtigen Amtes, Interview mit Bundesaußenminister Steinmeier, DIE ZEIT, 23.03.06; REGIERUNGonline, 29.03.06; 5.05.06; 17.05.06; Nikolas Busse: Ähnliche Sorgen, unterschiedliche Lösungsvorschläge, in: Frankfurter Allgemeine Zeitung 02.06.2006; Frank-Walter Steinmeier: Energie-Außenpolitik ist Friedenspolitik. Namensartikel, Handelsblatt, 23.03.06; Handelsblatt 30.03.2006; Süddeutsche Zeitung 10.04.2006; Regierungserklärung des Bundesministers des Auswärtigen, Dr. Frank-Walter Steinmeier zum Europäischen Rat vom 23./24.03.2006 vor dem Deutschen Bundestag am 17.03.2006; Frankfurter Rundschau 06.02.2006; 15.05.2006.

Some voices from the (small) parliamentary opposition (FDP; Linkspartei) warn against a German and EU strategy which coincides too strongly with the US. In contrast to the official line of the government politicians from all three opposition parties (FDP; Linkspartei, die Grünen) show great scepticism towards the use of sanctions and even between the governing coalition parties views differ between representatives from the SPD and the CDU/CSU as to how outspoken Germany should already be now with regard to sanctions, i.e. the former seem to consider a debate about sanctions already now as premature while the latter are in favour of doing so.

### *The Israel-Palestinian conflict*

It is a strong tradition in German foreign policy to define the own stance in the Arab-Israeli conflict through the collective framework of the EU. To support Israel's right to exist is one of the fundamentals hereof, to support the legitimate right of the Palestinian people for an independent state of their own has become the other of both German and EU Middle East policy. Traditionally Berlin has sought close contacts with all parties of the Middle East conflict.

After the parliamentary elections to the Palestinian Legislative Council in January 2006 the Grand Coalition in line with the Common Foreign and Security Policy of the EU accepted the elections as being free and fair but at the same time announced a re-definition of its policy once the new government would be installed. Berlin agreed together with its EU partners on a policy of conditional engagement: i.e. the Berlin government fully accepts the EU demands towards the newly elected Hamas government (among others the right of existence of Israel, no use of force, acceptance of results achieved during the peace process) before further payments of the EU assistance are made. Under the responsibility of Brussels authorities modalities have to be found so that these payments can be made without direct contact with the Palestinian authorities. At the same time both the EU and Berlin have warned Israel more than once to refrain from any unilateral action (e.g. concerning borders) that might violate international law.

Despite a wide-spread consensus among the political elite on the fundamentals of German's policy towards the Middle East divergencies of

views may occur on very specific issues like the visit of a member of the Hamas government in Germany demonstrated. The Chancellor as well as the Foreign Minister disapproved of this event which was also against the EU line.

### *Energy Policy*

The issue has become of utmost importance for German foreign policy. It is no longer perceived as a question to secure energy resources but increasingly as one which impacts on peace and stability in the world. Germany's approach is described as being „cooperative“ i.e. to collaborate with the energy suppliers and to re-organize and revitalize existing contacts between the consumer countries, the ones which dispose of the resources and the transit states. National approaches and confrontation between the suppliers and the consumer states are said to be counterproductive. To what extent the use of military means should be considered in the event of an energy crisis seems to be interpreted differently within government and party circles.

Russia is seen as an indispensable partner even though one-sided dependencies on energy suppliers should be avoided. Berlin favours the build-up of an energy community thereby assigning a key role to the EU. Diverging views between the supporters and the adversaries of such a cooperative strategy among the latter being several Eastern European member states are not perceived as a major obstacle for a common EU policy. According to the Berlin government each country should decide on its own about the national energy mix and then work towards a joint EU strategy. So far the government has shown satisfaction over the extent to which German interests in the energy sector have been well received in Brussels.

### **Greece**

#### *Iran*

The crisis over Iran has been one more case showing the gap existing between Greek public opinion and the stance prevailing in most of the EU-25 (and, of course, the US). Public opinion is vehemently opposed not only to any idea of use of force to Iran's clear ambitions, but also to the harsh position taken in the ongoing diplomatic process. The Greek government,

which happened to have a non-permanent seat in the U.N. Security Council throughout 2006, is trying to find some sort of equilibrium between local sentiment and international prudence. In fact, this translates into Greece closing ranks with “the EU position on Iran”, whatever this would prove to be.

#### *The Israel-Palestinian conflict*

The next steps in the Israeli/Palestinian conflict – especially after it became clear that the Olmert government will proceed even to a unilateral withdrawal from the West Bank – will be followed closely in Greece, but with no real diplomatic participation. Public opinion is not really opposed to Hamas control of the Palestinian Legislative Council.

### *Energy*

The natural gas issue has leapt to the forefront of attention after the Ukrainian shock (and the passing clouds over Bulgaria). Even more so, since Russia proposed to Greece – both through Gazprom chairman Alexei Miller and through Foreign Minister Sergei Lavrov – extensive cooperation for a “Southern/Mediterranean loop” to be completed through Turkey-Greece-Italy for Russian natural gas in significant quantities. This venture, which in fact would increase manifold the current BOTAS (T)-DEPA (Gr) venture, was given the thumbs-down during a visit to the region by US Secretary of State Condoleezza Rice. The final outcome remains highly uncertain. (A relatively minor issue remains the Burgas-Alexandroupolis oil pipeline, with Russian-Bulgarian-Greek participation, which in fact would by-pass the Bosphorus stranglehold over crude carriage from the Black Sea to the Mediterranean).

### **Hungary**

#### *Iran*

Concerning Iran, Hungary shares the EU's position, namely to maintain diplomatic relations but requesting Teheran to suspend its uranium enrichment activities. Budapest emphasises the importance of a continuous and constructive dialogue and, in line with the EU's common position, Hungary is prepared to help Iran to develop nuclear power for civil purposes but under the precondition of abandoning its uranium enrichment efforts.

### *Israel/Palestine*

As regards Palestine and Israel, Hungary's aim (traditionally) is to maintain good relations with both of them – and this Hungarian position must be accepted by both parties respectively. Hungary expects Hamas to recognise the state of Israel, but since this cannot happen overnight, Hungary favours a certain gradualism in this respect. Nevertheless, humanitarian aid should not be suspended, because this could cause a humanitarian catastrophe, destabilising the region. For Hungary, Palestine figures among the 4 countries around the world enjoying the highest development aid provided by the Hungarian state. This care is coupled with the priority interest of Budapest to see Israel in safety.

### *Iraq*

In the case of Iraq, Hungary is following the official stance of the EU and of the US, meaning that Budapest supports the new Iraqi government, and would like to actively participate in the reconstruction of the country. Hungary also offered military help in the framework of NATO but no need for that has been signalled (as it is known, Hungary participated in the Iraqi war with 300 soldiers fulfilling exclusively transportation and humanitarian tasks, and withdrawn in the beginning of 2005). In turn, Hungary participated in training Iraqi diplomats (they had a two-months course in Budapest). In the framework of bilateral relations Hungary did not release the 170 million US dollar debt of Iraq despite Bagdad's request.

### *Energy*

Regarding energy security – in contrast to the above mentioned international topics – the Hungarian political parties are rather split. The governing coalition favours further intensifying the ties with Russia (whose president recently offered to build new gas storage capacities in Hungary, even with regional supply potential). At the same time, the opposition parties – in line with the unfolding EU energy strategy – would like to see a higher degree of diversification of energy sources (including Central Asia under the so-called Nabucco project). One of the tasks of the new Hungarian government will be to decide on the country's path to follow. It must be added that the old-new environment minister is very much favouring the widening use of alternative

energy resources in satisfying the national energy needs<sup>924</sup>.

### **Ireland**

#### *The Israel-Palestinian conflict*

The Minister for Foreign Affairs, Dermot Ahern TD, addressed the situation in the Middle East in a presentation to the Joint Oireachtas Committee on 5 April 2006. This speech was made following the Israeli general election and the swearing-in of the Hamas Government of the Palestinian Authority. The Minister highlighted the need for a negotiated two-state solution in Israel / Palestine. The EU was seen to have a key role "in keeping alive the prospect of a solution based on the co-existence in peace and security of the State of Israel and a truly viable Palestinian State, with agreed international borders."

On the arrival of the Hamas Government, the Minister supported the EU message on the absolute incompatibility between a commitment to violence and participation in democratic government. Conditions have been set out for engagement with Hamas: renunciation of violence, disarmament, recognition of Israel and acceptance of existing agreements between Palestine / PLO and Israel. Ireland would support a ready response by the EU to evidence that Hamas was prepared to make progress on these issues. Stressing the scale of EU support to the Palestinians – Euro 500 million annually – the Minister addressed the implications of negative responses from Hamas.

"If difficult decisions on funding prove necessary in the future, I hope we can ensure that they will not be at the expense of the welfare of the Palestinian people. The European Union must maintain its support for the Palestinian people and remain engaged in the search for a lasting and peaceful settlement."

In January 2006, the Irish government announced a grant of Euro 100,000 to the Glenree Centre for Reconciliation to support its Middle East project during 2006. This will include a study and dialogue visit to Ireland by Israeli and Palestinian politicians in the coming year.

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<sup>924</sup> All information under point 7 is based on interviews with Hungarian experts.

Turning to political developments in Israel, the Minister raised concerns on the policies and activities of the government and armed forces in the occupied territories “which are contrary to international law and which threaten to undermine a solution based on the co-existence of two viable states.”

Discussions in Dail Eireann on the situation in the Middle East – Dail Reports , 4 April 2006 – saw strong criticism of the activities of the Israeli authorities in Gaza, in erecting the wall separating communities and in expanding illegal territories. Minister Ahern commented that “the Irish Government has always made it known strongly that the transfer by Israel of its own population into occupied territory is in breach of the Fourth Geneva Convention. The situation is that such transfers are illegal. The EU will accept nothing less than a return to the pre-1967 border situation.”

#### *Iran*

On Iran the Irish position is that the government fully supports the position taken by the International Atomic Energy Agency (IAEA) and endorsed by the Security Presidential Statement of 30 March 2006. The Government has urged Iran to cease immediately all research and conversion activities and to co-operate fully with the IAEA.

#### *Energy*

On the occasion of the Ukrainian-Russian gas dispute, (4 January 2006), Eamonn Ryan of the Irish Green Party highlighted Ireland’s “precarious dependence on gas” and called for investment in renewable sources and for energy conservation.

The Progressive Democrats (PD) (the smaller party in the coalition government) proposed domestic solutions to energy security problems. On 9 March 2006, the PDs produced a document on Irish Energy Policy, in which they argue in favour of the potential for wind, wave and biofuel renewable energies and for exploration of conventional fuels to meet the needs of Ireland’s small population: they propose to enhance fossil fuel security by developing Corrib Gas field, increasing oil stocks held in Ireland from 45 days to the EU requirement of 90 days, and by the development of additional gas storage capacity

#### **Italy**

As for Iran, Italy definitely opposes the possibility of a military attack, and favours a political-diplomatic solution to the problem. Italy would also like to avoid economic sanctions and boycott, since these measures are likely to hurt badly the Italian economy as well: Italy is, in fact, the first commercial partner of Iran in Europe. The Italian government supports the so called EU-3’s involvement, just as it favours a bigger European involvement in the international arena. Yet Italy is also critical of the practice of small, ad-hoc directorates, and favours a European action within the framework of normal CFSP procedures.

As for Palestine, the Italian government reacted with worry at Hamas’ victory in the Palestinian elections. The former Italian Foreign Affairs Minister Gianfranco Fini called on the international community and Europe to put pressure on the radical Palestinian movement to recognise the state of Israel and to renounce terrorism. But, as recently affirmed by the new Foreign Affairs Minister D’Alema<sup>925</sup>, Europe has to maintain a dialogue with President Abu Mazen (Abbas), and Hamas’ isolation has to be coupled with activities directed at preventing a humanitarian crisis in the Palestinian territories, an event that risks the further spread of chaos and insecurity.

Regarding energy security, Italy favours a thorough European energy policy. Italy is strongly dependent on the import of sources of primary energy, and conscious that, in the global energy market, a bigger actor like the EU would be able to negotiate much more successfully than a single country. A proposal in this sense was made by Lucia Annunziata and Marta Dassù<sup>926</sup>, who suggested the set up of a European Energy Agency with the task of coordinating investments as well as strategic plans and interests. In order to increase the margin of negotiations, Italy also favours the creation of bigger, transnational energy companies, even through merging processes, and opposes protectionist practices

<sup>925</sup> See Menachem Gantz, “*Intervista del Ministro D’Alema*”, *Maariv*, 26/05/2006

<sup>926</sup> Marta Dassù and Lucia Annunziata, *Editorial*, *Astenia* n.32, 2006

## Latvia

Latvia firmly advocates a *peaceful* resolution of the problem of Iran's development of its nuclear potential and the continuing conflict between Israel and Palestine. The EU should not act alone, but work in concert with other international organisations, especially the United Nations, and other countries to bring about solutions acceptable to all relevant parties. In the case of Iran, the Latvian government would support the idea of giving Iran an unequivocal signal that the international community is prepared to act more decisively if Iran maintains the course that it has pursued heretofore.<sup>927</sup>

Latvia's position on both trouble spots in the Middle East was succinctly summarised by President Vaira Vike-Freiberga in her address to the US Congress on 7 June 2006:

Due to the enormous importance of nuclear non-proliferation, the world's democracies should maintain a coherent position regarding the nuclear program of Iran. We welcome the recent joint initiatives by the United States, the UN Security Council and the European Union to offer a constructive solution to the Iranian nuclear issue, and hope that the Iranian leadership will respond in kind.

The long-standing conflict in the Middle East remains a major source of world tensions. We fully empathize with the desire of the Jewish people to live on their ancestral land in security and at peace with their neighbours. We also wish to see a free and prosperous Palestinian state co-exist peacefully side-by-side with the State of Israel. For this to be achieved, the Hamas-led Palestinian administration must abide by previously signed international agreements. There is no other way.<sup>928</sup>

## Lithuania

The question of what role the EU should take up with regard to Iran or the Israel-Palestinian conflict does not attract much attention in Lithuania while the question of the energy security is of great importance for Lithuanians as far as what concerns the energy supply

<sup>927</sup> Ibid. See also [http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2006/ju\\_nijs/02-4/](http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2006/ju_nijs/02-4/), <http://www.mfa.gov.lv/lv/Jaunumi/PazinojumiPresei/2006/marts/14-1/>.

<sup>928</sup> For the full text of the speech, see [http://www.president.lv/pk/content/?art\\_id=9640](http://www.president.lv/pk/content/?art_id=9640).

Lithuania is very dependant on Russia. As the Lithuanian Minister of Economy Kęstutis Daukšys indicated, "we are concerned about energy dependence on Russia. [...] Lithuania has a great interest to integrate into the common EU energy system. In addition the EU has an interest that all it member states would not be dependant on one supplier for energy"<sup>929</sup>. As the minister claimed, the question of the security and reliability of the energy supply is crucial for Lithuania, and that explains why Lithuania supports the initiative to foster the actions at the EU level in this field<sup>930</sup>. The president of the Republic of Lithuania Valdas Adamkus also holds a position that the EU should establish a common energy market and seek to guarantee the security of energy supply in the EU<sup>931</sup>. The European Parliament member from Lithuania Laima Andrikiene called the recent Russian gas crisis a wake up call for the EU<sup>932</sup>. The former chairman of the Parliament Artūras Paulauskas emphasized that "the current energy dependency of the EU and especially of the Baltic states should be decreased by creating new electricity and gas pipe links, by using the energy more effectively and by developing renewable energy sources"<sup>933</sup>.

The Prime Ministers of Lithuania, Latvia and Estonia signed a declaration in which having considered the sensitive issue of the security of energy supply in the Baltic States, the fact

<sup>929</sup> K.Daukšys su Lenkijos Seimo komiteto pirmininku aptarė energetinio saugumo klausimus [K.Daukšys discussed the energy security questions with the Chairman of the committee of Polish Sejm], Lithuanian Ministry of Economy press release, February 6, 2006

<http://www.ukmin.lt/lt/dokumentai/ziniasklaidai/detail.php?D=10022>

<sup>930</sup> Su Švedijos ambasadore K.Daukšys aptarė ES klausimus, Lithuanian Ministry of Economy press release, March 2, 2006 Su Švedijos ambasadore K.Daukšys aptarė ES klausimus [K. Daukšys discussed the EU questions with a Sweden ambassador], Lithuanian Ministry of Economy press release, March 2, 2006,

<http://www.ukmin.lt/lt/dokumentai/ziniasklaidai/detail.php?D=12196>

<sup>931</sup> Prezidentas Londone dalyvavo neformaliame ES viršūnių susitikime [The President has participated in the informal EU leaders meeting in London], Lithuanian President press release,

<http://www.president.lt/lt/news.full/6136>

<sup>932</sup> Laima Andrikiene ragina formuoti vieningą ES energetikos politiką ir strategiją [Laima Andrikiene urges to form unite EU energy policy and strategy], EPP-ED group press release, January 17, 2006,

<http://www.tsajunga.lt/index.php?620902992>

<sup>933</sup> Seimo Pirmininkas: Lietuva neturi atidėlioti energetinio saugumo darbų [The Chairman of Seimas: Lithuania must not delay the jobs of energy security], The Chairman of the Parliament press release

[http://www.paulauskas.lt/index\\_2005.asp?DL=L&TopicID=60&ArticleID=1260&Page=2&SearchTXT=&iDay=&iMonth=&iYear=](http://www.paulauskas.lt/index_2005.asp?DL=L&TopicID=60&ArticleID=1260&Page=2&SearchTXT=&iDay=&iMonth=&iYear=)

that the Baltic States do not have any gas and electricity interconnections with the other EU Member States and the necessity to reduce the dependency of the Baltic States on the dominant supplier of the energy resources they welcomed and expressed their support for the development of a common European energy policy as a guarantee of the energy supply at the Community level. They stated in the declaration that the energy security problem of the Baltic States should be addressed at the EU level. They also called on the European Commission and the Member States to develop an action plan of immediate measures aimed at enhancing EU energy security<sup>934</sup>.

The Lithuanian Prime Minister commented on the Spring European Council decision to include the EU energy questions into the foreign policy agenda, to better coordinate the actions while negotiating with the biggest energy suppliers and to search for ways to use alternative energy sources that the "European Union is a large and reliable market for states such as Russia, and because of that, by talking with one voice with the big suppliers, we will be able to reach real and long-term goals of energy supply security"<sup>935</sup>.

## Luxembourg

Defining a specific Luxembourg position in Middle East policy seems to be rather pretentious. In most cases, the official point of view of the Luxembourg government is very similar if not identical with the agreed EU standpoint or the position of the larger European nations (France, Germany, United-Kingdom). So, regarding the Iranian nuclear question there is no new specific policy of Luxembourg.

Jean Asselborn, Luxembourg Foreign Minister, arranged a meeting with the Iranian ambassador on 10 January 2006 in order to explain to him the Luxembourg point of view. He protested the speech of the Iranian president concerning the destruction of the state of Israel and announced his profound concern over the

development of nuclear facilities in Iran that may allow the construction of an atomic bomb.<sup>936</sup>

The recent elections in Israel and in Palestine were covered by the Luxembourg press. Generally, the Hamas victory was not welcomed but was accepted as a result of a democratic process. Luxembourg supports the EU decision that financial assistance to the new Palestinian government should be suspended until Hamas officially recognizes the state of Israel's right to exist<sup>937</sup>. The Israeli government's settlements policy is largely condemned in Luxembourg and is seen as a main obstacle on the road to peace<sup>938</sup>. Luxembourg humanitarian help for the Palestinian population will not be interrupted<sup>939</sup>.

Minister Asselborn paid a visit to the Gulf states Qatar and Kuwait in April 2006<sup>940</sup>. Bilateral economic cooperation as well as exchanging views on the international situation in the Middle East were in the centre of the talks. Kuwait's government shows a particular interest in the Luxembourg case: "We want to learn from the Luxembourg example"<sup>941</sup>. In fact, Kuwait and Luxembourg show some similarities. A great number of the work force of Kuwait are non-nationals just like in Luxembourg. Native Kuwaitis, nearly as numerous as native Luxembourgers, are already outnumbered by residents of foreign origin. Asselborn recalled the necessity of equal women's rights and respect for democratic principles. He praised the recent democratic process and encouraged the Kuwaitis to continue the dialogue within their society that they had recently opened<sup>942</sup>.

Kuwait's government wants to learn how Luxembourg built up its well performing finance centre in order to be prepared for the time when natural resources like oil and gas will no longer provide the present prosperity. Asselborn tried to convince Kuwaiti investors of the advantages of Luxembourg.<sup>943</sup>

<sup>934</sup> Declaration of the Lithuanian, Latvian and Estonian Prime ministers, Lithuanian Government press release, [http://www.lrv.lt/main.php?id=aktualijos\\_su\\_video/p.php&n=3258](http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=3258)

<sup>935</sup> ES pripažino Lietuvos energetikos problemą [The EU has recognized the Lithuanian energy problem], Lithuanian Government press release, March 24, 2006, [http://www.lrvk.lt/main.php?id=aktualijos\\_su\\_video/p.php&n=3337](http://www.lrvk.lt/main.php?id=aktualijos_su_video/p.php&n=3337)

<sup>936</sup> LE QUOTIDIEN (L.Q.) 11.1.2006 « Jean Asselborn convoque l'ambassadeur d'Iran »

<sup>937</sup> L.Q.10.4.2006 « Aider le peuple palestinien »

<sup>938</sup> T. 4.4.2006 „Asselborn warb in Kuwait für den Standort Luxembourg“

<sup>939</sup> LETZEBUERGER JOURNAL (L.J.) 8.4.2006 „Luxemburger Gelder fließen weiter“

<sup>940</sup> LE JEUDI 6.4.2006 « Asselborn au pays de l'or noir »

<sup>941</sup> L.W.4.4.2006 Laurent Zeimet « Wir wollen vom Beispiel Luxemburg lernen »

<sup>942</sup> L.J. 4.4.2006. Nic Dicken: „Den Dialog fördern wo er nötig ist“

<sup>943</sup> T. 4.4.2006 „Asselborn warb in Kuwait für den Standort Luxembourg“

## Malta

Since joining the European Union two years ago Malta has consistently demonstrated the enhanced geopolitical clout it brings to international relations by promoting stability in the Mediterranean and peace in the Middle East. As an active and ardent proponent of peace in the Middle East, Malta has long been a supporter of a two-state solution to the Middle East conflict between Israel and Palestine. As an EU member and thus party to the Quartet (European Union, United States, United Nations, Russia) that supports the Middle East Road Map peace proposal, Malta is continuously seeking to advance the quest for peace in the Middle East through its foreign policy agenda.

Malta supports the disengagement by Israel from occupied territories in Gaza and parts of the West Bank. Malta fully endorses the ultimate objective of the existence of two neighbouring, viable and sovereign states, living in peace and security and firmly opposes any statement calling for the obliteration of Israel.<sup>944</sup>

Malta intends to the role of rapporteur of the United Nations Committee on the Exercise of the Inalienable Rights of the Palestinian People, serving as a voice of moderation and emphasising the importance of the United Nations as a multilateral forum for peaceful resolution and respect for the international rule of law.

Malta welcomes Iraq's political transition in line with the United Nations resolutions and the European Union's Conclusions and supports all efforts towards peace and stability in the Middle Eastern region.

## Netherlands

### Iran

From the beginning the Dutch' government has been supporting the efforts of the United Kingdom, France and Germany (EU-3) to reach a diplomatic solution vis-à-vis Iran on the nuclear dossier, while at the same time advocating addressing the issue in the United Nations Security Council (UNSC) in case no agreement could be reached on complying with the standards set by the International

Atomic Energy Agency (IAEA). As a consequence of its position, it supported the decision of the EU3 on 12 January to forward Iran's nuclear dossier to the UNSC and the resolution of the IAEA-Council to report to the UNSC.<sup>945</sup> In its opinion readdressing the issue to the Security Council will help continuing pressure on Iran to comply with IAEA demands. The Netherlands underlines the importance of a united international position within the UNSC on finding a diplomatic solution and advocates a continued involvement of EU in this process. Within the General Affairs and External Affairs Council (GAREC) the Netherlands from the start along side the other member states strongly supports the importance of reaching a diplomatic solution and refraining from military means. In this respect it welcomed the Russian mediating efforts, which unfortunately failed and distanced itself from rumours of a possible American military intervention in Iran and reassured itself at the informal NATO Summit in Sofia of American commitment to finding a diplomatic solution.<sup>946</sup> Also, the Netherlands has been addressing continuously the human rights situation in Iran and has advocated fostering a dialogue with civil society in Iran as an EU priority with reference to its own efforts in media projects in the country. On the bilateral level, the ambassador of Iran has been summoned several times concerning the worrying human rights situation in his country.<sup>947</sup>

Concerning other worrying developments pressuring the EU-Iran relationship that is, the cartoons affair and economic boycott of Denmark, the statements of the Iranian president concerning destroying Israel and the Holocaust being a myth and the unconstructive attitude towards the Middle East Peace process, the government critically monitors the situation.<sup>948</sup> By means of the prime minister the government voiced its support for the Danish approach in the cartoons affair. During the visit of the Iranian deputy minister of foreign affairs to the Netherlands on 10 February the government addressed the above mentioned issues including the concerns on the nuclear

<sup>944</sup> Malta Strategic Objectives, Point 4, 2006.

<sup>945</sup> 'Geannoteerde agenda RAZEB 30 jan 2006, LTP, 24/01/06 and 'Geannoteerde agenda RAZEB 27 feb 2006', LTP, 21/02/06

<sup>946</sup> 'Beantwoording vragen Karimi tav uitspraak Bush', LTP, 11/05/06.

<sup>947</sup> 'Geannoteerde agenda RAZEB 10-11 april 2006, LTP, 4/04/06.

<sup>948</sup> 'Geannoteerde agende RAZEB 27 feb 2006', LTP, 21/02/06



dossier and strongly condemned the statements of the Iranian president.<sup>949</sup>

### *Israel-Palestinian Conflict*

On the Middle East Peace process the Netherlands supports in general the involvement of the European Union and in this respect agrees with the position of the EU and the Quartet (US, UN, EU, Russia) concerning redefining the relationship with the Palestinian Authorities (PA) after the election of a Hamas government on basis of three criteria: recognition of Israel, refraining from violence and adhering to existing commitments like the roadmap. The government does not agree with the Israeli position voiced by its vice Prime Minister Olmert of a one sided determination of the borders by Israel and will strongly urge both parties to adhere to the roadmap.<sup>950</sup> Concerning the financial support of the European Union to the Palestinian Authorities, the Netherlands agrees that this can only be decided after the new government has been installed and in the meantime has requested Solana and the European Commission to investigate the needs of the population and income of the PA. It also will be conditional upon the above mentioned criteria.<sup>951</sup>

### *Energy security*

Energy security is high on the Dutch agenda. In a visit of the Minister of Foreign Affairs Bernard Bot to Saudi Arabia and Qatar in the framework of strengthening ties with Gulf States energy was on the agenda and a meeting with the minister for oil affairs was scheduled. The long-term demand for energy was discussed as well as the increasing demands from India and China.<sup>952</sup> Given the growing energy import dependency in the European Union in combination with tight oil and gas markets the Dutch government deems it of utmost importance to put security of supply high on the European agenda. The minister of economic affairs Brinkhorst urges with reference to the international situation to develop an external energy policy in the

European Union and to foster ties between producing and consuming countries and among consuming countries. Cooperation with Russia is in his opinion crucial for both the Netherlands and the EU.<sup>953</sup> The government welcomes the Green Book presented by the European Commission on 8 March, which voices the same priorities as the Netherlands: security of supply; enhancing competition capacity and sustainable development. The government draws special attention to mutually reinforcing these three pillars of the policy for example through technical innovations aiming at energy efficiency. It also supports the ongoing liberalisation of the European energy market. Because the Green Book mainly focuses on the internal dimension of energy, the Netherlands, Belgium and Luxemburg presented a Benelux position paper European security and foreign policy at the European Council on 23-24 March to address the external dimension of energy policy. One of the issues raised is that security of supply not only concerns the EU, but also the “energy lifelines”, that is the transport and transit of energy outside the territory of the EU. The Netherlands would like to see the CFSP High Representative Solana develop a Common Strategy be discussed at the European Council in June.<sup>954</sup> On the forthcoming EU-Russia Summit on 25 May the Netherlands would like to devote special attention to the energy issue when discussing the four common spaces. As stated in the Benelux position paper the government would like to see Russia ratify the Energy Charter.<sup>955</sup>

### **Poland**

The EU role in solving the Iran and Middle East problems is perceived as a second rank one in Poland. There is no public information sources available on this topic. It seems (according to informal sources of information) that it is the US that is seen as the main actor in both those areas. The media informs about the events the EU takes part in (negotiations with Iran, ban on financial aid to the Hamas-led Palestinian government) rather than speculating on the

<sup>949</sup> 'Beantwoording vragen van het lid Van Baalen over het bezoek van de Iraanse onderminister van Buitenlandse Zaken Saeed Jalili aan Den Haag', Letter to Parliament of the Minister of Foreign Affairs, 27/02/06 at the Dutch MFA website: <http://www.minbuza.nl>

<sup>950</sup> 'Geannoteerde agenda RAZEB 27 feb 2006', LTP, 21/02/06.

<sup>951</sup> 'Verslag Informele Raad RAZEB te Gymnich 10-11 maart 2006', LTP, 15/03/06.

<sup>952</sup> 'Verschillende kwesties die samenhangen met de onrust rond de publicities van spotprenten in Denemarken', LTP, 21/02/06.

<sup>953</sup> L.J. Brinkhorst, 'Nederlands energiebeleid in internationaal perspectief', Internationale Spectator vol. 60, issue 5 (May 2006), 234-238.

<sup>954</sup> 'Geannoteerde agenda RAZEB 20-21 maart 2006', Letter to Parliament of the Minister of Foreign Affairs, 15/03/06 and 'Geannoteerde agenda Europese Raad 23-24 maart 2006 incl. Ontwerp Conclusies Europese Raad en Benelux memorandum energie', LTP, 21/03/06.

<sup>955</sup> 'Geannoteerde agenda RAZEB 15-16 mei 2006', LTP, 12/05/06.

EU's role as a decisive power. The EU influence on the developments in both areas in question is seen as limited.

As far as an energy security is concerned, Polish public opinion still counts on the EU's solidarity vis-à-vis Russia. The lack of this is however resulting in growing disillusionment. The solution seems to lay in regional co-operation with Ukraine, Georgia and Azerbaijan, which are kept out of Russian control through American rather than European protection. Norwegian gas is seen as the other alternative energy source that the diversification of the supplies for Poland should be based on.

## Portugal

### Iran

The Portuguese government has kept a low profile on the issue of Iran's nuclear programme, opting for a general support for the diplomatic action of the European Union, both bilaterally or at the United Nations. The national debate on the issue has focused on what should be the long-term strategy of the international community if Iran does not back down on its nuclear programme. More concretely, commentators are divided on whether there should be a military option as a last resort in case all other measures fail. Some argue that the option of military intervention (possibly against Iranian nuclear plants) should be spelled out clearly from now, since the threat of economic sanctions will not suffice to stop the ambitions of the current Iranian regime.<sup>956</sup> Others believe that a military operation against Iran, even with a UN mandate, should not be seriously considered for now, as it would most likely reinforce the extremists inside Iran and fuel Arab resentments vis-à-vis the West, including Europe.<sup>957</sup>

Declarations by the Minister for Foreign Affairs Freitas do Amaral have caused some controversy, as he admitted the possibility of a military intervention against Iran in case it does not give up its nuclear programme. In his words, a hypothetical military operation would

necessarily require the approval of the UN Security Council and be used as a last resort in case diplomatic talks and economic sanctions fail.<sup>958</sup> The statement caused some controversy next to the political sectors (namely the extreme-left parties) who opposed any kind of military intervention. All other political parties represented in Parliament supported the minister's words.<sup>959</sup> Despite this rather assertive statement on the part of the government, there is no indication that Portugal will diverge from the European approach to the Iranian issue.

### Israel-Palestinian conflict

Portugal's traditional approach to the Israel-Palestinian conflict is a rather balanced one, acknowledging the interests of both parts. This is not the same as a policy of neutrality, especially if we consider that Portugal has for a long time supported Palestinian statehood ambitions. The current government has not changed this basic approach and in fact has placed the fostering of cooperation with the Arab world as one of the main foreign policy priorities. Evidence of this *rapprochement* are the various official visits of members of the government to countries such as Libya, Saudi Arabia, Egypt, Tunisia and Morocco.

The concern with maintaining good ties with Arab countries did not, however, lead to a departure from the European consensus for the region. Hence, the government has not questioned the EU response to the victory of Hamas in the Palestinian parliamentary elections and the subsequent suspension of EU aid to the Palestinian authority, even if it has not shown any particular enthusiasm for the decision. Statements by the Palestinian Minister for Foreign Affairs saying that he had met the Portuguese Foreign Minister and presenting it as a signal of dissonance inside the EU were quickly dismissed by the Minister for Foreign Affairs as an exaggeration of a casual encounter between the two ministers.<sup>960</sup>

Analysts and political commentators in general adopted a "wait-and-see" approach and stressed the need to take into account the democratic character of Hamas' victory. Most believe that a fair judgment of the new

<sup>956</sup> See, for example, Fernandes, José Manuel "A resposta necessária à ameaça iraniana" in Público, 17 January 2006; Delgado, Luís "O tempo escasseia na crise do Irão" in Diário de Notícias, 15 May 2006.

<sup>957</sup> Teixeira, Nuno Severiano, "Irão: a crise de cuba ao retardador" in Diário de Notícias, 19 March 2006.

<sup>958</sup> "Freitas admitiu intervenção contra o Irão" in Público, 25 April 2006.

<sup>959</sup> Botelho, Leonete, "Freitas do Amaral defende resolução do Conselho de Segurança da ONU sobre o Irão" in Público, 4 May 2006.

<sup>960</sup> "Hamas aproveita-se de Freitas" in Diário de Notícias, 10 May 2006

Palestinian government must be based on concrete actions and underline the importance that free and fair elections in Palestine may have for other countries in the region. The EU's alignment with the American line on Hamas and hence the lack of an independent EU policy on the issue was harshly criticised by some. It was, above all, a signal of weakness of the Union's much heralded democracy promotion policies and a negative message for political forces in other countries in the region that challenge the political *status quo*. Without acknowledging that democratic elections may bring to power "difficult" interlocutors, the EU's capacity to influence political transitions in its neighbourhood is seriously hindered.<sup>961</sup>

### *Energy security*

Despite the wide media coverage of the Russian-Ukrainian gas contronvery in early 2006, the whole issue of Europe's excessive dependence on Russian gas supplies did not have a strong political echo. That is partially explained by the fact that all Portuguese gas imports originate from Algeria, thus the crisis had no practical impact in the country. Analysts were unanimous in their understanding of the crisis as yet another signal of Russia's current "imperialist" tendency, especially regarding its immediate neighbours, as well as a wake up call for Europe's need to develop a consistent energy policy. It should also be seen as factor for the re-consideration of the EU's relations with Russia, especially in view of the existing divisions among Member States on how best to approach their large neighbour to the East.<sup>962</sup>

## **Romania**

### *Iran / Israeli-Palestinian conflict*

Romania has no official position or specific recommendations concerning the way the EU should approach the Iranian nuclear program and the Israeli-Palestinian conflict.

According to the Romanian National Security Strategy<sup>963</sup>, one of the country's priorities is to actively participate to the consolidation of

international security, getting involved in the fight against international terrorism and proliferation of weapons of mass destruction. Thus, Romania supports the efforts of the international community to prevent and fight the proliferation of weapons of mass destruction. It also takes part in the preparation and implementation of NATO and EU policies and strategies in that area: "Romania also contributes to the efforts of the UN and other international organisations involved in fighting the proliferation and attempts of some states to use the guise of developing civilian nuclear capabilities to manufacture weapons of mass destruction"<sup>964</sup>.

The vision promoted by the Romanian Security Strategy is built upon the concept that the "security of the Euro-Atlantic community is indivisible, while the transatlantic relation is its fundament". Loyal to that transatlantic approach, the strategy fosters the reconstruction and intensification of EU-NATO relations, supporting a joint transatlantic response to the challenges and threats of the Greater Middle East area<sup>965</sup>.

Although it does not propose actual solutions or recommendations related to the EU strategy concerning the issues of the Greater Middle East, the Security Strategy emphasizes the fact that by consolidating the specific security and defence dimension of the EU, the global strategy to fight the risks and threats in the Greater Middle East may be more effectively approached.

The issue of EU relations with the Greater Middle East is not touched in Romanian public debates, as it remains an issue of interest for the academic area and the specialists in international security issues. The analyses devoted to that theme generate a quite diverse range of opinions on the way the sensitive issues of the Middle East should be treated. Generally, there is a balance between the approaches defending the interventionist solution of the US policy in the issues of the Iranian nuclear program and the Israeli-Palestinian conflict and the opinions

<sup>964</sup> Ibid 9.

<sup>965</sup> "Thus, Romania will act to improve the political and strategic coordination of the security efforts of both organisations, based on common values and interests, while maintaining the fundamental role of the Alliance in the collective defence and Euro-Atlantic security and increasing the EU contribution to the common goals, in particular as regards the pan-European, pan-Asian, Middle East and African security", cf. Romanian National Security Strategy, 2006, p. 17).

<sup>961</sup> Vasconcelos, Álvaro, "A ignorância perigosa" in O Mundo em Português, 61, February-March 2006.

<sup>962</sup> Sousa, Teresa de, "A Europa, a Ucrânia e Vladimir Putin" in Público, 3 January 2006.

<sup>963</sup> Romanian National Security Strategy, European Romania, Euro-Atlantic Romania: For a Better Life in a Safer, Democratic and Prosperous Country, 2006.

considering the European model more suited and effective to diplomatically deal with the Greater Middle East problems (the “G3 plus Solana” paradigm). However, a certain propensity to the transatlantic approach may be noticed, without excluding the possibility of using military instruments in case the diplomatic negotiations do not produce clear results in the near future.

According to the view expressed by the director of the Institute of Defence Political Studies and Military History, “regarding Iran, the EU should back a stick and carrot policy and continue to support US’ efforts to deal with this problem. And regarding the Israeli-Palestinian conflict, the EU should take into account the well-being of Palestinian people (financial support), but also the security of the state of Israel. The EU should continue to work alongside other international partners to renew the Israeli-Palestinian negotiations for reaching the targets of the already obsolete Road Map process, alongside with the other international partners”<sup>966</sup>.

#### *Energy security*

The issue of energy security attracted the interest of Romanian officials and public opinion, in particular after the tense moments generated by the “natural gas crisis” at the end of the last year. Various officials participated in a series of debates devoted to identifying an energy solution for Europe and expressed opinions concerning those issues.

Within the “*Transatlantic Challenges in a Global Era*”<sup>967</sup> forum, President Băsescu insisted upon the fact that, besides the need to identify alternative resources, the establishment of alternative energy transportation systems is also important. Drawing attention towards the Black Sea area – a major issue of the Romanian foreign policy agenda recently – Romanian officials consider that the energy security of Europe depends a lot on the consolidation of the Black Sea area, which would become, after the Romanian EU accession, a “Community sea”. That is a main transit route for energy resources and a strategic connector linking Europe (as a security provider and energy consumer) to the Middle East – Caspian – Central Asian region

(as an energy provider and security consumer).

At the *Black Sea Energy Conference*<sup>968</sup> the importance of the NABUCCO project, including Romania, together with Turkey, Bulgaria, Hungary and Austria, was also discussed. According to the estimates, by completing that project, natural gas supply sources would be diversified, the European natural gas supply security would increase, as well as the European access to substantial natural gas resources in the Middle East.

As the need to identify alternative energy routes has appeared, Mihai-Răzvan Ungureanu, Ministry of Foreign Affairs, notes the importance of the EU’s firm involvement in the Black Sea regional security consolidation process: “In the future, the oil pipes will drive westwards through the Black Sea region, Romania and Bulgaria. However, that alternative may become functional only after the security in the Black Sea region has been ensured. The EU must be committed to that purpose”<sup>969</sup>.

On the other side, as regards the issue of the depletion of traditional energy resources, Prime Minister Călin Popescu-Tăriceanu expresses his point of view on renewable energy sources, and nuclear energy: “Nuclear energy is accepted by half of the EU, however the other half rejects it. Everybody understands that, now, to reject nuclear energy as an energy source for the EU has become rather a caprice. Even environmentalists will have to understand that, due to new available technologies, nuclear energy should stop being avoided”<sup>970</sup>.

At the academic level, there are some views taking into consideration the alternative of keeping good relations with Russia as a possible solution to the energy issue. As Prof. Ionescu said: “Regarding the issue of energy security, the EU should continue to work on relations with Russia and also engage in enhanced dialogue with states having an important geo-strategic position for oil

<sup>966</sup> Interview with Prof. Mihail Ionescu, director of the Institute of Defence Political Studies and Military History.

<sup>967</sup> *Transatlantic Challenges in a Global Era*, 30 April 2006, Brussels.

<sup>968</sup> Black Sea Energy Conference, 3-5 April 2006, Bucharest.

<sup>969</sup> Interview with Mihai-Răzvan Ungureanu, Minister of Foreign Affairs, in the Austrian daily Die Presse, 4 March 2006.

<sup>970</sup> Press statements of Călin Popescu-Tăriceanu, Romanian Prime Minister, after the meeting with Olli Rehn, 23 March 2006, Brussels.

corridors. Its energy strategy should be more precise in terms of geopolitical references<sup>971</sup>.

## Slovakia

The Greater Middle East has not been a hot issue in Slovakia in the first half of 2006. The Slovak media largely repeated the news of foreign press agencies. At the EU political level, the Slovak Republic held the position that the EU should not stop its financial support for Palestinians immediately. Eduard Kukan, the Minister of Foreign Affairs said: "It is inadmissible that ordinary people in Palestine would suffer from the stop of Union's financial aid, but on the other side we cannot provide aid to a movement that does not recognize Israel."<sup>972</sup>

Regarding the Iranian nuclear question, Slovakia supported the idea of a deliberative multilateral approach. Even if Slovakia's diplomacy strongly opposes the Iranian nuclear program, Foreign Minister Eduard Kukan did not support the prompt imposition of sanctions. He called for a joint signal from the international community that it was not willing to accept the Iranian nuclear program, "[t]he trade with ambiguous technologies or military material with Iran should not continue."<sup>973</sup> Slovak support for a collective effort to solve the problem not only reflects the country's membership in the EU and NATO but also its current position of as non-permanent member of the UN Security Council.

## Slovenia

Whereas media coverage on the issues of the Greater Middle East and the position towards the new Palestinian leadership and the Iranian nuclear programme are steady and thorough, they are completely absent from the Slovenian political discourse. The Government, as well as the opposition<sup>974</sup> support the EU's and the International Atomic Energy Agency's (IAEA) endeavours. It is worth mentioning, however, that these issues are also absent in this year's Declaration on the directions for activities of the Republic of Slovenia in EU institutions in

<sup>971</sup> Interview with Prof. Mihail Ionescu, director of the Institute of Defence Political Studies and Military History.

<sup>972</sup> „Únia dala Hamasu podmienky. Bez termínu.“ In *SME*, 31.1.2006.

<sup>973</sup> „Kukan: Situáciou okolo Iránu je slovenská diplomacia znepokojená“, *SITA*, 3.5.2006

<sup>974</sup> Social Democrats in their answers to the questions we sent.

2006. In their answer, New Slovenia, besides the support for the IAEA, expressed the wish for more assertive EU action against Iran, which, however, must not endanger the support for Iranian civil society and respect for human rights in Iran. Similarly, they expressed their support for EU policy towards the new Palestinian government and the expectation of the EU to stand behind its conditions for the relations with the Palestinian authority as set by the Council earlier this year.

Watching closely the New Year's energy disagreement between Russia and Ukraine, Foreign Minister Rupel exposed the necessity of a common European energy strategy; Prime Minister Janša added that bilateral agreements of some countries, such as the German – Russian agreement on construction of a gas pipe line in the Baltic, bring unease and damage.<sup>975</sup>

Energy security later became one of the four thematic priorities of the Slovenian presidency over the EU in the first half of 2008.<sup>976</sup> The answers of both political parties, which we obtained, indicate a strong interest in energy security. They stress the importance of a common European energy policy, research in the field and sustainability. Social democrats also stress the importance of relations with Russia, seeing the energy sector as the priority field, which can contribute to strengthening of relations between Europe and Russia and to the creation of a partnership on the Euro-Asian continent.

## Spain

Please point out the role that the EU should take up with regard to Iran (nuclear question), the Israel-Palestinian conflict (after the elections in Israel and for the Palestinian Legislative Council) and the question of energy security (also with regard to Russia, Southern Caucasus etc.).

According to the Spanish government, the EU must play a relevant role in negotiations with Iran. Dialogue and all diplomatic avenues must be exhausted. If the negotiations and incentives from the EU for a peaceful solution fail and the Iranian government continues with its nuclear programme, the issue must be

<sup>975</sup> Delo (2006), Predsedovanje EU ena glavnih tem [Presidency over the EU one of the main issues], 5 January 2006.

<sup>976</sup> As Foreign Minister Rupel explained to students at the Faculty of Social Sciences on the 9 May 2006.

analysed in the Security Council. Nevertheless, there is a high degree of uncertainty about a peaceful resolution to the nuclear crisis.

The victory of Hamas in the last Palestinian elections has been a concern for the Spanish government. Spain does not trust in the new government's capacity to control the Palestinian territories. Hamas's refusal to abandon the use of violence could be a death blow to the Peace Process, which is now at a standstill.

## Sweden

In comments to the Israeli and Palestinian elections in the spring, the Swedish Prime Minister has repeatedly stressed the need for shared responsibility and democratic foundations for the continuation of the peace process, but at the same time noting that the history of Hamas has not been compatible with democratic governance. The Palestinian government must thus abstain from violence and terrorism and recognize Israel's right to exist.<sup>977</sup>

There has been a rather fierce debate during the spring regarding the government's allegedly weak approach toward Hamas, especially in reaction to the decision to grant a leading Hamas representative an entry visa. Allegations from all quarters of the political spectrum were made against the government for ignoring the oppression in the Middle East and redirecting its stance on terrorist organisations away from the common EU position.<sup>978</sup> The events also caused EU reactions, and in the end the visit was cancelled as France refused to grant the Hamas representatives visas.

The government has publicly stressed the need for EU engagement in the area to continue. Not least the developments regarding the Muhammed pictures show the need for increasing cooperation between Europe and the Middle East.<sup>979</sup>

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<sup>977</sup> Persson, Göran, comments January 26 and March 28 (<http://www.regeringen.se>)

<sup>978</sup> For an example, see article in Dagens Nyheter on May 5 by the Liberal Party Youth Organisation (<http://www.dn.se>)

<sup>979</sup> Ringholm, Bosse, speech March 30 2006 (<http://www.regeringen.se>)

## Turkey

The EU has to be actively involved in burning issues likely to impact on the future of the region defined as the Greater Middle East. The EU has the potential to impact positively on internal dynamics, however it cannot be protected from tensions and destabilisation arising from the region. The Greater Middle East has to be perceived - and approached - as a European neighbourhood.

From the point of view of the EU's role in foreign affairs, Turkey's accession process brings both advantages and challenges. Turkey could be a factor for enhancing stability and the role of the EU in the conflict-prone region of the Middle East. Turkey's accession would extend the EU's borders to countries which are presently a source of tensions, and move the problems of the region higher on the agenda of the EU's external relations.

Political dialogue between the EU and Turkey, and cooperation on European Security and Defence Policy (ESDP) and Common Security and Foreign Policy matters related to the Middle Eastern issues has to be enhanced. The degree of cooperation set with Turkey will enable the European Union to develop sound strategies with a long-lasting effect on the Greater Middle East. Much will depend on how the EU itself will take on the challenge to become a full-fledged foreign policy player in the medium term in a region traditionally characterised by instability and tensions.

The integration of the Greater Middle East into the European Neighbourhood and the perspective of the extension of the EU's external border to Syria, Iran and Iraq will have a real effect on Europe's role and capacity of action in the Greater Middle East. There is a large convergence of views between Turkey and the EU about the need for a stable, predictable and democratic Iraq. Turkey has a longstanding interest in maintaining Iraq's territorial integrity. In the recent period, Turkey has acted constructively, taking several diplomatic initiatives with Iraq's neighbouring countries about common concerns related to the fight against terrorism and prevention of ethnic conflict and unrest. Turkey has an important role to play in the stabilisation and reconstruction of Iraq, and has a substantial economic interest as Iraq was traditionally an important commercial partner. Iran's nuclear programme remains a source of concern for Turkey, as it does for the EU. Relations with

Syria have been steadily developing since the end of the 1990s. Turkish-EU joint efforts should aim at bringing Syria and Iran into the European area.

With the development of Turkey's role as a corridor for road, rail, air, maritime and pipeline, connections between Europe and its southern neighbourhood would increase. The economic and trade integration of the Mediterranean region as a whole could thus be facilitated. A key issue in the region is access to water for development and irrigation. Water in the Middle East will increasingly become a strategic issue in the years to come, and with Turkey's accession one could expect international management of water resources and infrastructures to become a major issue for the EU.

The EU security interests include energy, transport and border management. Turkey would have a major role to play in the security of the energy supply of the enlarged EU, since it would have on its borders the most energy-rich regions on the planet. Turkey is expected to develop further as a major oil transit country as, in addition to the Bosphorus and the northern Iraq-Ceyhan pipeline, the Baku-Ceyhan pipeline comes into operation. For gas, Turkey will become an increasingly important transit country between the enlarged EU and the Caspian producers as well as the Middle East. There is extensive energy and gas cooperation between Iran and Turkey, with potential for the EU to become a significant gas market for Iran. The planned "Nabucco" gas pipeline project is aiming at connecting Turkey-Bulgaria-Romania-Hungary-Austria. This ambitious 3,300-kilometer onshore project, will link Northern Iran and Europe via the Caspian Sea and Turkey.

## United Kingdom

### *Iran problem*

The UK is part of the EU3 leadership (Britain, France and Germany) on the Iran issue. The group shares the International Atomic Energy Agency's (IAEA) concerns about Iran's nuclear energy programme and is currently discussing with the United States, Russia and China a diplomatic solution to persuade Iran to take the confidence-building measures requested by the IAEA. The EU3 are trying to reach a balance between the imposition of sanctions

and a package of incentives in order to provide Iran with negotiating options.

However, the government stance on the Iran problem is observed by the British media in the light of the likelihood of future military action as Iraq is still an issue in the public debate. Both in the government and in the public, there seems to be little appetite for any sort of military involvement. In this regard, Margaret Beckett, Jack's Straw successor, has recently said that "it is clearly not the intention of the international community to take military action, but it is the intention of the international community to encourage Iran to see the nature of the choice that lies before it and to take the choice that is in the interests of the Iranian people."<sup>980</sup>

### *Israel-Palestinian conflict*

The UK's commitments in taking forward the Israel-Palestine peace process rests upon the steps agreed in the Quartet Roadmap (US, UN, EU and Russia): commitment to non-violence; recognition of Israel; and acceptance of previous agreements, including the roadmap. Mr. Blair has said that the UK is "anxious to take forward this process" on the basis of a clear "commitment to two states and a commitment to democracy and not violence as the way forward."<sup>981</sup> Following the success of the Hamas in the Palestinian parliamentary elections, the UK and other international partners decided temporarily to suspend half of its funds to the Palestinian Authority while channelling the other half of the funding directly to United Nations organisations and other non-governmental organisations to ensure the money is used for humanitarian purposes. Until the Hamas-led government complies with the Quartet requirements, the UK government will not direct funds to where there is a risk of resources being diverted to terrorism. In the meantime, it is looking at other ways to support the basic needs of the Palestinian people and calling on the Israeli government to continue to provide for the humanitarian needs of the Palestinians.

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<sup>980</sup> Foreign Policy questions in the House of Commons, May 23, 2006, accessible at: <http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029391629&a=KArticle&aid=1145899753572>

<sup>981</sup> Tony Blair, Monthly Press Conference, Thursday 23 February 2006  
<http://www.fco.gov.uk/servlet/Front?pagename=OpenMarket/Xcelerate/ShowPage&c=Page&cid=1007029394617>

*Energy security*

The informal summit of EU heads at Hampton Court last autumn included the question of energy security in the European agenda. The UK government strongly supports the development of a common European energy policy and wants to make energy policy a priority in EU external relations. It is in the UK interest to have a common European project on energy policy whereby European countries can use their collective power in negotiating with the outside world and ensuring the security of energy supply.

The question of a common energy policy has been one of the hot political issues on the agenda, especially after the gas crisis at the beginning of this year that followed the Russian government's decision to increase gas prices, which had an immense repercussion in Britain when British Gas announced an increase in its prices by 25%. Thus, instead of having different EU member states pursuing different and rival policies towards Russian gas for example, a common stance on energy is welcomed within the UK as a means of enhancing the EU's negotiating power in securing the energy supply.



# 8

## Upcoming events and issues

- **What are the most important upcoming political events that will probably impact on EU-policy / policy making in your country?**
- **Which are the four or five priority issues that emerge on the national policy agenda?**
- **Speculate on the influence these issues and events might exert on your country's positions in key issues on the EU level**

## Austria

After Austria hands over the presidency to Finland in July of this year, it is expected that the interest in developments within the EU will drop to a lower, rather practical, level. In late June of this year, the US-President George W. Bush is expected in Austria in order to meet with the European heads of state<sup>982</sup>. This will certainly be the big festive closing event of the Austrian presidency and the meeting is awaited with high sensitivity and interest.

The biggest event which will dominate national politics and especially the media will be the upcoming national elections in autumn. After the recent BAWAG banking scandal<sup>983</sup> and the split of the relatively strong right wing party FPÖ<sup>984</sup> and the newly built BZÖ<sup>985</sup>, the election results are completely open. Furthermore, it is not sure yet whether Hans Peter Martin, member of the European Parliament and well known for his relatively aggressive politics of transparency and equality, will run for the national election campaign. According to recent opinion polls he would probably gain more than 10% of the vote<sup>986</sup>.

Given the BAWAG scandal, the future of the Austrian trade unions will remain a highly discussed topic in the country.

Further crucial topics will be unemployment, reform of the health care system, research, technology and education system, tax reform and the pension reform<sup>987</sup>.

Overall, the national parliamentary elections will be the most dominating issue covered by the media and discussed in public.

## Belgium

Communal and provincial elections will take place on 8 October 2006. The climate is tense in both parts of the country as to the results for the upcoming scrutiny: in Flanders two murders lead to demonstrations against violence and racism, which might weaken the extreme right party (*Vlaams Belang*). In the Walloon part, a deep crisis concerning fraud in

the Socialist party may have a measurable impact on the political landscape. Another salient feature of the pre-election climate is also the growing fear of the possibility that the country could split.

Nevertheless, according to recent polls<sup>988</sup>, little change in the intentions of voting has been registered recently: in Flanders *CD&V* leads with 26-31% of the vote; it is followed by the extremist *Vlaams belang* (VB) (24-26 %) <sup>989</sup>, the socialists (SPA) (19%) and the liberals (VLD) (17%). In the Walloon part, the socialists lead with 30-33%; then the liberals (MR) (25-27%) and the Humanist Democrats (CDH) (16-19%). In Brussels, for the French speaking parties PS and MR share the lead with 26% of the vote and CDH with 13%; for the Flemish parties, the VB gathers 4-6%, and the SPA, CD&V and VLD each receive about 2%.

## Croatia

(1) One of key issues that will influence the economic and social policy making in Croatia was the adoption of the key national strategic document, the *Strategic Development Framework for 2006-2013*, which passed several levels of consultation in the country during April and May 2006. It was announced by the Government as a comprehensive strategic document which introduces the frame for the overall development in the next seven years. The main goals are raising the level of competitiveness, together with strengthening social cohesion and welfare. The development of human resources has been recognised as the main competitive resource of the Croatian economy<sup>990</sup>. The Government expects the document to have a positive influence on the economic and social developments in the country. The document was strongly supported by the National Competitiveness Council (NCC), which recognised its potentials to initiate changes, but at the same time underlined the need to develop as soon as possible action plans and other instruments with clear obligations and deadlines for implementation<sup>991</sup>.

<sup>982</sup> 21. June 2006 in Vienna

<sup>983</sup> The bank is owned by the social-democratic union federation, the Österreichische Gewerkschaftsbund (ÖGB)

<sup>984</sup> Freiheitliche Partei Österreich

<sup>985</sup> Bündnis Zukunft Österreich

<sup>986</sup> Interview with a SPÖ member of the Austrian Parliament in April 2006.

<sup>987</sup> Ibid.

<sup>988</sup> Cevipol, ULB (<http://www.ulb.ac.be/soco/cevipol/>)

<sup>989</sup> It varies according three sources : De Standaard, Le Soir and La Libre Belgique.

<sup>990</sup> Martina Dalić, State Secretary from the Central Office for State Strategy, on the occasion of presenting the Strategy to public, organised by the National Competitiveness Council, Zagreb, 15 May 2006.

<sup>991</sup> Darko Marinac, President of National Competitiveness Council, in: Vjesnik, 16 May 2006, and Mladen Vedris,

However, there are also some more critical opinions among experts,<sup>992</sup> who say the document points out some generally acceptable goals (higher growth rates, stronger investment in human resources, decreasing unemployment, etc) but weak points are seen in the lack of analyses of the present situation as a starting point for defining the overall strategic goals, the lack of envisaged concrete measures and clear obligations in implementation. Trade unions underlined the lack of implementation mechanisms and potential negative social effects for citizens having in mind its envisaged implications for the pension system.<sup>993</sup>

(2) Another important issue is the announced start of negotiations on full membership in the EU in June 2006. The screening process is well advanced – since October 2005, 18 explanatory and 16 bilateral screenings were completed. It is expected that until August 2006 further progress will be made (completion of explanatory screening for 29 chapters and 25 bilateral screenings)<sup>994</sup>. However, the real negotiations will start after the benchmarks for opening the chapters are finalised by the Commission. Namely, the process of negotiations has slightly been changed for the new candidates. The Negotiation Framework for Croatia introduced *benchmarks* for the provisional closure (and, if necessary, for the opening) of negotiations in particular chapters. These benchmarks will refer to legislative alignment and “satisfactory track record” of implementation of the *acquis*, as well as obligations deriving from SAA. The bilateral screening showed that benchmarks will be necessary for a number of chapters, something that is new in these negotiations. Public Procurement is the first chapter for which benchmarks were prepared during the Austrian Presidency. According to it, Croatia has the obligation to prepare an action plan with defined deadlines for implementing the reforms related to the adoption of the *acquis* and building institutional capacities.

The negotiations are expected to be opened at the Intergovernmental Conference in Luxembourg on June 12, starting with Chapter

25, Science and Research. Croatian expectations were higher for the period of Austrian Presidency, but it has become evident that more time was necessary for the Commission to define benchmarks.

There are independent opinions that believe defining the benchmarks and opening the negotiations on different chapters in a slower speed than expected might to a certain extent influence the duration of the overall negotiations and the achievement of the Croatian Government’s target date of full membership in 2009. On the other hand, there are opinions officially expressed in the national Parliament that Croatia is slowing down or even postponing its reforms and that the process of legal harmonisation is slower than in previous years. This was seen as a serious obstacle that might hamper the speed of integration into the EU<sup>995</sup>.

(3) Combating corruption is also one of the key priorities on the national policy agenda for the next period. Corruption is becoming a more important issue, as compared to the period of the last few years. This was particularly stressed at the Stabilisation and Association Council meeting held in April 2006 in Luxembourg. This is also one of the issues mentioned in the in the last “Croatia 2005 Progress Report” prepared by the EC<sup>996</sup>. In response to the critics coming from various sides, the Government adopted the long-awaited “*National Program for Combating Corruption, 2006-2008*”. It was publicly presented by Prime Minister Sanader on 10 March 2006. The Programme was prepared by the Ministry of Justice in cooperation with the most prominent domestic legal experts in 2005, but still awaited Government approval in March 2006.<sup>997</sup>

The new National Program for Combating Corruption, 2006-2008 was also approved by the Croatian Parliament on 31 March 2006. The main areas of particular focus of the new National Program are: a) judiciary; b) health; c) local administration; d) public administration and political parties; e) economy (market competition; public procurement, privatisation);

Member of NCC on the occasion of consultations on future document in NVC, April 2006.

<sup>992</sup> Ljubo Jurcic, MP and former Minister of Economy, in: Jutarnji list, 6 May 2006.

<sup>993</sup> Mario Svirig, Chief economist, Federation of Independent Trade Unions, in Jutarnji list: 10 May 2006.

<sup>994</sup> Tamara Obradovic Mazal, State Secretary and negotiator for Chapter Public Procurement, in: Poslovni dnevnik, 16 May 2006.

<sup>995</sup> Neven Mimica, President of Parliamentary Committee for EU Integration and Member of National Committee for Monitoring Negotiations with the EU, in: Croatian Parliament, 11 May 2006.

<sup>996</sup> European Commission, Croatia 2005 Progress Report, 9 November 2005, SEC (2005) 1424.

<sup>997</sup> For the text of the New Program see the Croatia Government website: [www.vlada.hr](http://www.vlada.hr), and Ministry of Justice [www.pravosudje.hr](http://www.pravosudje.hr).

f) science, education and sports. Activities scheduled in the Program envisage strengthening of the prevention of the corruption as well as sanctions for the confirmed cases. In this context, strengthening and more efficient actions of the key actors is also envisaged (State office for Combating Corruption and organized crime- USKOK, judiciary, police and State Attorney). For effective implementation of the Program, education of public administration of the targeted sectors, active participation and monitoring of the public, as well as extensive public campaigns are also envisaged.

According to the most important comparative international reports, Croatia still ranks high on the list of corrupt countries. The Transparency International Report showed that the highest corruption exists in legal institutions and political parties. The index of corruption in Croatia is 3.5 (satisfactory level is 5, maximal index 10).

The other important issues on the national agenda are:

4) Judiciary and public administration reform- the reform has already had some positive results as the number of backlog cases at the Croatian courts has been significantly reduced, from 1.2 million to about 800,000.<sup>998</sup> In March 2006, due to some disagreements on the issue of placement and selection of judges, Minister of Justice Vesna Ozbolt has been replaced, as she complained of political interference on the process.

5) Reduction of public expenditure, deficit and tax burden - these priorities are clearly stated in the Pre-Accession Economic Programme 2006-2008<sup>999</sup> as well as the prolonged IMF- Stand-By Arrangement (March 2006)<sup>1000</sup>;

6) Strengthening innovation and technological development and increase investments in the R&D - the priority is clearly stated in the "Croatian Science and Technology

Development Policy"<sup>1001</sup> and Budget Proposal for 2006<sup>1002</sup>;

Regarding the influence of these topics on Croatian positions in key EU issues two aspects should be emphasised:

1) Transparency International positioned corruption among the strongest obstacles, which might affect positive achievements in the overall reforms Croatia that is undertaking on its way to the EU<sup>1003</sup>. High levels of corruption and slow reform of the judiciary are seen as key obstacles in Croatia's progress towards the EU by relevant experts and MPs<sup>1004</sup>. Investment in human resources is seen as one of the key issues in solving the problem of corruption, particularly in the area of judiciary. The leading Croatian experts agree that issue of corruption, if not energetically tackled, might impact the pace of negotiations with the EU and consequently prolong the time for accession to the EU, similarly to Romania and Bulgaria<sup>1005</sup>. They took part in preparation of the Program, and are of the opinion that the Government did not act timely in tackling the issue.

The issue of corruption was also recognized as an important one at the National Competitiveness Council, which, with the support of the USAID, in March 2006 started a Programme for Regulatory Reform and Reduction of Administrative Barriers (Regulatory Guillotine).<sup>1006</sup> Over-regulation and numerous administrative barriers could also be a significant source of corruption, and therefore further simplification and transparency of administrative procedures are necessary in order to reduce the likelihood of corruption.

2) As for the recent internal political events that have had an impact on EU policy-making in Croatia, it might be important to mention the polarisation of the political scene (April 2006) and the quite open and almost unprecedented

<sup>998</sup> Ministry of Justice, [www.pravosudje.hr](http://www.pravosudje.hr).

<sup>999</sup> Pre-Accession Economic Programme, 2006-2008, Government of Republic of Croatia, December 2005, [www.vlada.hr](http://www.vlada.hr).

<sup>1000</sup> Republic of Croatia, Second Review Under the Stand-By Arrangement and Requests for Extension and Augmentation of The Arrangement, Rephasing of Purchasing, and Waiver of Nonobservance of Performing Criteria, IMF, 8 March.

<sup>1001</sup> "Croatian Science and Technology Development Policy", Ministry of Science, Higher Education and Sports, October, 2005.

<sup>1002</sup> Budget Proposal for 2006 with Projections for 2007 and 2008, Ministry of Finance, [www.mfin.hr](http://www.mfin.hr).

<sup>1003</sup> Zorislav Antun Petrovic, President of Transparency International Croatia, in: Jutarnji List, 15 April 2006.

<sup>1004</sup> Prof. Ivo Josipovic, Faculty of Law, Zagreb.

<sup>1005</sup> Prof. Josip Kregar, Dean of the Faculty of Law, statement on the occasion of public presentation of the Government Program of Combatting Corruption, 2006-2008, HRT, Dnevnik (Prime News), 10 March 2006.

<sup>1006</sup> National Competitiveness Council, The Press Release, 1 March 2006 ([www.konkuretnost.hr](http://www.konkuretnost.hr)).

political confrontation of the two leading political figures: the present Prime Minister Ivo Sanader and Mr. Ivica Račan, the leader of the strongest opposition party SDP (Social Democratic Party). As some political analysts<sup>1007</sup> and political leaders of other parties<sup>1008</sup> have emphasized, this could endanger the pro-European political consensus that was built in Croatia in the last 4-5 years. Deputy Speaker of the Parliament Dr. Vesna Pusić, Croatian People's Party, commented, "It would be wrong to take this consensus for granted as the number of Euro-sceptics are growing (polls in March and April)<sup>1009</sup> especially on some issues, and therefore all the political leaders should work towards its further strengthening instead of dissolving it". The rhetoric of the two opposed parties was particularly harsh during the local assembly elections in 4 municipalities in April, when the SDP won a majority of the seats in 3 of them. Since April this polarisation has been somewhat decreased and softened, but the political rivalry between the two strongest parties is expected to continue in the future, as the new round of parliamentary elections scheduled for next year approaches. The polls done in May 2006 by the prominent opinion research agency Puls, show an increase of the popular support to the integration with the EU by 5% as compared to the polls in April. However, it is rather concerning that popular support remains at such a low level of 42.8 %, especially when compared with much higher popular support in the previous years. The support to the NATO is also at very low level of 34.1% of population.<sup>1010</sup>

## Cyprus

It must be emphasised, once again, that the main issue preoccupying the political and social life in Cyprus is the country's political – one may even say, "existential" – problem. According to the Cypriot Senior Civil Servants and diplomats that we interviewed, the most important "upcoming political events" that will probably impact on EU policy-making in Cyprus are: (a) the negotiations for direct trade with the occupied territory; (b) the discussions on how the EU should allocate the economic aid to the Turkish Cypriots (T/Cs); (c) Turkey's

final decision regarding the implementation of the Ankara Protocol, (d) the Euro campaign and (e) the May 2006 Parliamentary Elections.

Manifestly, the Cyprus problem has been affecting deeply Turkey's prospects for EU membership. The December 2004 European Council discussed, inter alia, Turkey's request to start accession negotiations with the Union. The European Council set as a precondition that Turkey should sign and implement the '*Protocol regarding the adaptation of the Ankara Agreement, taking account of the accession of the ten new Member States*'.<sup>1011</sup> Turkey raised strong objections but eventually (29 July 2005) signed the protocol extending its customs union to all ten new EU members including Cyprus.

And yet, Turkey has refused to implement the provisions of the protocol. Moreover, Turkish Prime Minister Erdogan asserted that Turkey will implement the Ankara Protocol only if the EU would "keep its promises" and start direct trade with the Turkish Cypriots. However, direct trade with the occupied territory is clearly illegal according to International Law. As legitimate harbours and airports are considered only those which are acknowledged by the legal Government of a state. It is well-known that the only legal state in Cyprus is that of the Republic.<sup>1012</sup>

Our diplomatic contacts recalled that, even though direct trade with the occupied territory, without the direct involvement of the authorities of the Cyprus government, would actually breach the European regulations, the Government of the Republic has proposed a compromise formula. According to it, the Famagusta port would open under European Commission administration and the fenced city of Varosha would open for resettlement by its legal inhabitants. The proposal has been thoroughly discussed at EU level and has been accepted by the Commission and the Luxembourg and Austrian Presidencies. Turkey, however, has rejected this compromise.

It has become a stereotype that the Cypriot government supports Turkey's eventual accession, on condition that Ankara should

<sup>1007</sup> Damir Grubisa, Faculty of Political Science, TV interview, RTL, March 2006.

<sup>1008</sup> Dr. Vesna Pusic, Croatian People's Party, April 2006.

<sup>1009</sup> Nacional, Political Weekly, 10 April 2006.

<sup>1010</sup> Research results provided to IMO by PULS on 12 June 2006.

<sup>1011</sup> See Presidency Conclusions of Brussels European Council 16/17 December 2004, p.6

<sup>1012</sup> The unilateral declaration of independence by the occupied territory was immediately condemned by UN Resolution 541 (1983) and 550 (1984). It was also immediately condemned by the European Community.

fulfil all the necessary obligations and terms. Our interlocutors expect that Ankara's continuing efforts to mix its EU obligations with direct trade with the T/Cs would only harm Turkey's accession process. They have conveyed to us the sense that, while they suspect that Ankara might attempt to create an artificial crisis close to the time of its progress report, Cyprus's veto is a possible scenario.

As regards the allocation of the economic aid to the T/Cs, after the final compromise reached in March this year, the European General Affairs Council ratified the financial regulation approving the sum of €139 million for 2006. However, Cypriot diplomats estimate that a new round of discussions is bound to start on how the EU would allocate the funds to the T/Cs, given that the latter want to appropriate the EU funds without the involvement of the Cyprus Government. These diplomats stated that the Government would never accept disregarding the Cyprus Republic in this particular issue.

Turning now to the adoption of the Euro, numerous surveys show that the majority of the Cypriots fear that this adoption would encumber their economic status. Cypriot senior civil servants insisted that despite some opposition, the country would adopt the Euro on 1 January 2008. They added that Cyprus is ready to face both the benefits and the challenges. They also warned that a possible postponement would entail risks, particularly if it would imply expenditures which could burden the economy.

Parliamentary elections took place in Cyprus on 21 May 2006. Six political parties are now represented in the 56-seat House of Representatives: the communist Progressive Party of the Working People (AKEL), which is the oldest party in Cyprus, won 18 seats. Right-wing Democratic Rally (DISY), founded by Glafcos Clerides, reserved 18 seats. Centrist Democratic Party (DIKO), whose present president is Cyprus President, Tassos Papadopoulos, elected 11 MPs. The social-democrat United Democratic Center Party (EDEK), founded by historic leader, Vassos Lyssarides, increased its seats to five; the newly-created European Party (EUROKO), founded by the New Horizons (NEO) and some former political figures of DISY received three seats. Finally, the Ecologist-Environmentalist Movement, founded by Yiorgos Perdikis, won one seat. The elections for the House of Representatives are by simple proportional

representation (1.79%). This electoral system permits the formation of small political parties and allows a pluralistic democratic system in Cyprus. It is worth noting that there is a strict separation of power between the Executive and the Legislative levels. The next presidential election will be held in February 2008. The parliamentary elections in Cyprus will not affect the policy of Cyprus in the EU. But it is worth mentioning that, as most election analysts have noted, the parties that increased perceptibly their electoral strength are all associated with the Greek Cypriots' "NO" in the 24 April 2004 referendum on the "Annan plan".<sup>1013</sup>

Above all, however, the major challenge for Cyprus in the forthcoming months is the evaluation of Turkey's progress towards accession. Therefore, some elaboration on this issue seems to be called for. As already mentioned, Turkey signed in July 2005 an Additional Protocol to the Ankara Agreement which extends its Customs Union to the new EU member states that joined the Union on 1 May 2004. At the same time Turkey issued a declaration which stated that it does not recognize the Republic of Cyprus. On 21 September 2005, the EU issued an "anti-declaration" that calls for Turkey's "full, non-discriminatory implementation of the Additional Protocol, and the removal of all obstacles to the free movement of goods, including restrictions on means of transport".<sup>1014</sup> The declaration also stated that

"Turkey must apply the Protocol fully to all EU Member States. The EU will monitor this closely and evaluate full implementation in 2006. The European Community and its Member States stress that the opening of negotiations on the relevant chapters depends on Turkey's implementation of its contractual obligations to all Member States. Failure to implement its obligations in full will affect the overall progress in the negotiations".<sup>1015</sup>

According to the European Commission's 2005 Regular Report on Turkey's progress towards accession, at least three Chapters of the

<sup>1013</sup> For an analysis (and justification) of the Greek Cypriots' rejection of that plan, see Costas Melakopides, *Unfair Play: Cyprus, Greece, Turkey, the UK and EU* (Kingston, Canada: Queen's Centre for International Relations, 2006)

<sup>1014</sup> Declaration by the European Community and its Member States in response to the declaration by Turkey made at the time of signature of the Additional Protocol to the Ankara Agreement, 21 September 2005.

<sup>1015</sup> *Ibid.*

acquis are affected by Ankara's attitude towards the Republic of Cyprus. Restrictions to operations of vessels and aircrafts prevent free circulation of goods between Turkey and Cyprus (Chapter 1: Free Movement of Goods).<sup>1016</sup> Turkey also applies restrictions to Cyprus Airways and other Cypriot transport companies to use the Turkish national airspace. It also applies restrictions on communications between the Turkish and Cypriot civil aviation authorities.<sup>1017</sup> Further restrictions are applied on Cyprus-flagged vessels and vessels serving the Cyprus trade.<sup>1018</sup> Cypriot vessels or vessels having landed in Cyprus are still not allowed in Turkish ports (Chapter 14: Transport Policy). Although Turkey amended the communiqué on rules of origin in free movement of goods between Turkey and the EU to add the name of "Cyprus" onto the list of the EU member states (October 2004),<sup>1019</sup> pending the implementation of the Ankara Protocol Turkey has not extended its Customs Union to the Republic of Cyprus (Chapter 29: Customs Union).

According to Turkey's Negotiating Framework, as set forth by the Council on 3 October 2005, advancement of the negotiations will be measured, inter alia, by Turkey's progress in the fulfilment of its obligations "under the Association Agreement and its Additional Protocol extending the Association Agreement to all new EU Member States, in particular those pertaining to the EU-Turkey customs union, as well as the implementation of the Accession Partnership, as regularly revised".<sup>1020</sup>

In May 2005, the Foreign Minister of Turkey, Mr. Abdullah Gul, issued a Statement on Turkey's intentions with regard to the Protocol.<sup>1021</sup> In that statement, Mr. Gul attempted to link the fulfilment of Turkey's obligations towards the EU with the political situation in Cyprus. He claimed that if special arrangements are made for the direct inclusion of northern-occupied Cyprus (i.e. the areas not under the effective control of the Government of Cyprus)<sup>1022</sup> as an economic entity into the

EU's Customs Union and if all obstacles that prevent the Turkish Cypriots to participate in international activities of sports and culture are removed, Turkey will remove all obstacles to free movement of goods, including restrictions on Cyprus' means of transport. On 24 January 2006, Mr. Gul issued a new statement which was based on his ideas set forth on the Statement of 30 May 2005.<sup>1023</sup> He said that if the sea ports and the airport in northern Cyprus are opened to international traffic, Turkish sea and airports will be opened to Cypriot sea vessels and air carriers. His plan also envisaged the establishment of a timetable for the removal of all obstacles to the free movement of goods, persons and services, including restrictions on means of transport.

According to the EU Declaration of September 2005 and Turkey's Negotiating Framework of October 2005, the EU will evaluate the progress Turkey has made with regard to the fulfilment of its obligations. Enlargement Commissioner Olli Rehn held that the whole process may turn into a 'train wreck' if Turkey fails to deliver on its commitments.

There were some voices who held that Turkey's obligations should be postponed or/and evaluated in line with Mr. Gul's ideas.<sup>1024</sup> The Government of Cyprus rejects those ideas and calls for a fair evaluation of Turkey's progress. Cyprus supports Turkey's bid for EU accession and expects the latter to fulfil its commitments in line with the Union's acquis.

Some political parties in Cyprus, namely EDEK and EUROKO, maintain that unless Turkey sticks to its EU commitments, there is no other option but to block its accession route. The Government of Cyprus did not make any official statement regarding its intentions. Government spokesman, Mr. George Lilikas, held that Cyprus is in position to defend its national interests.

The public opinion in Cyprus is very sensitive to this issue. There is a pervasive feeling that Turkey advances towards accession without fulfilling its obligations. Some analysts and diplomats we have interviewed held that Turkey's progress should be evaluated on equal terms. They point to the cases of Croatia as well as Serbia and Montenegro to conclude

<sup>1016</sup> European Commission (9 November 2005), "Regular Report on Turkey's Progress Towards Accession", p. 56.

<sup>1017</sup> Ibid. p. 84.

<sup>1018</sup> Ibid. p. 85.

<sup>1019</sup> Ibid. p. 124.

<sup>1020</sup> Council of the European Union, "Negotiating Framework for Turkey". October 3, 2005, par. 6.

<sup>1021</sup> Turkish Ministry of Foreign Affairs, "Statement by Minister of Foreign Affairs Abdullah Gul", 30 May 2005.

<sup>1022</sup> See Cyprus EU Accession Treaty; Protocol 10

<sup>1023</sup> Turkish Ministry of Foreign Affairs, "Statement by Minister of Foreign Affairs Abdullah Gul", 24 January 2006.

<sup>1024</sup> "The way Forward for Turkey", The New York Times, January 31 2006.

that Turkey's accession negotiations cannot advance smoothly without the implementation of the Additional Protocol. Some of them stated that the EU should consider blocking the opening of certain Chapters of the acquis; others maintained that the overall process should be suspended until Turkey meets its obligations.

## Czech Republic

The future of the Czechs' EU policy will be determined by the general elections in June 2006. It is impossible to speculate about what the priority issues on the Czech national policy agenda will be without considering the nature of the government formed after the elections. Neither of the two major parties—the Civic Democrats (ODS) and the Social Democrats (ČSSD)—are likely to receive an outright majority of the votes.<sup>1025</sup> There are at least four different possible scenarios of the outcome of the elections: 1) the opposition wins the election and ODS can form a coalition government with the Christian Democrats (KDU-ČSL), possibly including the Green Party, which is likely to enter the parliament for the first time; 2) a continuation of the coalition between the ČSSD and KDU-ČSL<sup>1026</sup>, possibly including the Green Party; 3) a ČSSD minority government supported by the Communist Party (KSČM); 4) a grand coalition between the ČSSD and ODS, or a reversed version of the opposition agreement from 1998, when the ČSSD ruled with the silent support of ODS.

According to opinion polls the ODS is likely to become the biggest party, even if polls from May indicate the ČSSD is narrowing the gap between the two parties. The third biggest party will probably be the Communist Party (KSČM), followed by the Green Party and KDU-ČSL.

If ODS and the KDU-ČSL combined receive enough seats in parliament to form a majority government, such a government would most likely be formed. In such a case the two parties would have to find a compromise between their widely different visions of the European

<sup>1025</sup> According to opinion polls no party is likely to get much more than thirty percent, see for instance CVVM, Voličské preference v květnu 2006 (Election preferences in May 2006)

<http://www.cvvm.cas.cz/index.php?disp=zpravy&lang=0&=1&s=&offset=&shw=100583>

<sup>1026</sup> The third party of the current coalition, the Freedom Union, will almost certainly not pass the five percent threshold to enter the Chamber of Deputies.

Union. For example, they have different views on the Constitutional Treaty and further enlargements. Generally the KDU-ČSL favours closer political integration while the ODS would prefer that European cooperation be restricted to economic issues. An interesting case in point regarding differences between the parties is the possibility of a Turkish entry into the EU. The KDU-ČSL considers the EU a value-based Union and rejects Turkish membership as Turkey, in their view, belongs to a different cultural tradition.<sup>1027</sup> The ODS on the other hand welcomes Turkish membership, as they would prefer more flexible European Cooperation and consider Turkish membership the best "inhibition of a federalist and communitarian deepening of the integration process."<sup>1028</sup> If such a coalition also included the Green Party, the situation would be further complicated by that party's calls for both closer European cooperation and a Turkish membership.<sup>1029</sup>

If the current coalition stays in power, with the Green Party replacing the Freedom Union, no radical change to the current pro-European policy would occur, even if such a government faced some difficulties on Turkish EU accession.

Coalition building in the Czech Republic is complicated because so far no party been willing to involve the KSČM in talks to form a government. This time the ČSSD is ruling out a coalition with the Communist Party, but has not rejected the possibility of a minority government depending on their support.<sup>1030</sup>

The KSČM was the only parliamentary party to recommend its voters to reject EU membership in the 2003 referendum, but since accession the party has accepted the new situation. For a ČSSD minority government the KSČM could cause problems on security policy, not mainly because the party rejects a militarisation of the

<sup>1027</sup> Volební program KDU-ČSL 2006 - 2010 (Election Programme of KDU-ČSL 2006-2010)

[http://www.kdu.cz/default.asp?page=51&IDR=10371&id\\_r ok/](http://www.kdu.cz/default.asp?page=51&IDR=10371&id_r ok/)

<sup>1028</sup> Zahradil, J. EU a její východní sousedé (The EU and its Eastern Neighbours)

<http://www.ods.cz/eu/stranka.php?ID=66>

<sup>1029</sup> Strana Zelených. Kvalita Života volební program (The Green Party. Life Quality – Election Programme 2006).

<http://www.zeleni.cz/247/86/file/>

<sup>1030</sup> See for example Holub, P. KSČM připravena podpořit vládu ČSSD (KSČM ready to support ČSSD government), 14 May 2006,

<http://aktualne.centrum.cz/domaci/politika/clanek.phtml?id=152982>



EU, but also because it considers NATO a relic from the Cold War.<sup>1031</sup>

## Denmark

First, it is worth mentioning that the Danish Government has decided on *a reform of the structure and tasks of the local and regional Governments*, which is to be implemented from 2007. The overall purpose of the reform is to merge municipalities and regions into bigger units, and to redefine competencies between local and regional Governments. The overall structure has already been decided upon, and in November 2005 the election for the new regional and local Governments took place.

Second, the Government has established a welfare commission to analyse the future challenges of the Danish welfare system. The commission presented its work in December 2005, after which a major political debate between the Government and the opposition parties on future welfare reforms has taken place - and is expected to continue throughout 2006. The row over the Mohammad cartoons caused the reform negotiations to be postponed but they are now on track again. The Government has proposed a major reform plan, targeting a broad range of problems confronting the future welfare state. The proposed plan seeks to strengthen research and development, raise the retirement-age, lower the average age of ended education, and integrate the Danish ethnic minorities. While the main opposition parties and public opinion broadly support the plan's overall goals, some of the specific instruments proposed are clearly not and have on the contrary inspired large-scale protest demonstrations. In general, the reforms are criticised for representing "too much whip, and too little carrot".

Third, it should be mentioned that the Government in 2005 established a so-called Globalisation Council. The Council's final report, entitled "prosperity, renewal and security", was made public in April.<sup>1032</sup> A number of priority areas have been presented, focusing on education throughout all stages of

life, research and development, innovation, competition and cross-cultural cooperation.

Fourth, the row over the Mohammad cartoons has given the Danish policy towards the Middle East and Northern Africa, known as the Arab Initiative, a new set of working conditions. A recent evaluation of the initiative stated that the image of Denmark in the area has changed and that this should be kept in mind in activities related to the Initiative<sup>1033</sup>.

## Estonia

The most important domestic development since the last report is an unexpected increase of ethnic tensions since May 2006. The current conflict revolves around a Soviet-era monument in the centre of Tallinn and has brought to fore complex issues regarding "historical truth." The celebrations held at the monument by Russian-speakers on May 9th and September 22nd (the anniversary of the "liberation" of Tallinn by the Red Army) involve displays of Soviet flags (and on one occasion, an attempt to tear down the Estonian national flag) and have become a major irritant for many Estonians. Some politicians, including the Prime Minister, advocate the removal of the statue. This conflict parallels the rising importance of symbolic and historical issues in Baltic-Russian relations, as evident from tensions regarding the decision of Estonian and Lithuanian heads of state not to attend the Victory Day celebration in Moscow last year, and from the annulment of the Estonian-Russian border treaty by President Putin because the Estonian ratification bill included a reference to certain legal documents which present a view of history that "Russia does not share".

The second major domestic development is that the campaigns for presidential elections (that will be held this fall) have begun to take shape. Even though the President is elected by the parliament or, if a sufficient majority is not achieved (as has been the case with previous elections), by an electoral college, the "popularity and beauty contest" in the media has already started. According to a range of recent surveys, Toomas Hendrik Ilves, Estonia's Member of the European Parliament,

<sup>1031</sup> Volební program KSČM, Naděje pro Českou republiku (Election Programme of KSČM – Hope for the Czech Republic),

<http://www.kscm.cz/index.asp?thema=2679&category>

<sup>1032</sup> Globalisation Council, 2006: Globaliseringsstrategien "Fremgang, Fornylse og tryghed". Online: [http://www.globalisering.dk/multimedia/55686\\_strat.pdf](http://www.globalisering.dk/multimedia/55686_strat.pdf).

<sup>1033</sup> Ministry of Foreign Affairs (2006): Analyse af det arabiske initiativ. Online:

<http://www.um.dk/da/menu/Udviklingspolitik/Bistand/Praksis/DetArabiskeInitiativ/AnalyseAfDetArabiskeInitiativ/Analys eAfDetArabiskeInitiativ.htm> (located 30 May 2006).

an experienced politician, diplomat, and foreign policy analyst, is the most popular candidate. Even though it is much too early to predict the outcomes, Ilves's victory would be good news for Estonia's foreign affairs, as it would increase the country's international visibility and presumably give it a stronger voice in EU affairs.

Third, it has become evident that despite optimistic predictions, Estonia will not be able to join the eurozone in 2007 since inflation rates continue to be too high (partially because of the very high economic growth rates). Schengen accession, however, seems to be in full swing. Estonia hopes to accede by October 2007, and a new action plan for 2006-7 was approved in March 2006. The assessment of Estonia's readiness has already begun: in May, the work of Estonian consulates in St Petersburg and Kiev was evaluated and full Schengen evaluation reports will be presented in fall 2006.<sup>1034</sup> Schengen accession has been accompanied by a new emphasis on internal security that has been brought about by recent emergency situations (oil pollution on the Baltic sea) and concerns the effectiveness of police and emergency services (that suffer from underfunding and a shortage of qualified staff).

The fourth prominent issue on the national agenda is energy. Recent development in EU-Russian relations and Russia's policy of using energy as a political tool in the former Soviet space have given rise to new concerns about energy security. The fact that the Baltic states were not included in consultations about the Baltic Sea pipeline irritated Estonia and have made it a staunch supporter of a European common energy policy. This, according to the Estonian vision, should involve a „common and transparent approach” towards third states, and must be better integrated with other policies, including the CFSP. Any major infrastructure projects must take the interests of all member states into account.<sup>1035</sup> Baltic concerns about the security of their energy supply (existing energy networks are too closely linked with monopolistic companies in Russia and remain unintegrated with those of other EU member states) have led to the plea that the EU should support the construction of infrastructure that would allow to “liquidate the vulnerability that stems from

the isolation of some member-states.”<sup>1036</sup> Energy security has also become an important issue in Baltic cooperation: the three governments have started discussions about jointly financing and building a new nuclear power plant in Lithuania.

Finally, democratisation of the FSU/CIS space remains an important foreign policy priority. This seems to have gained even greater importance because of the so-called color revolutions, Russian reactions to these, and on the other hand, intensified EU attention to the region under the neighborhood policy framework. Recent statements by the Minister of Foreign Affairs confirm that that Estonia will continue, as far as its resources allow, to actively support democratisation processes in the Caucasus, Moldova, Ukraine and Belarus. The fact that former Prime Minister Mart Laar, the prime architect of Estonia's reform programme in the early 1990s (who recently received the prominent Milton Friedman award of the Cato Institute), accepted the position of an adviser to the Georgian government, is one indicator of the fact that this commitment involves more than mere rhetoric.

## Finland

### *EU Presidency*

The Finnish EU Presidency in the second half of 2006 is obviously the most important upcoming EU issue in Finland. The Presidency agenda will be made public only in late June. According to a preliminary agenda, Finland aims to bring forward the ratification of the EU constitution, tackle globalisation and economic competitiveness, and aim to increase transparency in the EU decision-making. In addition, Finland has a strong interest in dealing with climate change and developing the EU's common energy policy and Russia policy.

Finland has a history of portraying itself as an open and non-corrupt country in societal as well as administrative terms. One of the long-term aims of Finland in the EU is to transform the Union in the same direction. It is thus a significant Finnish initiative that, for the first time in the EU's history, the Council meetings will be public during the Finnish Presidency. The meetings will be broadcast on the EU's internet pages (<http://europa.eu.int/>). There

<sup>1034</sup> Ministry of Foreign Affairs information sheet, “Eesti Euroopa Liidus,” 10.05.2006

<sup>1035</sup> Address to the Riigikogu (Estonian Parliament) by Urmas Paet, Minister of Foreign Affairs, 06.06.2006.

<sup>1036</sup> Ibid.

have been worries that, as a result of this, the actual decision-making may shift away from in front of the cameras. However, to a large extent this is already the practice, as decisions are often made by the COREPER (the Committee of Permanent Representatives in the EU), among the bigger member states or at bilateral meetings between the Presidency and other member states. Thus, the European Council increasingly gives its approval to decisions that are made elsewhere. Another concern is that the ministers will start to speak to the audience of their own nationality. Nonetheless, an open public debate is a central element of democracy. It will be up to the ministers whether the public will get a chance to follow a real debate or a “play”.<sup>1037</sup>

During the Finnish Presidency, the EU and Russia are expected to start negotiations on a new agreement, as the current Partnership and Cooperation Agreement (PCA) will expire in 2007. Finland wishes to play an important role in advancing the negotiations. However, as the new treaty is not likely to enter into force in early 2007, the EU and Russia have already agreed that the current PCA will remain valid until the new agreement is accomplished. Finland also hopes that there will be some movement towards the signing of the Energy Charter Treaty by Russia.

As for the Northern Dimension (ND), cooperation with Russia in the fields of transport and the environment will be on top of the agenda. The Finnish-Russian border is the longest geographical border between an EU member and a non-EU state. One of the aims of the ND is to improve the operation of Russian border control and customs that currently cause complications in cross-border traffic for individuals and businesses.

The question of Turkey’s membership in the EU may take a positive turn during Finland’s EU Presidency, since Finland has generally supported Turkey’s EU aspirations. Turkey expects a more constructive approach in comparison with the present holder of the Presidency, Austria, that has openly discarded Turkey’s membership aspirations.<sup>1038</sup> Prime Minister Vanhanen has repeatedly stated that the EU must not have geographical borders, and Turkey can become a member if it meets the criteria set by the EU. Turkey originally had its membership request application approved during Finland’s Presidency in 1999.

Because of many difficult issues that are currently on the EU agenda, including the Constitution, the question of the borders of Europe and economic competitiveness, the Presidency is a challenging task for the Finnish leadership. The overall attitude of Prime Minister Vanhanen and his government towards the EU may be characterised as cautious and pragmatic. Mr Vanhanen has been criticised in Finland for lacking ambition and vision in his EU policy. In comparison with his predecessor Mr Paavo Lipponen, who was Prime Minister in 1995-2003 and pursued a strongly pro-integrationist and enthusiastic EU policy, the current Prime Minister definitely is more pragmatic and lukewarm towards the Union.

#### *Public views on the Presidency*

The public opinion on issues that should be prioritised during the EU Presidency differs from the official positions in several aspects. According to the EVA survey, intensified fight against international crime is considered to be the most important issue on the Presidency agenda (regarded as important by 90% of the interviewees). This seems peculiar as international crime is not a major problem for Finland in comparison with many other member states. More than a half of respondents (60%) did not find it important for Finland to promote EU enlargement. Promoting openness of EU activity is, however, a common aim of the political elite and the public; it was seen as important by 88% of respondents.<sup>1039</sup>

Public demonstrations are presumed to take place in Helsinki and other locations during the upcoming Presidency. On 1 May, a riot took place in Helsinki, which gave a foretaste of what may be expected. The riot was, however, minor in comparison with the riots in France early this year, or any other ‘anarchist’ demonstrations in major EU capitals. Despite the small scale of the riot it raised a broad debate on civic action and vandalism in which the Minister of the Interior as well as the Prime Minister took part. The Ministry of the Interior prepares itself for demonstrations to take place during the Presidency.

<sup>1037</sup> Helsingin Sanomat, 27.4.2006

<sup>1038</sup> Helsingin Sanomat, 18.5.2006

<sup>1039</sup> EVA 2006, pp. 49-52

## France

The most important upcoming political events are the elections that will take place in May and June of next year – the presidential election first and then general elections. Whether each individual candidate voted “yes” or “no” will probably remain important during the campaign. Beyond that, the prospect of the renegotiation of the Constitutional Treaty and the French presidency at the beginning of 2008 will keep European issues at the top of the agenda during the campaign.

What issues will probably have a high saliency? First, economic and social issues, such as the future of the French social model and its compatibility with European integration. The need for a new reform of the growth and stability pact will probably emerge as well. The French want the ECB to take a more active role in supporting policies in favour of economic growth and employment. Depending on the results of the latest Doha negotiations, trade might also re-emerge as an important issue.

Immigration will definitely top the agenda. The right is determined to use the issue in the campaign. There will be debates about the potential role of better European cooperation on that issue.

Finally, energy security and prices are already a major subject of concern for the French, and this is likely to remain so over the months and years to come. The French are extremely disappointed with the absence of a common European energy strategy.

## Germany

The German presidency of the EU (and also of the G-8) in the first half of 2007 is now being intensively prepared by the administration. However, it is not expected that the government will be more concrete on its programme before the end of the Finnish presidency. The June 2006 European Council has already given the German presidency the mandate to evaluate the state of ratification of the TCE and establish a roadmap for the period up to the end of 2008 at the June 2007 summit. The French presidential elections leave a small window of opportunity of only 10 days or so for the German government to re-launch the TCE through the roadmap. Besides the question on the future of the TCE, the

following topics are expected to be on the agenda:

- Energy security and energy policy
- New impetus for the European Neighbourhood Policy
- Better regulation and cutting red tape
- Intensified cooperation in JHA, in particular police and judicial cooperation
- Focus on research, development and innovation.<sup>1040</sup>

In Germany, the reform of the health care system is a highly salient issue. Here, different options are put forward by the two parties, CDU/CSU and SPD, which form the grand coalition.<sup>1041</sup> *“On health the SPD is in Greenland, the CDU in Antarctica and they will have to meet somewhere in Germany. Expect some heavy political weather.”*<sup>1042</sup> A balanced and convincing package for reforming the health care system is seen as a test case,<sup>1043</sup> firstly for the grand coalition itself and secondly, for its ambitions and capacities to make a change in one of the most difficult policies. After a round of late-night talks on 2 July an agreement on key parts of the reform was reached but was met with disappointment across parties and in the general public.<sup>1044</sup>

One might also expect a debate on energy policy, including problems of the proper energy mix (the sensitive question of phasing out of nuclear power plants between CDU/CSU on the one side and SPD on the other) as well as energy security as part of foreign policy and ENP in particular.

Another issue might be immigration policy against the background of a very intensive and sometimes hysterical debate about demographic change and the decrease of

<sup>1040</sup> Cf. Agence Europe No. 9190, Thursday 12 May 2006, p. 4.

<sup>1041</sup> “Our aims in overseeing this development are to guarantee an efficient health service that can cope with demographic change and go on providing patients with high quality care and to ensure that the system is funded in accordance with the precepts of solidarity and the satisfaction of needs.”, Coalition Agreement between the CDU, CSU and SPD, 11th November 2005, available at: <http://www.bundesregierung.de/Anlage951220/Coalition+Agreement.pdf> (last access: 07.06.06), p. 80.

<sup>1042</sup> Statement by SPD Secretary-General Hubertus Heil, cited in: Bertrand Benoit: Lecturer or listener? Why Merkel may need to work on her assertive side, in: Financial Times, 21.02.06, p. 11.

<sup>1043</sup> Cf. Philipp Neumann: Gesundheitsreform: Schicksalsfrage für die Koalition, in: DIE WELT, 07.06.06.

<sup>1044</sup> For critical comments cf. Günter Bannas/Johannes Leithäuser: Bis zur Erschöpfung, in: Frankfurter Allgemeine Zeitung, Nr. 152, 04.07.06, p. 3.

population.<sup>1045</sup> Although the problems of demography, namely the low birth rate, are mostly discussed in connection with subsidising and improving framework conditions for families and women, there is also a growing awareness that, in a medium-term perspective, immigration politics have to become more liberal to attract well educated foreigners.<sup>1046</sup>

A fourth issue which is on the agenda of the grand coalition is the reform of the federal state. The negotiated reform bill – containing some 20 amendments to the constitution – already passed the first chamber of Parliament (Bundestag) with a two-thirds-majority.<sup>1047</sup> The government will now be able to push through a lot more legislation without requiring a vote in the second chamber (Bundesrat). Concerning European affairs, the national level and the Bundestag in particular were strengthened.<sup>1048</sup> However, the typical fragmentation of decision-making in EU affairs will continue or even increase.

## Greece

The overwhelming importance of the creeping crisis in Greek-Turkish relations threatens to tower over any other issue in the foreseeable future. In the fall of 2006, Turkey will have to prove compliance to milestones for its accession procedure to go forward. Given the pre-eminent position attributed by Athens to the hope that anchoring Turkey to an EU-directed course would in fact dissipate Greek-Turkish tensions, it is to be expected that the worsening of the climate in the Aegean as well as internal problems in Turkey (see also the Greek answers to questions 1 and 4) might create accentuated difficulties between the two countries. There is much public-opinion (and Opposition) pressure to the Karamanlis Government to take a firm stance on EU-

<sup>1045</sup> For a differentiated analysis on demographic change cf. Steffen Krönert, Franziska Medicus, Reiner Klingholz 2006: Die demografische Lage der Nation. Wie zukunftsfähig sind Deutschlands Regionen?, Berlin Institut für Bevölkerung und Entwicklung, Berlin.

<sup>1046</sup> Cf. Interview with Klaus Bade, expert on migration, University of Osnabrück: „Politik reagiert zu spät“, in: tagesschau.de, vom 03.07.06, available at: [http://www.tagesschau.de/aktuell/meldungen/0.1185.OID5.663794\\_NAV\\_REF1.00.html](http://www.tagesschau.de/aktuell/meldungen/0.1185.OID5.663794_NAV_REF1.00.html) (last access: 03.07.06).

<sup>1047</sup> Cf. Günter Bannas: Feinschliff an der Föderalismusreform, in: Frankfurter Allgemeine Zeitung, Nr. 143, 23.06.2006, p. 1.

<sup>1048</sup> Cf. Johannes Leithäuser: Bundestag erhält mehr Rechte in der Europa-Politik, in: Frankfurter Allgemeine Zeitung, Nr. 143, 23.06.06, p. 4.

Turkish relations, while the continuing negative position of Ankara towards the issue of Cyprus vessels (and planes) being accepted to Turkish ports (and airports) further complicates matters. Moreover, in Cyprus, recent general elections have strengthened the camp of those negative to the idea of going back to the UN/Annan plan approach so as to defuse the underlying Cyprus issue.

This spiders' web of interlocking impasses may well hijack the whole of attention of Greek foreign-and-European policy. Were it not for this, the ongoing efforts to keep to an EMU-mandated budget deficit as well as to start addressing seriously the social security issue in a context where parliamentary elections loom in the horizon would be center-stage, while “Brussels” would be berated for mandating unpleasant “neo-liberal” economic measures.

## Hungary

Hungary had parliamentary elections in April 2006, as a result of which an old-new governing coalition is being formed. The new government will again be composed of the Hungarian Socialist Party and the Alliance of Free Democrats (liberals), the Prime Minister remaining Ferenc Gyurcsány. The most important challenge for the new government will be to consolidate the continuously worsening position of the public budget coupled with an increasing trend of public debt. One of the first steps to be taken by the new Hungarian government shall be to submit to the European Commission a reliable Convergence Program in September. The Convergence Program must this time be written so as to regain credibility (including providing EU-conform data) and sustainability of the measures planned. The measures aimed at reversing the negative trends in public finances will necessarily entail wide ranging social tensions throughout the population. It is crucial however, not to point at the EU as a scapegoat because of these reforms. So far in Hungary, the criticism of the European Commission is being perceived as rather positive, providing for a certain external control on the Hungarian government.

Another upcoming political event will be the municipal elections to be held in autumn (1 October) this year. Two issues are closely linked with this event. First, the extremely difficult budgetary situation in the sphere of regional and local governments will come to

the fore, secondly the recurrent debate on a better organisation of the regional and local administrative system in Hungary will necessary re-emerge. There are approximately 3200 local administrative units in Hungary which for a country of 10 million inhabitants might be too scattered. Moreover, their income is mainly dependent on transfers from the central budget while their responsibilities are rather wide ranging. In other words, the local municipalities' system is decentralised in terms of competences but not in terms of finances. All this is intimately linked to another question, namely, how should the 7 NUTS-2 regions be organised in the future? Are they to remain pure statistical regions, with the 19 counties (plus the capital) holding the real power? Or should the regions become democratic regions with elected deputies and increased coordinative, or even decision-making and executive competences?

A third event to come up in Hungary is the 50<sup>th</sup> anniversary of the revolution and fight for freedom in 1956. On this occasion, during the different celebration programs inside and outside Hungary, the glorious days of 23 October to 4 November shall be commemorated so as to draw the world's attention to this historically so important moment.

A fourth issue is the mentioned accession of Romania and Bulgaria. Especially Romania's entry into the EU is regarded with great attention and expectations. Hungary is convinced that with the borders becoming transparent, a kind of a reunification of the Hungarian nation (with 1,5 million living in Romania) can be promoted best in the framework of European integration. Nevertheless, Hungary maintains its position to see the accession states comply with all membership criteria before entering the Union.

## Ireland

*National Partnership talks:* no conclusion has yet (28 May) been reached in talks on a successor to the last National Partnership agreement. There has been a succession of these agreements since 1987. In general, they cover issues relating to pay, working conditions and taxation. In addition, they have frequently covered other issues of general social concern. These agreements are widely held to have ensured smooth labour relations and to have contributed to facilitate the competitive

capacity necessary to underpin high growth rates. The current talks seem, for the moment, to be stalled mainly on issues relating to pay rates.

*General Election, May, 2007:* the current parliamentary mandate expires in May 2007 and it is expected that a General Election will not take place until the full term has been run. If the current Government parties are again returned, it is expected that their current stance on EU issues will remain. In the event of a change in Government, the most likely alternative formation would be expected to adopt a broadly similar stance in relation to EU issues.

The five priority issues that emerge on the national policy agenda are the following:

- *External Economic Environment:* energy / renewables; ecology; climate change
- *Migration / immigration:* link to labour market development; integration policies
- *Agriculture and World Trade:* WTO
- *Ireland and the World:* humanitarian aid / development issues
- *Human Development:* education; upskilling; social services; role of Civil Society and the attitudes of Civil Society, IBEC ( the employers association), ICTU (the Irish Congress of Trade Unions) etc to these issues.

Regarding the influence of these five topics on Irish positions in key EU issues these aspects should be emphasised:

1. *External Economic Environment:* the Irish Government can be expected to support EU action to increase energy security, where possible: it would support EU efforts to improve the effectiveness of concerted international action on climate change: it would favour action to avoid the necessity for increases in interest rates.

2. *Migration/immigration:* the Irish Government would wish to see all Member States grant full freedom of establishment to nationals of the "new" Member States at the earliest moment: in the absence of a generalisation of this policy, the Irish Government may feel obliged to invoke the facility to delay the granting of these rights to citizens of Bulgaria and Romania on accession in order to avoid having to bear what it might regard, in the light of experience since May, 2004, of an excessive share in the burden of adjustment to the

effects of further enlargement on labour markets.

3. *Agriculture and world trade*: the Irish Government has already made clear its opposition to any further relaxation of the EU position in the current negotiations.

4. *Ireland and the world*: it is likely that the Irish Government will maintain its strong support for a further reinforcement of the EU's contribution to development in Africa: it is likely also to maintain its current position in relation to developments in Israel and the Palestinian Authority (see above).

5. *Human Development*: no change in position is to be expected.

## Italy

### *Major political events*

The national elections on April 9-10 were a major political event in 2006. The center-left coalition led by Romano Prodi, L'Unione, won the elections, even if by only a small margin, and obtained a slight majority of seats in the Parliament. The center-right coalition, Casa delle libertà, led by former premier Berlusconi, challenged the results of the elections on the grounds of allegations of frauds and errors in the count of the votes. The change of government, among other things, is likely to lead to a re-balancing of Italian foreign policy. Berlusconi's government did, in fact, favour the strategic alliance with the United States before the other traditional pillar of Italian foreign policy, European Union. Italy's support of the war in Iraq was an example. The newly elected government has a more marked European vocation. It is likely that the government will re-balance the two pillars, European and American, of Italian foreign policy; even if the government's slight majority of seats in the Parliament may hamper the government's ability to act.

### *Priority issues*

The withdrawal of Italian troops from Iraq is one of the most important issues. Italian public opinion was largely against the war in Iraq and doubtful of the opportunity to join the coalition of the willing in the military mission "Antica Babilonia". The death of several Italian soldiers shocked the population. The Berlusconi government announced the withdrawal before

the end of 2006, but it did not establish a timetable. The newly appointed Prodi government, whose election platform included complete withdrawal from Iraq, is studying a short term calendar for a full and effective disengagement. The calendar will be decided after consultations with the Iraqi and allied governments. Already in June, the number of Italian troops in Iraq fell from 2700 to 1600. The withdrawal may represent a sign of an Italian foreign policy that is less aligned with the United States.

Another big issue is the economic performance of the country. Economic growth in 2005 was virtually zero; Italians' standard of living, especially for the fixed-income bracket, has been seriously undermined by the rise in prices; the rate of employment remains low. Finance Minister Tommaso Padoa-Schioppa recently declared that the state of public finances is worse than that of 1992, the year of a serious crisis, and announced the need for an austerity policy. To relaunch the economy, the Italian Employers' Association, Confindustria, asks the government for incentives for industry, while trade unions, worried about welfare state cuts, ask for support to fixed-income workers. The government announced that its priorities will be both economic growth and the reduction of public debt, and it is currently working on its budgetary manoeuvring.

## Latvia

### *The principal upcoming events in Latvia*

1. Parliamentary elections in October. It is too soon to predict what the results might be. In any case, the composition of the new government will not be identical to that of the current government. If the voters elect the majority of deputies from the centre and right-of-centre parties, then, in all likelihood, no changes can be expected in Latvia's policies toward the EU or in its foreign policy in general.
2. NATO Summit will take place in Riga in November 2006. Here Latvia will position itself as a staunchly European country that believes firmly in Europe's ties with NATO and the United States of America.

### *Among the priority issues are:*

1. Combating inflation. Although the government has been urged for months to

combat inflation, but has failed to take any decisive steps toward this end, the voters and the opposition political parties will surely demand an answer and voice criticism, especially prior to the upcoming parliamentary elections in October.

2. Instituting a system where the majority of residents of Latvia must report their annual income to the state income tax service.

3. Dealing with the issue of publishing the incomplete data about persons who allegedly cooperated with or worked for the KGB when Latvia was still under Soviet rule. The President has returned to the Saeima for reconsideration the latest law stipulating the conditions for making this data publicly available.

4. Coping with the various consequences of increasing out-migration of the labour force. In the past year, the favourite destination among all the EU countries by those seeking better-paid jobs has been Ireland. The reality of out-migration and emigration has been recognised by the Ministry of Foreign Affairs, which has listed providing assistance to the Latvian Diaspora as one of its priorities in the new Foreign Policy Guidelines.

## Lithuania

The major forthcoming political event in Lithuania is the elections of the municipal councils. According to Lithuanian laws, the elections of the municipal council is to be held sometime between 3 December 2006 and 25 February 2007. During the last elections of the municipal councils, the Lithuanian Social Democratic Party received the majority of the seats (332 out of 1560), the Homeland Union (the conservatives) received 193 seats and the Farmers and New Democracy Union received 190 seats. According to the last opinion poll conducted in April 2006 on the voting in the forthcoming elections, 20.5 % of Lithuanians indicated that they would vote for the Labour party (the Labour party was created in 2003 and did not participate in the last election of the municipality council; the representatives of the Labour party form the biggest political group in the national parliament), 11.1 % of them would vote for Homeland union, 8.8 % for the Lithuanian Social democratic party, and the

rest of the parties would not reach the necessary 4 % threshold<sup>1049</sup>.

What concerns the priority issues in Lithuania, the introduction of the Euro in Lithuania on the 1 January 2007 has been one of the Lithuania's main priorities lately and one of the most crucial issues. However, the negative European Commission opinion on the Lithuania's possibility to introduce the Euro by 2007 issued on the 16 May 2006 blocked the possibility to adopt Euro by the planned date. It was stated in the European Commission report that Lithuania does not meet one of the Maastricht criteria – the inflation criteria. It was also stated that although Lithuania enjoyed a very low level of inflation for a long time it is expected that the level of inflation in Lithuania will continue to rise. Nevertheless, the Government emphasizes that the introduction of the Euro remains an important objective in Lithuania, and all the attempts will be made to adopt the Euro in Lithuania as soon as possible<sup>1050</sup>.

Another important current issue in Lithuania is the preparation to join the Schengen area. The government is concentrated on this Lithuanian priority especially after the negative opinion of the European Commission on the possibility to introduce the euro in Lithuania in 2007. It is expected that in 2007 Lithuania will join the Schengen area. In autumn of 2005, the Vice president of the European Commission, the Commissioner for Justice, Freedom and Security, Franco Frattini, declared his conviction that Lithuania will be able to join the Schengen area in 2007. He evaluated Lithuania's attempts to become a member of the Schengen area very well<sup>1051</sup>. This June, the preparatory work to join the Schengen area will be evaluated by European Commission experts. According to the Lithuanian Minister of the Interior Gintaras Furmanavičius, "we do not have doubts about the conclusions of the

<sup>1049</sup> Trečdalis rinkėjų nebalsuotų savivaldybių tarybų rinkimuose [A third of the voters would not vote in the election of the municipality councils], April 3, 2006, [http://www.politika.lt/index.php?cid=9274&new\\_id=13320](http://www.politika.lt/index.php?cid=9274&new_id=13320)

<sup>1050</sup> Vyriausybės pareiškimas dėl Europos Komisijos pateikto Konvergencijos raporto [Government declaration on the convergence report provided by the European Commission], Lithuanian Government press release, May 16, 2006, [http://www.lrv.lt/main.php?id=aktualijos\\_su\\_video/p.php&n=3484](http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=3484)

<sup>1051</sup> F. Frattini: „Neabejoju, kad Lietuva taps Šengeno erdvės nare 2007 m.“ [F. Frattini: "I have no doubts, that Lithuania will become a member of the Schengen area in 2007"], Baltic news service, 2 September 2005, <http://www.euro.lt/ivykiai/readnews.php3?ItemID=4244&ToPMenuID=1&MenuItemID=180&LangID=1>



experts. They cannot be negative as the EU money is used according to the purpose and the preparatory works are conducted following the schedule”<sup>1052</sup>.

The following very important issue emerging on the national agenda is the selling of the stocks of “Mažeikių nafta” (“Mažeikiai oil”), which belong to the bankrupt “Yukos” (Yukos International U.K. has 53.7 % of “Mažeikių nafta” stocks) and to the Lithuanian government (the Lithuanian government has 40.66 % of the stocks). After the long process of negotiations with various potential purchasers recently, it has been decided to sell 30.66 % of stocks of “Mažeikių nafta” belonging to the Lithuanian government to a Polish enterprise Polski Koncern Naftowy Orlen S.A. This company will also buy the stock belonging to Yukos International. After the Lithuanian government adopted the agreement with this enterprise on the selling of the stocks and the national parliament approved this agreement it was signed and 30.66 % of the stocks of “Mažeikių nafta” belonging to the Lithuanian government were sold to Polski Koncern Naftowy Orlen S.A.

Another Lithuanian priority is the effective use of EU structural support. As the President of the Republic of Lithuania Valdas Adamkus emphasized, “it is not the amount of money to be provided for one or another field which is important; it is crucial if we are able to use this money effectively for the good of the Lithuanian people”<sup>1053</sup>. Speaking in a plenary session dedicated to commemorating the second anniversary of Lithuania’s membership in the EU, Prime Minister Algirdas Brazauskas also emphasized that the effective use of the EU financial support is especially significant and therefore a great importance is attributed to the ongoing dialog between society and the Parliament about the use of the financial support that Lithuania will receive according to the new financial perspective<sup>1054</sup>.

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<sup>1052</sup> Į Šengeno erdvę Lietuva ruošiasi tarsi į svarbiausią puotą [Lithuania prepares to the Schengen area as if to the most important feats], Ministry of Interior press release, March 3, 2006, <http://www.vrm.lt/index.php?id=643>

<sup>1053</sup> Prezidentas ragina, kad ES parama Lietuvai būtų skirstoma skaidriai ir nešališkai [The president urges that the EU support for Lithuania would be distributed clearly and fairly], Lithuanian President press release, May 18, 2006, <http://www.president.lt/lt/news.full/6705>.

<sup>1054</sup> The speech of the Prime Minister of the Republic of Lithuania Algirdas Brazauskas during the plenary session of the Parliament dedicated to commemorating the second anniversary of Lithuania’s membership in the EU on May 2, 2006.

## Luxembourg

The improvement of economic performance starts with the fight against inflation. Luxembourg has for the time an inflation differential with its neighbouring countries that is unacceptable. This is a home-made inflation and not an imported one. One the causes is the automatic indexation of wages. The steady rise of petrol prices boosts this automatic process, which cannot be compensated by an increase in productivity.

To fight inflation, public authorities (national and local administration) must refrain from raising taxes or introducing new ones.

Luxembourg consumers spend a lot of their income in neighbouring border cities in Germany, Belgium and France. The Luxembourg fiscal administration hence loses an enormous amount of VAT revenues. The government and the Chamber of Commerce have to reverse this situation and transform Luxembourg in a shopping mall for the citizens of the neighbouring countries. Consumer prices have to go down if they are higher abroad.

The indexation of wages is an indisputable advantage for Luxembourg, and trade unions would never accept its abolition. But some employers, especially those not familiar with the Luxembourg social model, do not always understand these advantages. They see it as a mere cost factor. It is a fact that a very low number of social conflicts and the almost nonexistent strikes are largely due to automatic wage indexation.

Prime Minister Juncker suggests that in order to preserve the mechanism, it has to be adapted. Ever growing fuel costs, tobacco and alcohol tax increases have to be excluded from the panel of goods considered for the calculation of the indexation. The dates of the wage adaptations will be subject to discussions too. Negotiations will be held within the “Tripartite”, a national trilateral conference very unique to the “Luxembourg social consensus model”, composed of trade unions, employers’ organisations and the government. Tripartite decisions are later discussed and adopted by the Parliament<sup>1055</sup>. These propositions made by J.C. Juncker raised some controversial discussion but there was no real social unrest. Most people were aware that some kind of realignment of the economic policy has to be made. Of course employers asked for more drastic measures

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<sup>1055</sup> Jean-Claude Juncker :Déclaration du gouvernement sur la situation économique sociale et financière du pays, Luxembourg 2.5.2006

while trade unions wanted less. The compromise reached did not please everyone but did not annoy anybody too much either. As the Luxembourg Socialist Labour Party is part of the government, and only the Greens, the Liberals and the Populists form a rather heterogeneous opposition, contesting voices were moderate. Even the populist party, ADR, currently passing through an internal crisis does not dare to seriously fight the proposed measures. Furthermore, the energy policy of the government is highly contested. In order to comply to its Kyoto commitments Luxembourg has to abandon progressively its low tax policy on petrol products (28% reduction of CO2 emissions until 2012). Critics of the government say that these goals are totally unrealistic. A drastic reduction of diesel fuel consumption can be obtained by adapting fuel taxes to the level of the neighbouring countries. Hence the purchase of cheap fuel in Luxembourg by foreign truck drivers and tourists will come to an end as the taxes paid to the Luxembourg government.

The government wants to continue the diversification policy of the economy by creating an attractive climate for potential investors especially in high technology industry, finances and logistic sectors.

The fight against unemployment is the top priority of the government. Programs to incite employers to hire more staff and to create more jobs for beginners are being renewed. Improving the professional qualification of unemployed and reforming the educational system is also a must.

The extremely high housing prices in Luxembourg are a very serious issue. The government admits that its action against expensive housing was not very successful through the last years. Speculation on building ground made Luxembourg one of the most expensive countries as far as housing is concerned. Some one thousand Luxembourg families had to cross the border to neighbouring countries because of high housing prices in their home country. The high rents partially explain the high wages earned in Luxembourg.

The outcome of the steel producer merger discussions between Arcelor-Mittal-Severstal will be a topic for the next half-year and will certainly dominate the political, social and economic debate.

## Malta

The main issue that Malta is focused on is the decision by the Government to commit itself to adopting the Euro on 1 January 2008. The opposition Labour Party is in favour of adopting the Euro but at a later date so as to give the Maltese economy more time to adjust to the competitive forces of the EU market.

The EU has been insisting that Malta carry out the necessary preparations including an effective information campaign if it is to make the 1 January 2008 target date. Although a National Committee has been appointed to manage the introduction of the Euro in Malta and has been implementing a step-by-step awareness campaign, there has been some disenchantment in the private sector and among the unions with the way this entire issue is being handled.

At a societal level the general public is fearful of a leap in inflation as the date of adoption of the Euro approaches. Most believe adopting the common currency will have a positive impact on the Maltese economy with the elimination of uncertainty about exchange rates. This is especially the case when one considers the fact that tourism is the number one foreign exchange earner in Malta with over a million tourists visiting Malta annually.

The other main event to take note of is the fact that the next general election in Malta is due by September 2008. Adoption of the Euro is thus likely to take on a larger political dimension with the two main political parties, the ruling nationalist government, and the opposition Labour Party having divergent views about the timing of the Euro's adoption. Several analysts (Malta Quarterly April 2006, Economist Intelligence Unit) believe the government will call an election before the January 2008 Euro target date, with the election serving as a referendum on this decision.

## Netherlands

### *Major political events*

The outcome of the local elections of 7 March 2006 has no direct major impact on European policymaking, but it does reflect the distrust of citizens in the current government, especially when it comes to their involvement in European affairs. This dissatisfaction was

previously clearly displayed in the no vote in the referendum on the Constitutional Treaty and is still continuing. According to a recent opinion poll, there is even a slight increase in voters that would reject the treaty.<sup>1056</sup> The ruling coalition parties: the Christian Democrats (CDA), Liberal Democrats (D66) and Liberals (VVD) lost in the municipal elections and major winners were the Socialist Party (SP) and Social Democrats (PvdA). The latter became the biggest party in both Amsterdam and Rotterdam.<sup>1057</sup> Another sign of distrust in the ruling parties was the increase of local parties that successfully participated in these local elections. Given the results it is quite likely that the ruling coalition will lose in the forthcoming parliamentary elections on 16 May 2007 and that we will see a new coalition government coming to power. Any new coalition including the biggest opposition party, the Social Democrats, will bring a change in European policy making because of the expected focus on social policy in line with their strong criticism on the alleged breakdown of the social system by the current government. This criticism also applies to the European level. Currently most political parties are in the process of electing their candidate who will be heading the list for the parliamentary elections at the forthcoming party congresses. The political leader of the Social Democrats has already announced at a party congress in December 2005 that he intends to run for prime minister in the next elections.<sup>1058</sup>

#### *Priority issues on the national policy agenda*

The Queen's speech from the Throne in September 2005, as mentioned in the previous issue of the EU25 Watch, listed four main objectives in domestic policymaking: greater national security; more people in the workforce; fewer rules and higher quality in public services; and more mutual respect in our society.<sup>1059</sup> These policy priorities set-out by the current government run to a large extent parallel with European policy priorities, like the combating of terrorism and need to move

<sup>1056</sup> 62% voted against the constitutional treaty on 1 June 2005 and now after a year 68% said to vote against.

<sup>1057</sup> 'Nederlander blijft sceptisch over EU', Metro 29/05/06.

<sup>1057</sup> CDA 16,83 %; VVD 13,68 %; D66 2,65% and PvdA 23,45 %; SP 2,9% and the local parties 25,02%. Dutch Electoral Council <http://www.kiesraad.nl>

<sup>1058</sup> 'Wouter Bos wil premier worden', 10/12/2005 at <http://pvda.nl>.

<sup>1059</sup> Speech from the Throne by the Queen at the Opening of the Parliamentary Year, (20 September 2005); See: previous issue of EU25 Watch for a more detailed description of the four objectives in national policy making.

forward in the area of justice, freedom and security and the revitalisation of the Lisbon Agenda.

#### **Poland**

The decisive political developments in Poland (the creation of the governmental coalition), which dominated Polish political life since November of last year, have already taken place and no important new ones are expected in the near future. The autonomous regional and local elections might have some influence on the regional development ranking inside the country, but will not play any decisive role in Poland's EU-related matters. Therefore, no events that could seriously influence Polish European policy should be expected soon in Polish internal politics. Generally, the Polish government and President have expressed their support for the common energy policy of the EU, for the CFSP and ESDP (Poland has decided to send 115 Polish soldiers to the Congo together with France, Germany and Spain), and for strengthening of the fight against international organised crime. The main slogan of Polish European policy is European solidarity (still expected from the EU in energy issues and demonstrated by Poland to its European partners in the ESDP area). On the other hand the government is rather reluctant as far as the prompt introduction of euro in Poland is concerned.

#### **Portugal**

The most relevant EU-related upcoming event that Portugal will face very soon is the Presidency of the EU scheduled for the second semester of 2007. Preparations are now underway, in close coordination with the previous (Germany) and the next (Slovenia) presidencies. It is clear that Portugal will inherit some difficult politically-sensitive dossiers, especially those related with the future of the European Constitution and the continuation of the enlargement process. It will also be the first presidency after the presidential election in France, widely seen as a decisive event for the resolution of the current political and constitutional crisis. In any case, it seems clear the government would not like to see the Constitution debate dominate and jeopardise the whole presidency exercise.

The main political priorities of the current government have a clear European dimension,

starting with the so-called “Technologic Plan”, a blueprint for the implementation of the Lisbon agenda (see question 5). The reform of the State, which aims at reducing the weight of public administration while making it more flexible, should also be seen as part of a strategy of improving the country’s competitiveness and efficiency in the European context. The government’s priority of fighting social exclusion will continue to influence its position on the debate around the Lisbon agenda and the need for underlining more strongly its social dimension. Other two important issues which will come up on the domestic political agenda in the coming months, but whose impact at the EU level is less significant, are the reform of the electoral law (which aims to create uninominal circles) and the referendum on abortion (the second in less than 10 years).

## Romania

Romania’s main priority for the second half of 2006 is connected to the accomplishment of the last reforms needed before the accession of the country on the target date of 1 January 2007. After the monitoring report of the European Commission on 16 May 2006, Romania still has four concern areas, in the “red area” (three for agriculture and one for taxation): 1. the requirement that the paying agencies accredited for handling direct payments to farmers and operators under the common agricultural policy become fully operational; 2. setting up proper integrated administration and control systems in agriculture; 3. full alignment of the animal by-products collection and treatment mechanism to the Community requirements; 4. implementation of IT systems ensuring interoperability of the VAT collection systems with those of the internal market of the EU.

The efforts of the Romanian Government will be mostly oriented to the accomplishment of the last conditions signalled in the May report of the Commission. Consequently, the most important European events with impact on Romania, but also on the development of the EU enlargement process, are the European Council in the summer and the monitoring report of the Commission in October, which would assess if the remaining requirements for Romania’s accession are met.

Directly connected to the accession priority, the National Reform Programme of Romania is

currently being prepared, and national debates concerning the role and place of Romania within the European Union will be organized.

For the Ministry of Foreign Affairs, the acceleration of the Accession Treaty ratification will be a basic diplomatic objective in the upcoming months.

Also, the first high-level meeting of the *Black Sea Forum for Dialog and Partnership* will take place in Bucharest, on 5 June 2006. It will gather presidents, heads of government and ministers of foreign affairs of the countries in the region, ministers of foreign affairs and high officials of EU and NATO member countries, representatives of EU, NATO, OSCE, Council of Europe, BSEC, and think tanks and NGOs from the area, and from Western Europe and North America.

The *Black Sea Forum for Dialog and Partnership* is a Romanian initiative, destined to provide the transparent meeting and dialog framework, favouring the launch of a reflection process on the future and identity of the region. The forum is designed to facilitate the identification of convergence points between investment projects, scientific research, regional initiatives and political processes, through a series of activities, either regulated or ad-hoc, taking place in various formats. The Forum would help the Black Sea countries to anticipate and rapidly and effectively solve potential problems, before they become sources of instability and threats to regional security. In the medium term, the *Black Sea Forum for Dialog and Partnership* could also be the first step to the switch to a proactive vision of the common future of the region, moving the centre of gravity from “anticipation” to “prefiguration” and “design”<sup>1060</sup>.

The initiative might have a European impact on the development of the European Neighbourhood Policy, contributing to new strategic directions at the level of the EU relations with the new neighbourhood area which the accession of Romania would open.

## Slovakia

Clearly the most important recent event was the early general elections on 17 June 2006. According to long-term trends in expressed political support documented by various

<sup>1060</sup> Public information on the website of the Romanian Ministry of Foreign Affairs.

election surveys, Robert Fico's SMER-SD was supposed to win the elections and it did. Apart from SMER-SD, five other political parties entered the Slovak parliament (see Table 1).

The election results and the subsequent advent of a new government may have a significant impact on Slovakia's role within the EU. A few days after the elections it was still too early to make any conclusive statements. Although SMER-SD won and it became clear that the current center-right government led by Prime Minister Dzurinda could not continue, Slovakia's proportional voting system brought up the necessity to create a governmental coalition. It was questionable whether SMER-SD, the strongest critic of the 2002-2006 governmental coalition (SDKÚ – SMK – KDH – ANO<sup>1061</sup>), was going to be able to build up its coalition with any of the parties in the outgoing government. While the party leader of SMER-SD Robert Fico has also been critical of Vladimír Mečiar (ĽS-HZDS), the post-election party talks brought to power a very different coalition from the previous government. Slovakia's new government will be composed of the following three parties: SMER-SD – SNS - ĽS-HZDS. Hence, the country will be ruled by a party without a governing experience (SMER-SD) together with two political parties that became internationally discredited as members of Slovakia's government led by Prime Minister Vladimír Mečiar from 1994 to 1998. Although the leaders of the nationalist SNS (Ján Slota) and ĽS-HZDS (Vladimír Mečiar) will personally not become members of the next government, the upcoming months will represent the first real test of continuity in Slovakia's EU policy.

The current position of Slovakia's government on EU matters can be characterised as follows:

- Single European market: in favour of more market liberalisation and the completion of the single European market
- Fiscal and monetary policy: a quick launch of the euro in Slovakia and no tax harmonisation at the EU level
- Foreign policy: in favour of further enlargement and transatlantic cooperation
- EU integration: apart from tax policy, justice and home affairs, and defence policy, generally pro-integrationist approach.

Two out of the six political parties that cleared the 5 % threshold and got to the national parliament hold a rather sceptical attitude towards EU integration (KDH and SNS). In their election programs, they stress the protection of national interests and the need to strengthen the position of national parliaments. SMER-SD and ĽS-HZDS do not explicitly state that they would be against tax harmonisation at the EU level. Both of them are also more cautious toward a quick launch of the euro in Slovakia.

Party manifestos are rather shallow on EU or Slovak foreign policy priorities. The SDKÚ-DS and KDH support the official attitude of the Slovak Republic toward further enlargement. They stress the EU commitment towards the Western Balkan countries and they express their support for Ukraine as the next possible candidate country. The SMK shares the same priorities but it is more careful with its support for further enlargement as it calls for a "cautious and circumspect policy".

The party manifesto of SMER-SD declares the party's support for Slovakia's active role in European and transatlantic structures. Its vision of foreign policy priorities is however

*Table 1: Results of Slovakia's parliamentary elections on 17 June 2006*

Political party	In percent	Parliamentary seats - total of 150
SMER – Social Democrats (SMER-SD)	29.14	50
Slovak Democratic and Christian Union – Democratic Party (SDKÚ-DS)	18.35	31
Slovak National Party (SNS)	11.73	20
Hungarian Coalition Party (SMK)	11.68	20
People's Party – Movement for Democratic Slovakia (ĽS – HZDS)	8.79	15
Christian Democratic Movement (KDH)	8.31	14

Source: Statistical Office of the Slovak Republic, 18 June 2006.

<sup>1061</sup> ANO – Alliance of New Citizen.

ambiguous. "The world has four cardinal points. Therefore also foreign policy of the party SMER-SD will be oriented towards the west as well as towards the east, the north and the south."

From the perspective of EU policy, the new government will have to take other important decisions on the national level with respect to the National Strategic Reference Framework for 2007-13 and its Operational programs, meaning the government will make important decisions on the allocation and usage of EU structural and cohesion funds. The new government's position and especially conduct on the planned introduction of the euro in Slovakia by January 2009 will provide an important indication for continuity or change in the country's EU policy.

## Slovenia

Two issues, which have the potential to influence Slovenian public opinion on the EU and on the cost and benefit of Slovenian membership in the EU, can be identified. These are the introduction of the Euro and preparations for the Slovenian presidency over the EU in the first half of 2008. The introduction of the Euro touches directly upon life of every citizen. Double pricing was introduced on 1 March 2006, and fear or almost a resigned certainty of higher prices upon the actual introduction of the new currency was widely present in the media in the weeks following the introduction of the double pricing. The official politics as well as the Bank of Slovenia are more concentrated on the technical aspects of the change of the currency; especially after the positive recommendation given by the European Commission on 24 May 2006 made the introduction of the Euro irreversible and proved the macroeconomic policy of Slovenia successful. The technical aspects of the change of currency are, however, not causing much concern. The certainty is based on the fact that Slovenia changed the currency in 1991 in a situation of much less certainty and without problems.<sup>1062</sup>

Preparations for the Presidency do not touch upon the lives of citizens directly, but the media is saturated with preparations. The

<sup>1062</sup> Vice-Governor of the Bank of Slovenia, Mr. Andrej Rant in Mija Repovž (2006) *Prodor v klub danajstih* [Breakthrough in the club of twelve], *Delo – Sobotna priloga* (Saturday supplement), 25 February 2006.

human resources problem was first to arise in the media. The Government assured it will not excessively recruit new public servants, but rather reorganise and use the existing 'capacities', which does not necessarily bring comfort to a knowledgeable public or academia.<sup>1063</sup> Apart from the opening of various protocol items, the more interesting aspect of preparations for the Presidency is the development of the priorities of the Slovenian Government for its six-month seat at the head of the EU. Priorities are mentioned by the Prime Minister Janša and Foreign Minister Rupel quite often<sup>1064</sup>, and they seem to be changing in line with actual challenges facing the EU.<sup>1065</sup> The constant, however, is the interest in the Western Balkans. Energy security entered the priority list as it came on the European agenda quickly after the beginning of January this year. The Constitutional Treaty was always a shadow constant among the priorities, but it became clear after the European Council meeting in May that the fate of the Treaty will be high on the agenda during the Slovenian presidency.

There are a few other issues that keep on the top of the Slovenian political and media agenda. Following the adoption of the Slovenian development strategy last year, there is a constant debate on its operationalisation. First were the workers who protested against the introduction of a unitary tax level. Students followed with protests against the introduction of tuition and measures limiting student work (or higher taxation of student work). Planned measures from the development strategy would seriously

<sup>1063</sup> Oppositional politicians are especially critical pointing to the fact that the most competent people have already been replaced by the current Government (e. g. Milan M. Cvikl, oppositional MP and former Director of the Government Office for European Affairs). A commentator in the daily *Dnevnik* also points to human resources problem and exposes the appointment of a fairly inexperienced diplomat, Mr. Janez Lenarčič as the new Director of the Government Office for European Affairs (Meta Roglič (2006) *Pomanjkanje kadrov grožnja našemu predsedovanju EU* [Human resource shortage: a threat to our Presidency over the EU], *Dnevnik*, 28 March 2006.

<sup>1064</sup> At the annual 'Consultation on Slovenian Diplomacy' Foreign Minister Rupel stated Slovenian priorities to be: Western Balkan, Neighbourhood Policy, strengthening of the role of the EU globally and dialogue between cultures (*Dnevnik* (2006) *Posvet diplomacije v znamenju vodenja EU* [Consultation of diplomacy marked by presidency over the EU], *Dnevnik*, 5 January 2006.

<sup>1065</sup> The newly appointed Director of the Government Office for European Affairs, Mr. Janez Lenarčič, said in his speech at the European Commission Presentation in Ljubljana on the occasion of the Europe Day, on the 8 May 2006, that the priorities are being inherited, not much can be chosen, but we can add the 'Slovenian touch' to them.

change relations in Slovenian society, and a variety of actors in Slovenian society is actively engaged in the debate on the measures. As already mentioned, trade unions and students are most active in their criticism. Economists and academics, on the one side, warn from the effect of the watered down measures if the Government succumbs to pressures (the Government gave up on tuitions on 23 May 2006, but students still protested in thousands in the centre of Ljubljana on the following day due to the remaining limitations on student work), and, on the other side, warn against the social changes the measures will bring about if adopted as declared in the development strategy.

There are two more specific internal political issues that also constantly make headlines. The selling off of state property spurs a lot of criticism from the opposition, as well as the legislation concerning media space in Slovenia. The new law on the functioning of public radio and television, new rules for behaviour of journalists and the new law on media all raise concerns among the opposition and opinion leaders on curtailing the freedom of the media and journalists.

There are also a number of foreign policy issues that are debated on a daily basis. These are relations with Croatia and constant incidents at the still not finalised decision over the border between the two countries. Voices calling for the issue to be brought to the 'European level' can be traced among the public, but the official politics is striving for bilateral negotiations and a speedy solution, since Slovenia supports Croatian entry into the EU and the settled border is one of the preconditions for Croatia, as well as it is for Slovenian entry into the Schengen system. The second constant issue is the situation of Slovenian minority in Austria. In the last three months, a new issue was added to this constant: the gas terminal Italy is planning to build in the Gulf of Trieste. Criticism against the Government and the shallow response of the foreign ministry to Italy's decision is loudly heard. Environmental concerns build the major argument against building the gas terminal. The Slovenian National Parliament will hold a special session on the issue in June 2006.

## Spain

What are the most important upcoming political events that will probably impact on EU-policy /

policy making in your country? Which are the four or five priority issues that emerge on the national policy agenda? Speculate on the influence these issues and events might exert on your country's positions in key issues on the EU level?

For Spain, the immigration issue is at the top of its agenda on European policy. During the last few weeks, as a result of favourable weather conditions, the Canary Islands have received a large number of illegal immigrants sailing from the Senegalese coast. Travelling in unsafe fishing craft unsuitable for the high seas, they often have to be rescued by the Spanish Navy and coast guard. Furthermore, the immigrants arriving to Spain by these means require massive medical, police and humanitarian resources.

The Spanish government believes that this sort of immigration is not directed towards Spain but towards Europe. Therefore, it should not only be a matter for Spanish concern but European. The EU should therefore have a comprehensive immigration policy with competencies in legal immigration, external borders, the integration of migrants and external relations with other states, etc. One of the Spain's foreign policy priorities is to reach agreements with the countries of origin of illegal immigrants (mainly African states) in order to reach joint policies on the issue.

The exchange of information on judicial and police matters is a central issue for the Spanish government. Spain, with other European member states (Belgium, Germany, France, Luxembourg, The Netherlands and Austria), has signed (and recently ratified in the Congress of Deputies) the Treaty of Prüm. The Treaty's objective, which is also known as Schengen III, is to 'further develop European cooperation, to play a pioneering role in establishing the highest possible standard of cooperation especially by means of exchange of information, particularly in combating terrorism, cross-border crime and illegal migration, while leaving participation in such cooperation open to all other Member States of the European Union'.

These priorities reflect the main concerns of Spanish public opinion according to the most recent polls. The EB 64 (October 2005) underlines that immigration (36%) is the issue of most concern, followed by terrorism (31%). The latest wave of the Elcano Royal Institute's

Barometer<sup>1066</sup> stresses the importance given by the Spanish public to the threat of international terrorism, Iranian nuclear weapons and the inflow of immigrants and refugees.

## Sweden

The major political event in Sweden for the fall is the general elections to the Riksdag in September. Currently, the balance between the election alliance of the Moderate Party, the Liberal Party, the Christian Democratic Party and the Centre Party on the one hand, and the Social Democratic Party in government and its two support parties (the Green Party and the Left Party) is roughly equal. As noted above, the EU question is generally absent from the election campaigns. One exception from this concerns the Green party and its call for Sweden to leave the EU altogether and instead to search for other forms of European cooperation. Together with the call for a referendum on the constitutional treaty, these positions will probably make it difficult to construct a red-green coalition government after the election.<sup>1067</sup>

## Turkey

### *Major political events*

Debates over the election of the next president and whether national elections, due for November 2007, would be held on time or ahead of schedule returned to dominate Turkey's political scene. The term of office of the President is set to expire in May 2007. Since the present government holds a majority in the Parliament large enough to electing the future President, political tensions have risen in Turkey recently as opposition parties and much of the media, tacitly backed by parts of the country's powerful secular elite, demand that parliamentary polls be held before November 2007, so that a newly elected Parliament can elect the new President. They fear the Islamist-rooted government will otherwise capture the presidency, traditionally a secularist stronghold.

The European Commission's representative in Ankara, Hans-Joerg Kretschmer, was quoted in the media as saying: "I think this debate [over early elections and the presidency] must be of concern because it shows a lack of stability, or at least a lack of respect, for institutions." Kretschmer also pointed out: "This also has a link to the political criteria [for EU membership]. The criteria are not only about democracy and human rights... but also about stable institutions and rule of law". Thus, calls for early elections in Turkey risk stoking political instability which could harm the country's drive to join the EU. The major cause for concern is that the already weakened reform drive in Turkey would slow even further as elections approach.

### *Priority issues*

The question of fulfilment of Turkey's obligations under the Association Agreement and its Additional Protocol extending the Association Agreement to all new EU member states is a major issue on the national agenda. Turkey is required by the EU to open its ports for use by the internationally recognised Cypriot government in the Greek-populated south of the divided island under a customs union agreement extended to all 25 members of the bloc. But Ankara refuses to do so until international restrictions on the Turkish Republic of Northern Cyprus are lifted.

The dispute almost derailed the start of detailed entry talks between Turkey and the EU in the beginning of June when Cyprus demanded that Ankara first extend its recognition and honour its customs union obligations before the start of the talks. The row was resolved when EU foreign ministers overcame Nicosia's objections but also warned Ankara that the Cyprus issue would continue to cloud membership talks if Ankara does not fulfil its obligations.

Following the two-day summit of the EU in Brussels in June 2006, particularly the French President Jacques Chirac warned Turkey to respect the deal with the EU to open its ports and airports to Greek Cyprus or risk stalling its bid to join the EU. The European Commission is expected to produce a report in October/November 2006 concerning Turkey's compliance with EU demands on the Cyprus issue, which will then form the basis of a decision to be taken by the European Council. For Turkey, opening its ports to Cyprus amounts to a major concession on the road to

<sup>1066</sup> Eleventh wave of the Elcano Royal Institute Barometer (BRIE), March 2006. An abridged English version is available at

[http://www.realinstitutoelcano.org/barometro\\_eng.asp](http://www.realinstitutoelcano.org/barometro_eng.asp)

<sup>1067</sup> Svenska dagbladet May 27 and 28 2006

(<http://www.svd.se>)



EU membership. The coming months, therefore, may witness a crisis in Turkey-EU relations depending on the strategy that Turkey adopts.

Economic issues, especially inflationary pressure is the cause of anxiety in the domestic arena that engenders financial fluctuation. In addition to global stock market jitters and expectations of rising US interest rates, Turkish markets have also been volatile against a backdrop of domestic political tensions and a large current account deficit. On 13 June, Turkey's central bank intervened to support the lira for the first time since May 2004. The expectation is that inflation for June will be high and a new round of interest rate hikes will be the order of the day. While there is a common agreement that the targeted 5 percent inflation rate by year's end will not hold, there appear to be serious questions as to whether or not the upper limit of 7 percent will be achieved. Macroeconomic instability does not provide an ideal environment for carrying out domestic reforms.

Turkey's inability to propose effective solutions to persistent high rates of unemployment and widening income inequalities continues to be on the national agenda. In particular, a study by the Confederation of Turkish Labour Unions (Türk-İş) showed that the minimum wage in Turkey is adequate to feed a family of four for a mere 20 days per month, noting that if rent, transportation, electricity, water, communications, education, health and other basic necessities were added, the minimum wage would only last for six days of the month. According to the study, the net minimum wage in Turkey is only 68.14 percent of the hunger threshold. Achieving a certain level of economic and social cohesion is one of the biggest challenges facing Turkey in order to qualify for EU membership. The recently accepted medium term development plan for 2007-2009 and the 9<sup>th</sup> Development Plan being debated in the Parliament set the scene for upcoming developments in this area.

Last but not least are issues concerning the independence of the judiciary and freedom of expression. These issues came to the limelight especially following the sacking of a prosecutor investigating the bombing of a bookstore in Şemdinli in Turkey's troubled Southeast last year, fuelling media talk of a possible cover-up, and the attack on the Council of State on 17 May, which resulted in the death of one judge and the wounding of four others. The attack

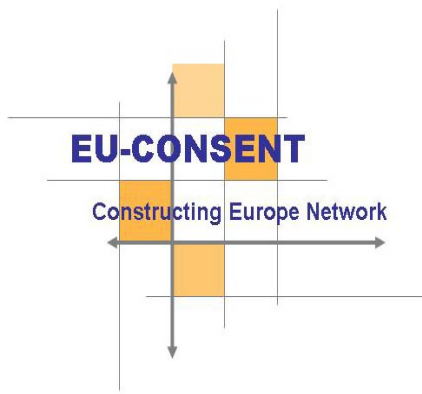
was reportedly linked to the Council of State's decision to confirm a ban on Islamic headscarves in public institutions and universities in Turkey. Moreover, the antiterrorism bill aimed at combating groups such as the outlawed Kurdistan Workers' Party (PKK) could undermine some of the progress achieved by Turkey in past years as it prepares for EU accession talks.

## United Kingdom

One political event that will have considerable impact on EU policy-making will clearly be the stepping down of Mr. Blair before the end of this Parliament and the changeover of power to Gordon Brown. Mr. Brown has more sceptical views of European integration and has often attacked the sluggishness of economic reform in Europe. Thus, when Mr. Brown becomes Prime Minister, less conciliatory views are expected to exacerbate divisions in the EU, especially as far as budgetary decisions and the British rebate are considered. Under the leadership of David Cameron, the Conservative party is talking less about the European Union.

In the run up to the British General Election, both parties are expected to generate "fresh" ideas on Europe, not only because the debate on the Constitution will eventually re-emerge, but also because it might coincide with the May 2009 European elections. Thus, although no concrete plans to transform the EU's failing policies and institutions have been presented so far by government and opposition, both parties are expected to be redesigning their strategy towards the EU.

On the whole, there seem to be two clear priorities for the UK in the upcoming years. First, institutional reform should be off the agenda. There is little appetite for bringing back the constitutional debate and for attempting to introduce parts of the Constitution. It is also very unlikely that the Prime-Minister-in-waiting, Gordon Brown, will back an unpopular initiative that would create public opposition in Britain. Second, the British government wants to prioritise economic reform in Europe and would like to take the lead in setting the example at the EU level. In line with a liberalisation approach, the EU should, in the British government's view, emphasise economic flexibility and deregulation, which would have an impact on economic growth and on unemployment levels.



## WIDER EUROPE, DEEPER INTEGRATION?

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EU-CONSENT is a network of excellence for joint research and teaching which stretches across Europe.

EU-CONSENT explicitly addresses questions related to the **mutually reinforcing effects of EU deepening and widening** by analysing the integration process to date and developing visions and scenarios for the future of the European Union. The thematic focal points of the network are organised in four thematic “Work Packages”:

1. **Institutions and Political Actors**  
(responsible: E. Best/T. Christiansen)
2. **Democracy, Legitimacy and Identities**  
(responsible: M. Karasinska-Fendler)
3. **Economic and Social Policies for an Expanding Europe**  
(responsible: I. Begg)
4. **Political and Security Aspects of the EU’s External Relations**  
(responsible: G. Bonvicini/A. de Vasconcelos)

The network involves 48 institutional partners, including 25 universities, approximately 200 researchers and 80 young researchers from 22 EU member states and three candidate countries. The project started working in June 2005 and is scheduled until May 2009.

The results of the network’s activities will be incorporated in the following **special EU-CONSENT products**:

- **EU-25 Watch**, an analysis of national debates on EU matters in all 25 member states as well as four candidate countries (responsible: B. Lippert).
- **WEB-CONSENT**, the project’s website at [www.eu-consent.net](http://www.eu-consent.net), containing all relevant information and announcements (responsible: M. Cricorian).
- **EDEIOS Online School**, presenting a core curriculum of conventional and virtual study units on EU deepening and widening (responsible: A. Faber).
- **a PhD Centre of Excellence**, consisting of integrating activities for young researchers such as six summer/winter PhD schools (responsible: A. Agh).
- **an E-Library**, containing resources and papers available online as well as literature lists for all thematic focal points of the project (responsible: A. Faber/M. Cricorian).

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