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Robert Schuman, Luxembourg
Centre of International Relations, Ljubljana
Cyprus Institute for Mediterranean, European and
International Studies, Nicosia
Danish Institute for International Studies,
Copenhagen
Elcano Royal Institute and UNED University, Madrid
University of Tartu
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Federal Trust for Education and Research, London
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Foundation for European Studies, European Institute,
Łódź
Greek Centre of European Studies and Research,
Athens

Groupe d'Etudes Politiques Européennes, Brussels
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Institute for World Economics of the Hungarian
Academy of Sciences, Budapest
Institute for Strategic and International Studies,
Lisbon
Institute of European Affairs, Dublin
Institute of International Relations, Prague
Institute of International Relations and Political
Science, Vilnius University
Istituto Affari Internazionali, Rome
Latvian Institute of International Affairs,
Riga
Mediterranean Academy of Diplomatic Studies,
University of Malta
Netherlands Institute of International Relations
'Clingendael', The Hague
Slovak Foreign Policy Association, Bratislava
Swedish Institute of International Affairs,
Stockholm
Trans European Policy Studies Association
(TEPSA), Brussels

ie
ip Institut für
Europäische Politik

Bundesallee 22, D-10717 Berlin
Tel.: +49/30/88.91.34-0, Fax: +49/30/88.91.34-99
E-mail: info@iep-berlin.de
Internet: <http://www.iep-berlin.de>

www.eu-consent.net

EU-25/27 Watch

On the Project

The enlarged EU of 27 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 27 EU member states as well as from 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 August 2006 by all participating institutes. Most reports were delivered by the end of November 2006. Issues of *EU-25/27 Watch* are available on the homepage of EU-CONSENT (www.eu-consent.net) and on the internet sites of most of the contributing institutes.

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List of Authors

Contributors to this issue:

- Austria:** *Barbara Rohregger*, Österreichisches Institut für Internationale Politik, Wien
- Belgium:** *Bruno De Cat*, Groupe d'Etudes Politiques Européennes, Brussels
- Bulgaria:** *Krassimir Nikolov, Dragomir Stoyanov*, Bulgarian European Community Studies Association, Sofia
- Croatia:** *Hrvoje Butkovic, Ana-Maria Boromisa, Nevenka Cuckovic, Visnja Samardzija, Mladen Stanicic, Igor Vidacak*, Institute for International Relations, Zagreb
- Cyprus:** *Nicoleta Athanasiadou, Annita Demetriou, Giorgos Kentas, Costas Melakopides, Christos Xenophontos*, Cyprus Institute for Mediterranean, European and International Studies, Nicosia
- Czech Republic:** *Mats Braun, Petr Kratochvil*, Institute of International Relations, Prague
- Denmark:** *Anne Mette Brondbjerg, Ian Manners, Catharina Sørensen, Anne Mette Vestergaard*, Danish Institute for International Studies, Copenhagen
- Estonia:** *Piret Ehin*, University of Tartu
- Finland:** *Markus Palmén*, Finnish Institute of International Affairs, Helsinki
- France:** *Alexis Dalem*, Centre européen de Sciences Po, Paris
- Germany:** *Gesa-Stefanie Brincker, Daniel Göler, Timo Goosmann, Kristina Kurze, Barbara Lippert, Elfriede Regelsberger*, Institut für Europäische Politik, Berlin
- Greece:** *Nikos Frangakis, A.D. Papayannides*, Greek Centre for European Studies and Research, Athens
- Hungary:** *Krisztina Vida*, Institute for World Economics of the Hungarian Academy of Sciences, Budapest
- Ireland:** *Jill Donoghue*, Institute of European Affairs, Dublin
- Italy:** *Valerio Briani*, Istituto Affari Internazionali, Rome
- Latvia:** *Dzintra Bungs*, Latvian Institute of International Affairs, Riga
- Lithuania:** *Jurga Valanciute*, Institute of International Relations and Political Science, Vilnius University
- Luxembourg:** *Jean-Marie Majerus*, Centre d'Études et de Recherches européennes Robert Schuman, Luxembourg
- Malta:** *Stephen C. Calleya*, Mediterranean Academy of Diplomatic Studies, University of Malta
- Netherlands:** *Hinke Pietersma*, Netherlands Institute of International Relations 'Clingendael', The Hague
- Poland:** *Maria Celina Blaszczyk, Anna Jedrzejewska, Maria Karasinska-Fendler, Monika Maj-Slupinska, Rafael Trzaskowski, Przemysław Zurawski vel Grajewski*, Foundation for European Studies, European Institute, Lodz
- Portugal:** *Bruno Martins, Maria do Rosário de Moraes Vaz*, Institute for Strategic and International Studies, Lisbon
- Romania:** *Gilda Truica*, European Institute of Romania, Bucharest
- Slovakia:** *Vladimir Bilcik, Aneta Vilagi*, Slovak Foreign Policy Association, Bratislava
- Slovenia:** *Sabina Kajnc, Primož Karnar*, Centre of International Relations, University of Ljubljana
- Spain:** *Alicia Sorroza Blanco, José I. Torreblanca*, Elcano Royal Institute/UNED University, Madrid
- Sweden:** *Rikard Bengtsson*, Malmö University/Swedish Institute of International Affairs, Stockholm
- Turkey:** *Sait Aksit, Idil Aybars, Tolga Bolukbasi, Demir Demiroz, Ebru Ertugal, Burcu Gultekin, Saime Ozcurumez, Galip Yalman, Gokhan Yandas*, Center for European Studies / Middle East Technical University, Ankara
- United Kingdom:** *Joana Cruz*, Federal Trust for Education and Research, London.

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Make or break – The EU in 2007

Barbara Lippert / Timo Goosmann

"Europe – succeeding together!" – the motto which the German government adopted for its presidency of the council of the EU encourages and warns the now 27 member states of the Union to undertake all efforts to solve the most pressing problems and rise to the challenges of an insecure, rapidly changing world.

This issue of "EU-25 Watch", which after the accession of Bulgaria and Romania on 1 January 2007 is now relabelled "EU-25/27 Watch"¹, covers the following key topics of European policy:

- Expectations for the German Presidency
- Elements for the "Rome Declaration 2007"
- Scenarios for the future of the Constitutional Treaty
- Absorption capacity and the future of enlargement
- European Energy Policy
- Justice and Home Affairs/European Immigration Policy
- Lebanon/Middle East
- Russia and the European Neighbourhood Policy
- Upcoming events and issues in your country

The quest for a Constitutional settlement

Great expectations rest on the German government, which holds the council presidency of the EU in the first six months of 2007. These mostly concern the mandate to continue consultations with the member states regarding the fate of the Constitutional Treaty (TCE) and to come up with an instructive "assessment of the state of discussion with regard to the Constitutional Treaty and explore possible future developments" in June 2007.² However, the narrow margin in which the German government has to operate is widely acknowledged by member states.³ Namely the presidential and parliamentary elections in France (April-June 2007) are a significant constraint because they leave a very small time window of only a few days. In a number of other member states, for example in Poland, the Czech Republic or the Netherlands, where changes within and of governments and problems of forming effective governments after recent elections occur(ed), the presidency will find difficult partners. Moreover, political leadership in other member states is weakened through national uprisings and political confrontations (like in Hungary) or expected changes at the top of the government (Prime Minister Tony Blair in the UK). The German government by comparison is based on a broad and stable majority due to the coalition of the biggest parties. In the previous issue of EU-25 Watch, Chancellor Merkel was identified as the strongest leader among the heads of state and government in the Union, and in particular when compared to President Chirac and Prime Minister Blair, who is expected to step down in the course of 2007.⁴ Thus, neither the Franco-German engine nor the triangular leadership of France, the UK and Germany is effectively working towards EU-European solutions. This was deeply felt in the Lebanon crisis and the controversy leading to the mandate for the UNFIL mission in summer and autumn 2006.⁵ Germany, however, possesses other assets as EU

¹ "EU-25/27 Watch" has been chosen to provide continuity with the established title "EU-25 Watch" while at the same time acknowledging the accession of Bulgaria and Romania.

² Cf. Council of the European Union: Presidency Conclusions. Brussels European Council, 15/16 June 2006, 10633/1/06 REV 1, 17 July 2006, p. 18.

³ Cf. the Danish, Portuguese and Romanian chapters on expectations for the German EU presidency (question 1) and Michael Dauderstädt / Barbara Lippert / Andreas Maurer: Die deutsche EU-Ratspräsidentschaft 2007: Hohe Erwartungen bei engen Spielräumen, Friedrich-Ebert-Stiftung, International Policy Analysis Unit, November 2006.

⁴ Cf. Institut für Europäische Politik (Ed.): EU-25 Watch No. 3, July 2006, Berlin, chapter on leadership (question 3).

⁵ In many reports a deep sense of disappointment about the EU's (in)action during the crisis becomes obvious: "Powerlessness", "lack of capacities", "no room for action" are the words most often used by the media" in France. The Bulgarian report states that "the EU reaction had been very slow and the elaboration of a common position had been impeded by the different foreign policy visions of the EU member states." Many quite critical quotes are included in the Cypriot report, among others a Cypriot MEP stating that many "have not realized the value of a common foreign policy, which is needed in order to stand opposite the US." A similar judgement can be found in the Greek report: "Lebanon served to stress once more the effective dependence of European options and overall position from US priorities and decisions on the Middle East." A very clear position by a Romanian newspaper: "Those claiming that Romania must make a choice in its foreign policy – between the Americans and the Europeans – should think again. The EU will help us in other areas, not in this one. *There is no European*

president: Germany belongs to the majority of 18 member states that have already ratified the TCE.⁶ It remains a staunch supporter without adopting extreme positions or facing strong domestic constraints and sensitivities on specific issues of the TCE. On the contrary, in the term of the Austrian presidency⁷ the German government had signalled flexibility and prepared for a period of intensive consultations with member states, notably with the crucial (France, Netherlands) and difficult (Poland, Czech Republic, Denmark, UK) ones. Nobody believes that the German government can work miracles⁸, and Merkel/Steinmeier are persistently trying to scale down expectations.

However, to overcome the impasse is *the* test case for the success or failure of the German presidency. Moreover, the 27 EU governments avoid talking about a 'make or break' scenario – not in the least because in the past the EC/EU had recovered from all crises and found ways out. The German government declared its ambition to provide a road map for the TCE that leads to a solution, i.e. a ratified document, by 2009. From an Irish point of view, for example, "it is not sufficient to do an *etat de lieu*, rather the Presidency should add something in terms of a synthetic review of where member states are at present and suggest possible avenues of progress."⁹ The preferred scenarios of the 27 governments range from saving the treaty as it stands (Italy) to scrapping it entirely (UK, Netherlands). Although neither Prime Minister Blair's intentions nor the ones of his presumed successor Brown are clear with regard to a probable referendum, the UK government doubts the practicality of reviving the TCE because it is deemed dead. The Spanish government with tacit sympathy of the German presidency took the initiative to invite all "friends of the constitution" governments (the 18 EU member states that have ratified the stalled European Constitution) to a conference in Madrid on 26 January 2007 in an attempt to save the substance of the text. This signals the growing self-confidence and fighting spirit of the countries that completed ratification and signals the discomfort with the declared and presumed "no countries" that do nothing to come to alternative solutions and do not give credit to the 18.¹⁰ However, the 18 also increasingly accept that some sort of negotiations and a new IGC are unavoidable. The proposal for a mini treaty¹¹ offered a new point of reference¹², although the idea to restrict reforms to institutional questions as proposed by Sarkozy is rejected by many governments (e.g. Austria, Hungary, Netherlands). The alternative to a minimized treaty are amendments or added protocols that would need (extra) ratification by all member states.¹³ The bottom line seems to be that the TCE is not scrapped but is accepted as the basis for any further negotiations.¹⁴ For the Polish government the TCE is not more than a point of reference in the debate on a reform of the EU. Moreover, it insists on a reference to God and Christian values and favours other changes and adaptations beyond that. The Dutch government (both before and after the parliamentary elections in November 2006) also finds the TCE as it stands unacceptable and favours a series of reforms that follow the political agenda. This approach is popular among countries that want to focus on the "Europe of results" and the "Europe of projects", especially the UK. It is also hinting at the nearing outdatedness of the TCE, whose first draft had been finalised in summer of

foreign policy, there are no dilemmas we ought to have." All of these quotations are taken from the chapter on Lebanon/Middle East (question 7).

⁶ On 5 December 2006 Finland became the 16th member state to ratify the Constitutional treaty. Additionally, ratifications of Bulgaria and Romania became valid with accession as a part of their respective accession treaties.

⁷ Frank-Walter Steinmeier gave a statement in this sense during the EU's foreign ministers' meeting in Klosterneuburg near Vienna on 27 May 2006. Cf. Christoph B. Schilz: Deutschland will EU-Verfassungskrise bis 2009 lösen, in: Die Welt, 29 May 2006.

⁸ No ground breaking progress possible, says e.g. the Austrian press: "In many articles and comments, the high expectations towards the German presidency are perceived as understandable but also as highly overdrawn in the face of the many problems of the European Union." The Portuguese report states that "regarding the Constitutional Treaty, it is obviously assumed, in line with the division of labour set forth by the June 2006 European Council, that Germany will make no ground-breaking progress. Like elsewhere in Europe, the ultimate fate of the Treaty is generally thought to hinge primarily on the results of the French presidential election." Similar statements can be found in several other reports, cf. the chapter on expectations for the German presidency (question 1).

⁹ Cf. the Irish chapter on expectations for the German presidency (question 1).

¹⁰ Jean-Claude Juncker declared that that he was "not amused" that some member states who had not even started the ratification processes, such as the United Kingdom, Portugal and Sweden, "now feel free to give lessons to the member states having accepted and ratified the treaty. They are not entitled to adopt this provocative attitude until they have done their homework". Cf. the Luxembourgian chapter on scenarios (question 3).

¹¹ Cf. speech of Nicolas Sarkozy to the Amis de l'Europe and the Fondation Schumann, Brussels, 8 September 2006, available at: <http://www.robert-schuman.org/actualite/bruxelles/discours8sept.pdf> (last accessed 25 November 2006) as well as Institut für Europäische Politik (Ed.): EU-25 Watch No. 3, July 2006, Berlin, French chapter on the reflection period (question 1).

¹² Cf. e.g. the Croatian, Cypriot, German, Greek, Hungarian, Italian, Luxembourgian and Dutch chapters on scenarios (question 3).

¹³ Cf. e.g. the Austrian, Estonian, Hungarian, Lithuanian, Portuguese and UK chapters on scenarios (question 3).

¹⁴ Cf. e.g. the Austrian, Cypriot, Estonian, Hungarian, Italian, Latvian, Lithuanian, Luxembourgian, Portuguese, Romanian and Spanish chapters on scenarios (question 3).

2003. The Czech parties ODS (backed by president Klaus) and the Social Democrats are still deeply divided on the issue. These divisions, however, could be smoothed over given the more positive attitude of the Czech citizens and the fact that any Czech government fears inheriting a still unsolved TCE-problem in its first ever presidency in 2009. Probably the most crucial country, France, finds itself in limbo during the presidential campaign. Both candidates, Sarkozy and Royal, confirm that there is no way back to accepting the TCE that had been turned down by French citizens. The speeches that the candidates have presented in the run-up to the elections¹⁵ hint to substantive connections to traditional European debates in France in terms of economic and social policy, the role of Europe in the world and the debate on enlargement. Although both candidates for president claim to exemplify a new style of politics, up to now their European policy discourses demonstrate more continuity than change.

The Berlin declaration as a test case

Still, the French country report outlines the faint hope that there is a window of opportunity between the German and French presidencies. Although France is key to a solution, a declared Franco-German approach could be rejected as a coup of the “big bosses” and thus be counterproductive for finding a consensus. On this background the German government pursues a cautious approach of systematic, inclusive (in particular with regard to small and medium sized countries) and intensive consultations. It asked all governments to name sherpas for this exercise. The German government made it clear that it expects some countries, i.e. the “no countries”, to show particular flexibility.¹⁶ As field of experiment and trial, the German government will use the preparation of the so called Berlin declaration to mark the 50th anniversary of the signing of the Rome treaties. There is hardly any debate about the content and the symbolic and practical value of the declaration apart from a few countries.¹⁷ Moreover, the modest response is also explained with reference to not being a founding country (Denmark, UK). The European Council reaffirmed the significance of the Rome treaties and welcomes the opportunity of its anniversary to confirm the values of the European integration process.¹⁸ However, according to the country reports most member states claim to go beyond the declaration of common values and avoid any empty rhetoric.¹⁹ The declaration should be brief, clear and political in that, besides listing achievements, it addresses first of all the challenges and objectives of the EU.²⁰ Most new eastern European members claim a commitment to both enlargement (which should be declared as a success story) and deepening.²¹ For example, from the Hungarian point of view, most important are: “a) the Eastern enlargement should be mentioned as a successful enlargement of historical importance; b) the traditional evolution of the EU – namely the coexistence of deepening and widening – should not be abandoned; c) any kind of deepening should occur upon consensus, embracing all the member states and not leading to a Europe of several speeds.” The Romanian report stresses that “the declaration’s positive impact on the actual results of the double track approach, as agreed upon within the European Council, depends on the consistence of the messages and the success in coordinating the two documents: on the one side, the declaration and, on the other side, the first report of the German Presidency assessing the status of the consultations during the ‘reflection period’ and exploring potential developments in the constitutional process.” As several reports underline, the target group for the Berlin declaration is the citizens. Also in Berlin, where the heads of state and government will meet on 24/25 March 2007 to commemorate the 50th anniversary of the signing of the Treaties of Rome, a series of festivals, popular celebrations and a “European Night of clubs and museums” are planned. In more practical terms, the Berlin declaration should help to regain the citizens’ interest in and support for European integration.

The Constitution is not the only problem on the agenda of the German presidency. Member states expect Germany to also give particular attention to energy policy (energy security and climate

¹⁵ Cf. the French chapter on scenarios (question 3).

¹⁶ German minister of foreign affairs Frank-Walter Steinmeier stated that “some EU member states have to move more than others” to reach a compromise between those who already have ratified the treaty and those who do not react or whose public voted against it, cf. German chapter on scenarios (question 3).

¹⁷ Cf. the Austrian, Bulgarian, German, Greek, Hungarian and Italian chapter on the Berlin declaration (question 2).

¹⁸ “The European Council calls for the adoption, on 25 March 2007 in Berlin, of a political declaration by EU leaders, setting out Europe’s values and ambitions and confirming their shared commitment to deliver them, commemorating 50 years of the Treaties of Rome.” Council of the European Union: Presidency Conclusions. Brussels European Council, 15/16 June 2006, 10633/1/06 REV 1, 17 July 2006, p. 18.

¹⁹ Cf. the Austrian, Czech, French, Irish, Italian, Polish and Spanish chapters on the Berlin declaration (question 2).

²⁰ Cf. the Finnish, French and Portuguese chapters on the Berlin declaration (question 2).

²¹ Cf. the Bulgarian, Croatian and Estonian chapters on the Berlin declaration (question 2).

change), which is the other big issue gaining EU-wide high salience, neighbourhood policy and notably EU-Russia relations, the future of the Western Balkans (Kosovo), as well as economic reforms under the Lisbon agenda.

Tacit controversy on the future of enlargement

Over the last months, the debate on the EU's capacity to absorb members beyond the current 27 has calmed down. The European Council endorsed a communication of the Commission which relabelled the term 'integration capacity'.²² The debate on the absorption capacity which was originally promoted in particular by France, Luxembourg and Austria, was welcomed as "useful" (Netherlands), "valuable" (Ireland) and "inevitable" (UK). However, it is still suspected to be used as a new hurdle and criterion to work against Turkish membership.²³ Therefore, it is viewed critically in most of the new member states like Estonia, Czech Republic, but also in Finland. Also, other states call for a fair and balanced treatment of current and future candidates (e.g. Czech Republic, Ireland, Italy, Sweden, UK). Promoters of the concept of absorption capacity refer to (negative) public opinion as the major reason for this consideration. Only few come up with concrete assessments of the probable implications of further enlargement for reform of the EU of today. Nevertheless some insist that no further enlargement beyond the 27 shall take place unless:

- institutions are reformed²⁴
- the constitutional problem is solved²⁵
- the economy recovers²⁶
- limits of EU are drawn²⁷
- conditionality of membership (implementation of Copenhagen criteria) is rigorously applied.²⁸

As far as implications for further enlargement is concerned, the country reports confirm the solid support for the Western Balkans' membership perspective, although no timetable or target dates are identified. All in all, the debate on integration capacity, although important, did not gain further political momentum.

High expectations concerning energy policy

Among the issues and policies of high salience, energy is at the top of the agenda. The EU shows great variations as far as the energy mix in the respective member states are concerned, but nearly all currently show high and increasing levels of dependence on energy imports.²⁹ Therefore, diversification of supply is high on the agenda of what the EU should do in this field. In this respect, Russia is clearly identified as the most important, powerful and difficult export country on which energy security rests in the EU. The Central and Eastern European members in particular claim solidarity of EU partners and a coherent and unified policy vis-a-vis Russia.³⁰ To build this unified front would strengthen the EU in negotiations with Russia, which exports 62 % of its gas exports and 53% of its oil exports to the EU.³¹

²² European Commission: Communication from the Commission to the European Parliament and the Council. Enlargement Strategy and Main Challenges 2006-2007. Including annexed special report on the EU's capacity to absorb new members, COM (2006) 649 final, Brussels, 8 November 2006.

²³ The Portuguese report states that "absorption capacity has clearly become shorthand for 'stalling Turkey's accession' by adding a hidden criterion to those publicly stated, which should apply equally to all EU candidates and hopefuls, and one to which furthermore the latter are powerless to comply." The Spanish report hints to a similar direction, pointing out that "blaming enlargement for all the EU's ills may help the EU feel better in the short-term, but it will not cure it in the long-term." Cf. the Portuguese and Spanish chapters on absorption capacity (question 4).

²⁴ Cf. the Cypriot, French, Estonian and Luxembourgian chapters on absorption capacity (question 4).

²⁵ Cf. the German chapter on absorption capacity (question 4).

²⁶ Cf. the Austrian chapter on absorption capacity (question 4).

²⁷ Cf. the Danish chapter on absorption capacity (question 4).

²⁸ Cf. the Irish and Dutch chapters on absorption capacity (question 4).

²⁹ Cf. e.g. the Austrian, Bulgarian, Finnish, Hungarian, Italian, Luxembourgian, Romanian, Slovak, Slovenian and Spanish chapters on energy policy (question 5). Extreme cases: While Latvia receives 100% of its natural gas from Gazprom, Malta is dependant on importing *all* of its energy supplies.

³⁰ Cf. Poland, Bulgaria and the Baltic countries in this respect, but also the Irish chapter on energy policy (question 5). The report from the Czech Republic, however, stresses that Russia is not perceived as a threat in this respect.

³¹ The European Commission's Delegation to Russia: EU-Russia Energy Dialogue, available at: http://www.delrus.cec.eu.int/en/p_217.htm (last accessed 4 January 2007).

Many member states, e.g. Austria, stress that they do not want the EU to interfere in their choices for energy sources. There is a new trend to use nuclear power and also build new plants (Baltics, Hungary). The EU is also divided on other issues, such as the further liberalisation of the energy market (UK for, France against). Another topic to be dealt with at EU level should be storage systems.³² Some, including Italy, call for more leadership on these issues from the Commission.

In 2007 the EU wants to start negotiations with Moscow on a comprehensive agreement to succeed the Partnership and Cooperation Agreement, which will expire in November of this year. Currently the Polish government is blocking the mandate because of Russia's embargo against Polish meat and also because of its concern for energy security. Compared to the old member states, the new ones strongly emphasise to explicitly base the relationship with Russia on values common to the EU members.³³ Old member states also look for a broad and comprehensive approach covering all four spaces.³⁴ However, the perspective of an economic area and energy cooperation are more in the foreground of the old member states. After enlargement to the East, but also with regard to Russia's recent power politics towards transit countries like the Ukraine and Belarus, the interest constellation and perceptions in the EU are in experiencing a process of change. They diverge less on the substance but more on how to deal with Russia.

The 27 increasingly see the need and the opportunities to use the EU as an important instrument to manage migration flows and deal with illegal immigration and asylum.³⁵ That is also why some are in favour of using more majority voting on these issues.³⁶ Denmark, which has an opt-out arrangement on Justice and Home Affairs, including immigration issues, now occasionally opts into concrete Schengen-relevant instruments on an intergovernmental basis, e.g. the Border Fund and Frontex.³⁷ The Prüm treaty is viewed with criticism by some countries because of its potential to fragment EU Justice and Home Affairs even more (Ireland, Poland), while others are more positive and are considering joining the treaty.³⁸ Depending on the success of the German EU presidency's negotiations to introduce the Prüm acquis into the EU framework, this issue might soon be resolved.³⁹

Upcoming elections in the EU-27 include the eagerly awaited presidential elections in France (22 April/6 May 2007), parliamentary elections in Estonia (4 March 2007), Northern Ireland (7 March 2007), Netherlands (Senate, 7 March 2007), Finland (18 March 2007), Scotland/Wales (3 May 2007), Belgium (10 June 2007) and France (10/17 June 2007). Additionally, elections for European Parliament in Bulgaria and Romania are scheduled for May 2007, and on 11 February 2007 a referendum on abortion will be held in Portugal.

Issues that currently enjoy high salience in member states are primarily related to the national reform agenda⁴⁰, the state of coalition governments or the relationship between head of state and head of government⁴¹ and in some cases to constitutional questions.⁴²

Outlook – Succeeding together?

The Romanian report points out a crucial aspect that can be observed in many chapters of this survey: the relationship between growing heterogeneity of preferences, conditions and capacities on the one hand and the question of solidarity and coherent action on the other. The author Gilda Truica notes in her analysis that "as the two EU enlargements of 2004 and 2007 have increased and will increase the

³² A very interesting case can be found in the Turkish chapter on energy policy (question 5).

³³ Cf. the Bulgarian, Estonian, Latvian, Lithuanian and Polish chapters on Russia and the European Neighbourhood Policy (question 8).

³⁴ Cf. the Austrian, Cypriot, Finnish, German, Greek, Maltese and Dutch chapters on Russia and the European Neighbourhood Policy (question 8).

³⁵ Some reports, however, stress that border control is not enough to prevent illegal immigration: "In the opinion of the government, border control is not the sole answer towards illegal migration, but special attention should be given to prevention, development, the fight against human trafficking, asylum, protection in the region, capacity-building and cooperation with countries of origin and transit." Cf. the Dutch chapter on Justice and Home Affairs (question 6).

³⁶ Cf. the Finnish, Hungarian, Luxembourgian, Dutch, Polish and Spanish chapters on Justice and Home Affairs (question 6).

³⁷ Cf. the Danish chapter on Justice and Home Affairs (question 6).

³⁸ Especially the original signatories (Austria, Belgium, France, Germany, Luxembourg, Netherlands and Spain) as well as other countries that have recently joined or expressed interest to do so (Finland, Hungary, Italy, Portugal, Slovenia). Cf. the chapter on Justice and Home Affairs (question 6).

³⁹ Cf. the German chapter on Justice and Home Affairs (question 6).

⁴⁰ Cf. the Croatian, Cypriot, Hungarian, Portuguese, Slovak, Slovenian and Turkish chapters on Events and Issues (question 9).

⁴¹ Cf. the Bulgarian, Greek, Romanian and Slovenian chapters on Events and Issues (question 9).

⁴² Cf. the chapter on Events and Issues (question 9).

Member State typological and viewpoint diversity, the need to include on the German Presidency's agenda of general priorities the identification of ways to revive the impetus for a renewed solidarity between all 27 Member States is also brought into discussion. The primary reason is that, although the increased diversity affects to a lesser degree the functionality and effectiveness of the Union, it may have a major impact on its credibility before European and international public opinion.⁴³ In order to regain the public support of the European citizens it will not be sufficient just to publish a thoughtful declaration commemorating the 50th anniversary of the Treaties of Rome. The ideas presented by the German presidency – praised by the Cypriot report as “being rational, of moment and of the moment”⁴⁴ – seem a fair basis to succeed together.

⁴³ Cf. the Romanian chapter on expectations for the German EU presidency (question 1).

⁴⁴ Cf. the Cypriot chapter on expectations for the German EU presidency (question 1).

Chronology of Main Events

(between July 2006 and January 2007)

1 July	Finland takes over the EU-Presidency for the second half of 2006.
10-11 July	Euro-African Conference on Migration and Development in Rabat, Morocco.
11 July	First broadcasted council meeting (ECOFIN) in line with new Transparency Guidelines.
12 July	Hezbollah captures two Israeli soldiers, triggering first Israeli land incursion into Lebanon since 2000.
15-17 July	G8 Meeting in St. Petersburg.
18 July	International Conference on Darfur with the UN and African Union, Brussels
26 July	Lebanon Conference in Rome fails to end conflict. The US and UK block demand for an immediate ceasefire.
1 August	Extraordinary Meeting of Foreign Ministers to discuss the crisis in Lebanon. The Finnish Presidency announces EU commitment to contribute 7000 troops to the UN led mission UNFIL. Iran defies latest UN deadline to stop nuclear activities
11 August	UN Security Council adopts Resolution 1701 on Lebanon calling for a "full cessation of hostilities" and a 15,000-strong force to replace Israeli forces in southern Lebanon
14 August	Ceasefire between Israel and the Hezbollah comes into force.
1-2 September	Informal meeting of Foreign Ministers, 'Gymnich Meeting'
8-9 September	ECOFIN Meeting, Helsinki
9 September	EU-China Summit, Helsinki. Representatives of the EU and China agree on the start of negotiations for a Partnership and Cooperation Agreement.
10 –11 September	Asia-Europe Meeting, Helsinki
20- 22 September	Justice and Home Affairs Council Meeting, Tampere. The Finnish proposal to abolish the unanimity in Justice and Home Affairs is rejected by the majority of member states.
9 October	North Korea conducts Nuclear Test. On October 14, the UN Security Council voted unanimously to impose sanctions.
20 October	Informal Meeting Heads of State and Government, Lahti. General agreement to renew the Partnership and Cooperation Agreement (PCA) with Russia, which expires in the end of 2007.
24 October	EU-Russia Summit, Helsinki. Poland vetoes the mandate for a renewal of the PCA with Russia.
25-26 October	Interior ministers from six largest EU member states propose to launch a common European immigration policy.

27 October	EU-Ukraine Summit, Helsinki
29 October	Congo's incumbent president, Joseph Kabila, wins 58% votes in runoff elections.
8 November	European Commission adopts enlargement strategy, including a special report on the EU's capacity to integrate new members. European Commission adopts progress reports on Turkey, criticising the slowdown of reform efforts in the past year, as well as on Croatia and the Former Yugoslav Republic of Macedonia.
22 – 23 November	EU-African ministerial conference on migration and development in Tripoli, Libya.
28-29 November	NATO Summit, Riga. General Secretary de Hoop Scheffer indicates next enlargement could take place during the first half of 2008, including Albania, Croatia and Macedonia as possible candidates.
4 December	Communication from the EU commission on strengthening the European Neighbourhood Policy
5 December	Finland becomes the 16th country to ratify the Constitutional treaty by parliamentary decision: 125 out of 200 members of parliament vote in favour of the treaty
12 December	Belarusian opposition leader, Aliaksandr Milinkevich, is awarded with the EP's Sakharov Prize for Freedom of Thought.
14-15 December	European Council, Brussels. Heads of state and government endorse the EU foreign ministers' decision from 11 December to partially suspend EU membership negotiations with Turkey (8 of 35 chapters).
1 January 2007	Germany takes over EU-presidency for the first half of 2007 Bulgaria and Romania join the EU. Slovenia adopts the Euro as the official currency.

Spotlight

Spotlight on the current state of debate on EU issues in all 27 EU member states, Croatia and Turkey

Austria

The Austrian presidency in the first six months of 2006 has increased the interest and also the positive attitude towards the European Union among the traditionally highly sceptical Austrians. Many observers attribute this to the fact that there had been more information by the media on EU related subjects, which in turn has also led to an intensified public debate on the EU.⁴⁵

At the same time, scepticism towards the EU policies and the actions of the European Commission remains high. Despite a good organisational performance the Austrian presidency has been highly criticised as having brought no substantial achievements and having been void of any content: *'Everything went well, nothing happened'*.⁴⁶ Furthermore, the perceived lack of clarity as regards decision-making processes on EU-level and the over-bureaucratisation of its institutions render the European Union a highly ephemeral project.⁴⁷

Fears and insecurities as regards immigration, integration and globalisation related to the European project make matters worse. Despite the fact that Austria has profited the most from recent enlargements, there is a strong feeling that the enlargement has engendered new streams of immigration and has made the labour market less secure, mainly due to resettlements of economic investments in member states where labour costs are lower than in Austria. The fear of a growing disparity between the rich and the poor, further loosening the social cohesion of society both in Austria and on an EU-level is also a major concern expressed by the trade unions and such diverse NGOs as those working in the social sector or on globalisation issues.⁴⁸

This scepticism towards further enlargements is also discernible as regards the debate of the possible accession of Turkey, which currently is the most debated EU-subject in Austria. Concerning further enlargement, 48 % of Austrians are of the opinion that Turkey should not join the EU even if all criteria are fulfilled. The overall refusal of Turkey's EU-membership⁴⁹ also reflects however another aspect

⁴⁵ DER STANDARD, online version, 11 July 2006; DIE PRESSE, online, 16 September 2006; See also the creation of an EU information centre in October 2006 in Vienna with the explicit aim as a participatory tool (DER STANDARD, online, 10 October 2006)

⁴⁶ DER STANDARD, online version, 16 June 2006. This has also been a major reproach of the then opposition party, the Social Democrats, whose secretary Cap criticizes that 'the Austrian EU-presidency has left no traces' (DER STANDARD, online, 27 June 2006).

⁴⁷ This concerns also its credibility. Looking at the Austrian newspapers and comments in the field of EU-politics, the credibility of the EU as regards the gap between ambitious aims and promises and their lacking realisation is discussed as a major reason for its crisis of legitimacy (DIE PRESSE, online, 18 July 2006). The gap between political aims and their realisation is also criticised as regards the effective implementation of EU policies on a national level, where EU directives are successfully countered by national interests, such as has happened with the liberalisation of the energy sector (DER STANDARD, online, 26 February 2006).

⁴⁸ Especially the social sector in Austria is concerned about the growing disparity within Austria and the EU countries and the decrease of societal solidarity as a principle and value of the Austrian society and of Europe as a whole. This would also lead to an increase in xenophobia and intolerance towards others (see Interview with the president of the Austrian CARITAS, DER STANDARD, online, 18 July 2006)

⁴⁹ The accession of the countries of the Western Balkans is perceived with less scepticism in the Austrian population. Not the least because of a common history, the successor states of the former Yugoslavia are perceived as an integral part of Europe and their future integration into the European Union an important step towards the stability of the region and Europe as a whole (DER STANDARD, online, 26 September 2006, DIE PRESSE, online, 15 November 2006). The negative attitude towards the former Eastern European countries, such as Hungary, Slovakia, Czech Republic and Slovenia also comes forward in the

which provides a strong undercurrent in the accession debate, i.e. the question of a European identity as a political and geographic essence, which came forward in the highly emotional and controversial public debate dominated by the populist leaders of the two right wing parties and the biggest newspaper of the country, the Kronen Zeitung. The highly xenophobic and populist debate is perceived as having contributed to an increase in anti-EU sentiments again (Interview with Anton Pelinka, political scientist).⁵⁰

The strong domination of EU politics by the right wing parties claiming Austria's EU membership as the major factor responsible for further immigration, globalisation and rising rates of unemployment and crime related to them, also appears to be the reason why other political parties hardly took up EU subjects during the election campaign. In this respect, most parties did not profit from the bonus of the presidency. At the same time, the occupation of EU politics in such a highly negative way by the right wing parties also provided a good excuse for the other parties to avoid tackling the highly controversial issues related to the future form of the EU, including further liberalisation policies, a common asylum policy, the future enlargement, and finally, the TCE. The latter is in fact, hardly reflected in everyday discussion. Against background of the strong scepticism, an outcome of a referendum on the current TCE would in fact be very uncertain at the moment.

Belgium

In the recent Belgian debate about key EU issues, one did not try to escape considering the deep crisis the European Union is going through. At the centre of the preoccupations of politicians, think tank contributors and other actors in the public debate was the European citizen, for whom it appears urgent to take the necessary measures in order to regain his confidence in the European project. With fidelity to the European ideal and the belief that the work achieved for the Constitutional Treaty will bear its fruit in the future, it appeared clear that the time has come for pragmatism in launching necessary actions in the fields of energy, immigration and economic policy, as well as the institutional reforms that are urgently needed in order to make the Union viable at 27.

Bulgaria

Just weeks before the EU accession of Bulgaria, public debate on EU issues in the country is more active than ever. Although "hot", the EU debate in the Bulgarian media is predominantly concentrated on possible Bulgarian gains and losses from accession. Apart from that, the gradual "internalization" of EU priorities and agenda items into Bulgarian policy making and the domestic political and public debate has already started, although in a fragmented manner, at a slow pace, and in a specific direction "from the outside inwards" – i.e. first in the field of EU external relations and only to a very limited degree in the field of internal EU policies. Thus, Bulgarian foreign policy priorities are already conceptualized from the perspective of a future EU member state (hence, the focus on the Western Balkans and the Black Sea area). On the contrary, "internally" oriented policy fields (i.e. EU immigration policy, EU energy policy, etc.) – where political and economic institutions are not in such an intensive and immediate contact with Brussels – still demonstrate a short term policy horizon and are not yet adjusted to the new "EU reality". In the third place, EU agenda items touching upon the direction of the Union's strategic development (i.e. the EU constitutional debate) have remained, for the time being, within the interest field of specialized academic circles and have failed to enter the broad political and public discourse. Following this logic, we can expect that the deepening of Bulgaria's integration will gradually transform EU politics and policies into an important part of the Bulgarian internal debate. And the dominant dimension of the EU public debate in the country, which is limited to the level of emotions, and expression of hopes and fears, will change its focus significantly.

attitude towards a Central European Partnership within the EU similar to the BENELUX countries. The majority of the Austrians are strictly against it, largely for fear of further job losses due to a cheaper labour force from these countries.

⁵⁰ DER STANDARD, online, 6 July 2006

Croatia

The European Union is primarily viewed in Croatia from the enlargement perspective. To a certain extent it also relates to the constitutional crisis, which should be solved, among others, in order to make the case for the continuation of enlargement. There is also a “dual” perception of the EU –in that it is at the same time seen as a goal to be achieved in its own right and as a means to solving Croatia's own internal problems while catalysing social and economic progress. The key question in the process of integrating into the EU is how to find the creative compromise between protecting national specificities and comparative advantages on one hand, and on the other achieving benefits as the outcome of EU integration⁵¹. The political consensus related to Croatia's integration into the EU that was achieved during past few years is in dissonance with the public support of Croatian citizens, which is deteriorating⁵². Most of recent Government efforts were directed towards process of screening, while three equally important areas received less attention: reforms, practical harmonisation of legislation with the *acquis* and communication strategy⁵³. However, the current debate within political parties reflects that there is a shift from the fixation with the timeframe towards the content of the negotiations and underlying reforms. No plausible political alternative to EU integration is seen for Croatia, although an increase of euro scepticism is noticeable within some political parties and general public.

Cyprus

Current debate in Cyprus focuses overwhelmingly on EU enlargement. Inevitably, the emphasis is placed on Turkey's unfulfilled obligations and the concomitant problems in its accession course. Turkey's protracted refusal to abide by its obligations towards the EU (including the implementation of the Customs Union protocol) is being viewed with dismay. Thus, when government officials warn of a probable “train crash”, they do not seem prepared to rule out the possibility of a suspension in the negotiations. On another issue, given Cyprus' anticipated accession into the Eurozone in January 2008, preparatory seminars and exhibitions are being carried out, in addition to financial surveys aimed at establishing a healthy environment for the Republic of Cyprus' life with the euro in the European Monetary Union.

Czech Republic

Domestic Politics Trumps All EU Issues

After the election stalemate in June, the country has been absorbed in negotiations about a way out of the crisis (be it creation of a stable majority in the Parliament or an agreement on early elections). As a result, almost all foreign policy issues, including the Constitutional Treaty, the EU's Eastern policy, and energy issues have been sidelined. The only question relating to the EU that has received some broader public attention was the discussions on the delayed enlargement of the Schengen Area. As a result, the Czech EU presidency in 2009 raises concerns regarding how the current political problems will affect the presidency, which is conceived as being a test for Czech diplomacy and administrative efficiency.

Denmark

The biggest surprise in the current Danish debate is that there is still very broad coverage of EU issues involving the media and public conferences, particularly regarding the Constitutional Treaty, energy and the environment, enlargement to South Eastern Europe and beyond, and more recently the difficult relations between Russia and the EU. The public debate over the Constitutional Treaty is active, while the government looks forward to what the German Presidency, as well as the ‘No’ countries, put forward as suggestions after the French Presidential elections. Following Denmark's

⁵¹ Ivan Siber, Ph D, «European fears and hopes», in Vjesnik, November 6th, 2006.

⁵² Nenad Zakosek, «Croatian policy and accession», in Vjesnik, November 6th, 2006.

⁵³ Neven Mimica, President of the Parliament Committee for European integration, in Novi list, November 2, 2006.

four-point suggestion at Lahti for an EU energy policy, the Danish concerns over renewable supply, increased efficiency, a liberalised market, and more research in order to improve energy security have heightened. After the Commission's report on enlargement and integration capacity, the Danish debate has focused on support for the Croatian bid for EU membership, whilst emphasising the need for considerable reforms in Turkey. Finally, following the rebuke by Denmark, Sweden, Estonia and Poland in Lahti on the question of human rights in Russia after the murder of Anna Politkovskaya, the failure to overcome the Polish-Russian impasse at the EU-Russia summit is also important in the Danish debate.

Estonia

The Estonian government actively supports the revival of the Constitutional Treaty and insists on the continuation of enlargement. Domestically, the government's integrationist position goes largely unchallenged: in conditions of extraordinary economic growth and increasing prosperity, public support for membership has reached an all-time high. The delay in joining the eurozone and the Schengen area, as well as the massive sugar fine imposed by the EU, have caused some disappointment. The interrelated topics of energy security and relations with Russia are also high on the agenda. Given the continuously poor state of relations with its Eastern neighbour, Estonia increasingly hopes to deal with Moscow "via Brussels."

Finland

Despite widespread europessimism within the ranks of the Finnish population, an air of optimism can be discerned regarding the role of the EU as a credible and ethical actor in world politics. There have been signs of consensus and unity among member countries in EU external affairs during the reporting period of this issue of EU-25 Watch. At the same time, however, certain actions of bigger member countries have lately been perceived as self-serving and somewhat unscrupulous, to the detriment of the functioning of the Union. Poland, blocking the EU's Partnership Agreement negotiations with Russia with its demands on trade and energy issues, serves as a good example of this.

France

The debate on the EU in France has three main characteristics. First, in the face of globalization, there is a general consensus that European cooperation is necessary. Even "anti-European" parties do not refuse Europe as such. They simply want "another Europe". Second, there is a growing scepticism among the French as to the future of Europe. Europe seems increasingly paralyzed by its size and its divisions. A growing number of people, particularly among the political community, seem to think that we must lower our expectations as to what the Union can be and do. Lastly, the debate on the EU is dominated by social and economic issues. The French want the Union to contribute to economic growth, better employment and high social standards. They want the Union to regulate globalization and not intensify its effects.

Germany

Due to Germany's presidency in the Council EU topics catch the headlines in the media and reach a wider audience of interested citizens. Although the importance of the presidency is not overrated public opinion supports the government, by the majority stating that Chancellor Merkel will "do a good job" during the presidency. Most important issues are the reduction of bureaucracy as well as strengthening the EU economies' competitiveness in relation to India and China.⁵⁴ For Chancellor Merkel in particular the double presidency (EU Council and G8) is a welcome opportunity to prove the strengths and ambitions of her government and that it enjoys high international reputation. However, among experts, media and citizens, uncertainties prevail whether the Merkel government is capable

⁵⁴ Cf. Elisabeth Noelle/Thomas Petersen: Ein Hauch von Isolationismus, in: Frankfurter Allgemeine Zeitung, 24 January 2007, p. 5.

and willing to handle imminent domestic policy issues in a decisive and sustained way: the reform of the health care system, the second stage of reforming the federal system, a significant reduction of unemployment within a recovering economy and the comeback of Germany to the forefront in education, research and development as well as in environmental policy.

Hungary

The key message from Hungary regarding the future of the European Union would be unity instead of fragmentation. The Union must continue to become an ever closer union of the countries and peoples of Europe. Despite all its internal problems the European venture is a unique and successful model of international cooperation for lasting peace and increasing prosperity. All the present achievements must be preserved and further enriched – but this should be done together, in concert with all member states. The EU can only be efficient and successful in keeping together and not getting fragmented. This unity could then turn into external efficiency as well.

Ireland

The current debate on the EU in Ireland focuses to a large extent on the European Constitutional Treaty and its future prospects. Other issues include: energy policy and energy security/efficiency, climate change, immigration and integration. For some the EU is seen as a manifestation of globalisation, for others it is seen as the best mechanism to deal with globalisation.

Italy

Public debate about European issues in Italy is hardly structured and articulated or continuous in time. A real public and in-depth discussion has seldom emerged, and media coverage of EU issues is occasional. Initiatives to revitalize the debate promoted by some prominent personalities (such as former President Ciampi, current President Napolitano and ministers Amato, Bonino, and others) have often remained isolated. A serious and continuous debate on EU issues indeed exists, but is too often confined to restricted circles of academics and experts. Nevertheless, approval of European integration by the population and political leaders remains high, even if more critical and disenchanting points of view are emerging.

Latvia

At the end of 2006, the average Latvian did not show much interest in the larger issues such as the future of the Constitutional Treaty. Instead, he was very much concerned about developments that affect his daily life, such as the following:

1. Restrictions by Russia on the import of fish products and meat from EU countries.
2. Imminent end to the production of sugar in Latvia and the necessity of farmers who used to cultivate sugar beets to switch to other crops.
3. Raising of the excise tax on tobacco, alcohol, etc., in line with the EU recommendations.
4. Implementation of restrictions, in line with EU recommendations, on places where smoking will be tolerated.
5. Resolving, with the help of the EU, the massive congestion of trucks at the Latvian-Russian border.

Lithuania

The issues of the enlargement of the Schengen area and energy security have lately attracted exceptional attention in Lithuania. Lithuania seeks to join the Schengen area as soon as possible and it strives for the implementation of the Portuguese proposal to join the SIS I+ system. Lithuania holds the position that the EU member states and the European Commission should take all possible

actions that the Schengen enlargement happen in 2007 as planned. Being in energy isolation and being heavily dependent on Russia in the field of energy supply, Lithuania is concerned about its energy security and strongly favours the development of a common European energy policy as a guarantee of the energy supply at the Community level.

Luxembourg

Current debates on the EU in Luxembourg in 2006 touch mostly the implementation of EU Commissions directives if they are not linked to European policy aspects such as the constitutional treaty, energy policy, justice and home affairs of even the new EU members' admission. In 2005 the EU commission urged Luxembourg to change its 1929 legislation on holding companies provoking a national debate in the Grand-Duchy. The main benefit of this Law is that the Holding 1929 company is fully exonerated from income tax and withholding tax in Luxembourg. The commission's argument was that this specific Luxemburgish legislation is contrary to free market conditions with its special tax shelter aspects. Nevertheless the 1929 law was considered in Luxembourg to be "the" foundation act of the Luxembourg financial centre and hence a corner stone of the country's wealth. The opposition parties as well as financial and banking lobbies regretted the abolition of the 1929 special regime. Treasure Minister Frieden was in a bad shape. Finally a new legislation taking account of the commission's grievance was passed on December 22d 2006. This law abolishes the special fiscal regime of the 1929 holding but as agreed in a deal with the commission a transition period lasting until 2011 will allow the country to adapt its financial policy to the new situation.

Malta

By taking advantage of its membership in different international organisations, especially the "soap box" that EU membership has provided since 2004, Malta has succeeded in focusing international attention on this major security challenge in the Mediterranean. The EU's decision to launch joint naval patrols, and a more recent plan by the European Commission to consider rapid reaction teams of border guards, interpreters and medics to help frontline states cope with the influx of illegal immigrants is evidence of how much is being achieved.

The next step must now be to ensure that the EU's fledgling Frontex border control agency, lives up to its commitment to a multilateral mechanism for monitoring, managing and channelling flows of illegal migrants. This is the debate that will focus the attention of Malta in 2007.

Netherlands

In the period leading up to the parliamentary elections of 22 November, to the surprise of many experts, 'Europe' almost disappeared from the agenda. Instead of adhering to the call for politicising European Affairs, the dossier was carefully avoided in the election campaigns of political parties. The aftermath of the referendum and the decision to not ratify the Constitutional Treaty is still making politicians hesitant to actively participate in the debate on the future of Europe. Whether these tactics of delay and postponing the issue for a new government will be helpful in regaining public support in the near future is very doubtful. It certainly is not in line with communicating more Europe to the Dutch citizens.

Poland

According to the Polish government the key priority issues are of an internal, national nature. Law and Justice came with the priority programme based on "*de-communisation*" and the struggle with corruption. This inward orientation resulted in a series of parliamentary inquiry committees, which were expected to show the post-communist mechanisms of power and of corruption. The social programme called for a family-friendly policy, job creation and the stimulation of residential construction. Within the external priorities there were no substantial changes in reference to previous governments, as since the early 1990s there was a permanent agreement of all political forces on the

two priority areas: NATO and EU membership. However, there was a positive attitude evolution of the Law and Justice stand on European integration - from truly euro sceptic and against deeper integration to more favourable in reference to European integration, reinforced in certain areas, like security and the struggle with crime, which was presented more prominently, and to openness to new proposals in the area of EU constitutionalisation.

At the level of open public debate, during the period of the last six months, an increasing role was played by the issue of energy supply, by the relationship with Ukraine, Belarus and Russia (described above). The recent events dealing with the Russian embargo on Polish food appeared to be a test of solidarity for the EU – at least it has been presented this way by Polish politicians.

The overall list of Polish citizens' priorities looks quite different. The majority of the society (92%)⁵⁵ states that job creation is the biggest priority for ordinary people (the second issue is internal security). In the area of European matters, people are most interested in the European job market and the abolition of all restrictions for workers and services provision that remain in some EU countries.

One extremely important issue that draws the attention of Poles right now is the sensitivity of the German-Russian relationship in the context of the common EU strategy of relations with Russia. The nature and roots of this sensitivity was recently analysed by The Institute of Public Affairs⁵⁶. According to its report based on the public opinion poll: "Poles have some very deeply rooted views on Russia and Germany, resulting from historical experience and a relatively high level of knowledge about the situation in both of the countries." 67% of respondents are afraid of Russia (the same figure for the year 1990 amounted to 25%). Currently, only 21% of Poles are afraid of Germany (the same figure for the year 1990 amounted to 88%). Despite Polish membership in NATO and the EU, Poles seem to fear the close bilateral co-operation between Russia and Germany. "When asked whether the closer relations between Germany and Russia pose a threat to Poland, nearly 61% replied "yes" and over 27% - "no" ⁵⁷. This means that the historical *souvenirs* are still alive and that these fears are linked to the danger of the *deja vue* of the agreement between Russia and Germany made above Poles' heads.

Portugal

The decision to put the national referendum on the Constitutional Treaty on hold has led to a virtual freeze on debate around potentially divisive issues concerning the future of Europe which, however, in the wake of the French and Dutch referenda, were shrinking the lead of the Yes vote in opinion polls to the barest minimum.

After two decades, the European debate has certainly lost much of its past novelty and glamour. Europe has been 'internalised' to an extent that makes it hard to distinguish between national and European expectations in areas rapidly expanding into those where the EU has only limited powers. The 'internalisation' of the European debate, however, was not accompanied by any visible breach in the marked consensus in virtually all aspects of Portugal's EU agenda between the main political parties in the pro-European camp, which forms an overwhelming political majority. There is little room for competing proposals and clearly diverging views on EU-related issues, whether in internal or external affairs, within this vast political camp which practically only excludes the old Communist Party. This has an impoverishing and stifling effect on the European debate. No political force has ever campaigned, not even in European elections, for one identifiable issue as regards Lisbon's EU stance or a preferred course for the EU itself.

This sets the background for *nuance* or outright rejection to be voiced primarily from the euro-sceptic and the residual anti-EU camp, which is as vocal – thanks to disproportionate media exposure every time the debate peaks – as it is scattered across party or social groups lines. On the euro-sceptic side, the main issues in the European debate are tied to the old recurrent debate around loss of sovereignty and identity that arise from "surrendering" national constitutional law to the European Union. The pro-European camp has been affected by the current impasse and the pervasive disillusionment, and finds itself more often than not on the defensive regarding the EU. The main issues are tied to Europe's role

⁵⁵ According to the poll made by OBOP, Warsaw, November 2006.

⁵⁶ Public opinion on fears and hopes related to Russia and Germany, Warsaw, 2006.

⁵⁷ As above, p. 9.

in the world, the ways of ensuring equality and solidarity among all Member States, old and newer, and the best way to ensure Portugal's drive towards modernity takes irreversible hold.

The growing intertwining of the national and the European debate around the same kinds of issues, be it the social model and immigration or justice, freedom and security, notably so under the Sócrates administration, caused the tendency to alternately shed blame (more often) and praise on 'Brussels' to decline markedly.⁵⁸ How this will affect public attitudes towards the EU, which remains broadly supportive but less enthusiastic about net benefits gained from membership, remains to be seen.

Up to the 1992 EU presidency, if one were to capture the main focus of the debate into one sentence, this would perhaps be 'what can we get from Europe?'. In 2000, the core issue was 'how can we shape Europe?'. In 2006-7, the question could perhaps be rephrased as 'how can we, in Europe, shape our future?' The outcome of the national debate, and with it the outcome of a referendum on the Constitutional Treaty, although it will most certainly be influenced by the mood across Europe, may ultimately depend on the expectations of the Portuguese towards an improvement of their future prospects or in other words how Europe is seen to affect those prospects.

Romania

In Romania, the debate has rather focused during this period on the short-term impact of Romania's accession to the European Union. The attention has been drawn to topics such as: Romania's representation in the European institutions and structures (the climax of these discussions was reached in October and November, when controversies on the appointment of the future European Commissioner emerged), the mixed picture of the labour market opening towards Romania and Bulgaria (highlighting restrictive decisions), the structural funds absorption capacity, and the impact of EU regulations on the business environment and agriculture. The wider topics of the European agenda are reserved to specialized circles.

Though, the membership perspective has engendered, at the least in the recent months, a switch in the messages and positions of Romanian officials from the concerns of the last demands conditioning Romania's accession in January 2007 to the arena of the major issues on the European agenda. The perspective convergence, still in an incipient stage, has been stimulated in the last half-year by the efforts of the actors involved in Romania's EU accession process – both at the political and administrative level and within the concerned academic and think-tank field – to transfer the interests of the Romanian public from the definitely national pole to the European one. Within this context, the subject of the "national interest", which was until now approached from the standpoint of overcoming the obstacles before the accession, enjoys a more subtle debate.

Slovakia

Since the composition of Slovakia's current ruling coalition led by Prime Minister Robert Fico and composed of the SMER-Social Democracy (SMER-SD), the Slovak National Party (SNS) and the Movement for Democratic Slovakia (HZDS), domestic discussion on the EU initially centered on the theme of this government's political credibility within the European Union. Once it became clear that Fico's coalition would not face international isolation comparable to the period of the Vladimír Mečiar-led coalition government in Slovakia from 1994-1998, the debate has focused largely on Slovakia's preparedness to achieve successfully full integration into all policy areas, especially with respect to the eurozone and the Schengen regime. Compared to the Mikuláš Dzurinda-led government from 2002 to 2006 which claimed distinct interest, for example, in the Lisbon agenda and in EU engagement with Belarus and Ukraine, the Fico-led government has not clearly articulated its distinct political priorities vis-à-vis the European Union. Issues of domestic politics have become predominant in domestic discourse while questions of foreign policy including intra-EU matters have generally been of marginal importance.

⁵⁸ A powerful illustration of this attitude is the radical reversal in official discourse as regards fiscal discipline: no longer is this portrayed defensively as an imposition from 'Brussels' or a target that must be met to avoid looking bad and paying the penalty for non compliance with SGP, but as a national interest on which meeting self-set targets which are part of a broader framework combining social cohesion and competitiveness is heavily dependent.

Slovenia

In Slovenia there is a clear lack of public debate on the EU-related issues beyond those with a direct impact on people's lives or those which deal with the position of Slovenia within the EU. In this respect the introduction of the Euro and the establishment of the "Schengen border" were the only EU-related issues with a certain continuity in the media. On the other hand the Government dominates the public space with its formal preparations for the Presidency over the Council of the EU, which Slovenia will hold in the first half of 2008. Preparations are well under way and so is the coordination within the presiding Troika (Portugal, Germany, Slovenia), but the increasingly clear set of priorities is evidently lacking the content, and one could judge that the Slovenian Government is preparing for a mediating role to help solve the issue of the fate of the Constitutional Treaty.

Spain

Spain awaits the presidential elections in France to produce a leader able to forge a new compromise on EU integration and carry it through with determination. EU institutions may have to improve the ways it communicates with citizens, but the leadership element to the current crisis, both at the EU and the national level, cannot be neglected. Spain would also like to see other EU member states pushing ahead for 'more Europe' as a solution to the problems which Europeans confront daily, especially in the realms of foreign policy, justice and home affairs, energy security and immigration. The current crisis shows how necessary the Constitutional Treaty is for the EU to be able to efficiently tackle these problems: dismissing it or downgrading it will not help the EU meet the challenges ahead.

Sweden

The new center-right government has already made clear that it wants Sweden to play a more important and more active role in the EU than the previous government. Enlargement features (again) as a fundamentally important issue in the debate, and here all major political actors in Sweden underline the strategic interest and moral obligation of continuing enlargement to the Balkans and Turkey.⁵⁹ The new EU minister Cecilia Malmström has repeatedly extended this logic, in a long-term perspective, to Ukraine and Moldova.⁶⁰

In his inaugural address on October 6, the Prime Minister also underlined that the Swedish EU Presidency in the fall of 2009 will be at the center of public debate and government preparation in the years to come.

Turkey

Analysing the current political discourses of the government, opposition, political parties, civil society organisations, media and public opinion in Turkey, contemporary debates concerning the EU do not essentially focus on the current developments in the EU - in the search of its values and ambitions - but mainly focus on the current state and the future of relations between Turkey and the EU. On the Cyprus issue, the EU demands of the Turkish government to present a shadow on the future of the accession negotiations. The prevailing view in Turkey is that the accession negotiations are likely to come to a halt, albeit temporarily, while the Turkish general elections are only less than a year away. More importantly, however, the same view underlines that a delay in the negotiation process may be worth enduring, since the EU continues to fail to eliminate what is perceived as an unfair situation in which the Turkish Cypriots gain nothing for the manifestation of their willingness to accept the comprehensive solution outlined in the Annan Plan in 2004 while the Greek Cypriots are rewarded

⁵⁹ See for instance Prime Minister Fredrik Reinfeldt's government declaration to the Parliament 2006-10-06, pp. 2, 5, article by Foreign Minister Carl Bildt, "Open wide Europe's doors", International Herald Tribune, 2006-11-08, articles by EU Minister Cecilia Malmström, "Kärnan i Europa", Östgöta Correspondenten 2006-10-21 and "Vänd inte Turkiet ryggen" in Göteborgs-Posten 2006-11-11), all available at www.regeringen.se, as well as the websites of the Social Democratic Party, www.socialdemokraterna.se, the Green Party, www.mp.se, and the Left Party, www.vansterpartiet.se.

⁶⁰ Speeches by Cecilia Malmström, "Svensk vilja och förmåga i den nya världen" 2006-10-18 and "Tal på Utrikespolitiska Föreningen i Uppsala" 2006-12-04, both available at www.regeringen.se; article by Cecilia Malmström, "Kärnan i Europa", Östgöta Correspondenten 2006-10-21.

with full membership in the EU for saying “no” to it. The present Turkish government justifies its refusal to extend the Additional Protocol to the Association Agreement to all EU members despite the fact that it signed it in July 2005 on the grounds that the EU itself has not fulfilled its promise made in the wake of the 24 April 2004 referendum in Cyprus. That is to say, the Turkish government’s decision for the extension is made conditional on the removal of the economic embargo on the Turkish Cypriots by the EU. However, there is no sign yet that the EU considers this an option. Hence the current stalemate.

United Kingdom

The UK government thinks that the debate on a Constitutional treaty referendum is one that Britain does not need to have. In fact, holding a political debate on the revival of the Constitutional treaty is harmful rather than helpful to the UK debate on Europe.

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Expectations for the German Presidency

- **What is expected from the German Presidency?**
- **Taking into account the timeframe until the second semester of 2008, defined by the June 2006 European Council, that attributes to each Presidency a particular responsibility to ensure the continuity of the reform process, which initiatives and contributions concerning the TCE should be taken by the Merkel government?**
- **Considering the double track approach, which priorities in other fields should be pursued by the German Presidency?**

Austria

Introductory Notes

Whereas over the last years the participation in the EU-25 Watch project was very high and almost all parties, research institutes and other public organisations and pressure groups concerned participated, this year participation was very low. It seems that the parliamentary elections at the beginning of October and the still ongoing negotiation process for a new government provided a major obstacle for a broader participation, especially with the political parties involved, i.e. the Social Democrats and the Christian Democrats. As for the two right-wing parties (BZÖ and FPÖ), the fact that they did not participate in the survey, and to my best knowledge did not in the last few years, is clearly related to their negative attitude towards the EU-membership of Austria, especially as regards the political memberships, which again came clearly forward in the election campaign. Especially the FPÖ made the fears related to the immigration and integration of foreigners, particularly those from the Eastern EU member states, EU-neighbouring countries, such as Ukraine, Moldova, the Western Balkans and those of Islamic origin, a major subject of their election campaign, which was characterised by a highly xenophobic and aggressive tone. Furthermore, many organisations and ministries only answered those questions that concerned them the most or where they have a clear position/assessment.

Expectations

Expectations towards the German presidency are very high. As a founding EU member state and one of its political heavyweights, most political parties and institutions in Austria expect that during the German presidency the reform of the EU will achieve a new impetus. This concerns mainly the constitutional process, where Germany is expected to find a way out of the constitutional deadlock and bring the reform process back on the track within the timeframe defined by the European Council.

Initiatives and contributions concerning the TCE

The Austrian government and relevant ministries are more concerned about formal initiatives, such as the elaboration of a concrete timeframe and a new legal framework

for the Treaty as essential aspects of reviving the process. The political opposition and pressure groups mainly discuss issues related to the context of the treaty, the revision of which they see as essential for the overall acceptance of the Treaty after the negative outcome of the referendum in the Netherlands and France. Issues discussed and the emphasis put on various aspects, depend on the respective ideological orientation and the priorities of the various pressure groups involved. In this respect, the green party emphasises the inclusion of an ecological dimension into the Treaty as an essential aspect of a socially and economically sound union: 'The EU needs to provide a solid social, economic, ecological and legal framework to take up the challenges of the new century, including the preservation of a socially and ecologically balanced society, a fair globalisation policy, the creation of a society based on common civil rights and the creation of a European democracy.'⁶¹

The Austrian chamber of labour and the Austrian union of trade unions specifically emphasise the social dimension of the European Union as an essential but largely lacking part of the Treaty, both as an aim and as a policy area. Apart from market efficiency, the social dimension, including employment and labour market regulations, needs to be better integrated in the Treaty as an essential value and aim of the European Union and as a basis on which a European welfare model can develop. This can only be achieved in a satisfactory way through broader participation of civil society groups in a new constitutional convention, a claim that is especially put forward by the trade unions. This would allow bringing the peoples' perspectives and discontent into the constitutional process and taking the outcomes of the referenda in France and the Netherlands seriously, a fact that would also contribute to a higher legitimacy of the process and its outcome.

The legitimacy aspect is generally perceived as an important aspect by all political players. While the creation of a treaty is seen as the basis for a common legal framework, its legitimising function is also strongly emphasised as a central means to improve the responsiveness of the European Union towards its citizens and bring the EU closer to them.

⁶¹ Questionnaire The Green party 2006

Trade Policies

As regards enlargement, the central issue from the Austrian political perspective is the possible accession of Turkey into the European Union, towards which most Austrians have a negative attitude.⁶² This also explains the highly sceptical position of the political parties and most pressure groups. At the same time, the Austrian government displays a strong commitment towards integrating the countries of the Western Balkans, mainly Croatia. This is also sustained by the economic interest groups, for whom the countries of the Western Balkans have become an important investment area. The latter also emphasise a swift implementation of the basic trade policy drafted by the European Commission in order to enhance Europe's economic potential on a regional, bi- and multilateral level.

Foreign and Defence Policy, Migration

Another important policy field for political action considered by all political actors is the foreign and defence policy. Especially the Green party as the major opposition party supports a more coherent approach in this policy field. Particularly the recent reaction of the EU member states to the Lebanon crisis which was far from displaying any coherency at all would decrease the strength and credibility of the EU as a serious global player in international relations. As regards internal affairs, the Green party welcomes the creation of a European-wide asylum and migration policy, including the creation of a common legal framework. Another challenge for the Green party is the question of the protection of the external borders of the European Union, especially as regards the safeguarding of the human rights.

The commitment to neutrality is perceived as a key element of the foreign and defence policy, including both the Christian and Social Democrats. At the same time, an active neutrality policy is proclaimed that shall allow

⁶² The scepticism towards further enlargements, especially as regards Turkey, is the highest in Austria with 81% (DER STANDARD, online, 31 July 2006). Despite the fact that Austria has profited the most from recent enlargements, there is a strong feeling that enlargement has engendered new streams of immigration and has led to the resettlement of economic investments in member states where labour costs are lower, both of which make Austrian jobs less secure.

also the participation in peacekeeping missions within the framework of a common defence and security policy of the European Union.⁶³ This position is however strongly criticized by the Austrian Union of trade unions, which perceives this commitment as a de facto abandonment of neutrality as a central element of the Austrian foreign and defence policy and identity.⁶⁴ Furthermore, they express the fear that in the course of the constitutional process, the same will happen to another core element of Austrian politics: the strong commitment to the welfare state and a socially balanced economic policy based on a social partnership.⁶⁵

Energy Policy

Especially the Green party and the Federal Economic Chamber emphasise energy as a priority policy issue, albeit for different reasons. The Green party sees a common EU energy policy as an important step towards the realisation of a more effective and efficient ecological policy and an important contribution to stop climate change. For the Federal Economic Chamber, the harmonisation of energy policies is perceived as a major contribution to improve the competitiveness of the European economy. The security of a steady energy supply is thereby at the centre of attention. This also includes improving current energy efficiency and the use of renewable energies.

Legal Framework

Another important aspect discussed by all organisations and parties is the creation of a common European legislative framework that eases the tackling of certain policy issues on a European-wide level. For the economic pressure groups within the country, better and consistently applied European legislation as regards trade and employment, would not only contribute to European competitiveness in a global context, but it is also seen as an important step towards the creation of a single market based on fair and consistent rules. For the trade unions and those institutions and pressure groups concerned with social and labour issues, the debate on better legislation

⁶³ See for example the Manifest der Sozialdemokratischen Partei Österreichs 2006: 21.

⁶⁴ This double track approach of a commitment to neutrality AND the participation in peace keeping missions within the context of the EU is also criticised by the Green party (Interview with Ulrike Lunacek, the Green party, DIE PRESSE, online, 29 October 2006).

⁶⁵ See questionnaire Austrian union of trade unions, 2006.

is mainly perceived in terms of a stronger integration of social issues within the legislative framework and the mainstreaming of the social dimension in the legislation process itself. This also includes the creation of a more coherent social and labour legislation, including the limitation of possibilities for opting out, for example in the working time directive.⁶⁶

The Lisbon Strategy

Major inputs are also expected as regards the Lisbon strategy. There is a strong consensus on the part of both government and pressure groups (trade unions and employers' organisations) on the importance of research and development as central elements of future growth and employment. Especially the employers' pressure group expects a more active role of the commission in this field during the German presidency.

However, despite the many oral commitments to European integration and citizenship, especially the Green party doubts that the German presidency will be able to set an end to the European crisis. While the German government is confronted with a lot of expectations as regards the presidency, until now a sound policy program with clear aims is lacking. These doubts also find their expression in the comments on EU policy issues and the German presidency in the two most important Austrian daily newspapers, *Der Standard* and *Die Presse*. In many articles and comments, the high expectations towards the German presidency are perceived as understandable but also as highly overdrawn in the face of the many problems of the European Union.

Belgium

Initiatives concerning the TCE

Belgium's diplomatic position is that the reform process safeguards the progress made in the Constitutional Treaty, which represents a comprehensive and balanced compromise⁶⁷.

Both Prime Minister Verhofstadt and Foreign Minister Karel De Gucht defend the idea of continuing the ratification procedure in spite of

the negative French and Dutch referenda, even if it cannot be realised in its full extent⁶⁸.

According to Premier Verhofstadt, it would make no sense to have another try at ratifying the Constitutional Treaty or any "minimal treaty" without giving it more chances to succeed. For him the absolute priority must be suppressing the unanimity rule in the European Union. During the recent visit he made in Portugal to present his Manifesto, he agreed with President Socrates that the German Presidency should prepare a time frame and settle a work-method that will serve as a basis for the finalization during the Portuguese Presidency.

Herman Van Rompuy⁶⁹ (CD&V), among others, proposes to launch some aspects of the TCE with countries that want to progress with institutional matters. Rik Daems³ (VLD) and Gérard Deprez⁷⁰ (MCC) suggest replacing the unanimity rule with a simple or qualified majority rule in order to restart a positive dynamic.

Another point of view in the same direction is that of former Belgian permanent representative to the EU Philippe de Schoutheete, who believes more time is needed in the present critical situation⁷¹.

For most commentators, optimistic expectations towards the German Presidency in its capacity to save the Constitutional process seem to have evolved to a more sceptical point of view. At the end of the Finnish Presidency, the "deep crisis" the European Union is going through seems to be well settled after the European summit meeting in Lathi. Two declarations of the German Chancellor have brought some doubt about the capacity to bring about consensus among member states.

Firstly, Angela Merkel's proposal of introducing religious values in the Constitution⁷² did not meet approval among Belgian politicians. Foreign minister De Gucht declared that the Christian problematic should not belong to this domain. He was followed in this opinion by former Premier Dehaene, and by former Foreign Minister Louis Michel. Wilfried Martens

⁶⁶ Questionnaire Chamber of Labour, 2006.

⁶⁷ <http://www.diplomatie.be/en/policy/Europa/constitution/conDetail.asp?TEXTID=34899>

⁶⁸ *De Morgen*, 16-06-2006

⁶⁹ *Advice Committee for European Matters of the Chamber of Representatives*, 20-06-2006

⁷⁰ President of the *Movement of Citizen for Change*, which is part of the MR. (Movement for reform)

⁷¹ *Europe's world*, Summer 2006

⁷² *De Morgen*, 31-08-2006

declared to be satisfied⁷³, saying this idea was in line with the views of the EPP.

Secondly, the idea of a deadline for the adoption of directives appears to have blurred the German Chancellor's pro-European image⁷⁴. Pierre Jonckheer, a Belgian ecologist and European Parliament Deputy said this idea did not match with the European decision-making process, which sometimes takes several decades to ratify important laws.

Priorities in other fields

In the speech he pronounced at the occasion of the Diplomatic days, Premier Verhofstadt pointed to four areas in which the EU should bring concrete action and real "added value" in the medium and long term. First, he focused on enlargement policy, which should pay attention to the impact on the citizen, formerly neglected. He then called for a common approach in justice and internal affairs matters. Thirdly, the importance of the EU's international role was underlined. Lastly, he focused on socio-economic policy that has to be developed in such a way as to maintain competitiveness and our welfare model.

A much discussed topic concerns the European citizens. There is a large consensus among Belgian politicians and think tank contributors about the urgent need for initiatives that would have a positive impact on the relationship the European Union has with its citizens and would restore their confidence in the European institutions.

Herman Van Rompuy⁷⁵ (CD&V) asks for tangible achievements, for a balance between the demand for Europe and the supply that for the moment imposes its pace, and lastly for measures to improve the competitiveness of each member state.

For Bruno Liebhberg⁷⁶, the priority is that the Union gives itself the capacity to act as quickly as possible where there is an urgent need for more Europe. In the economic field, it has to play its role as a regulator of private enterprises and markets in favour of general interest, to be in charge of macroeconomic

governance, and to further promote the knowledge economy.

In the same order of ideas, the need for strong public authorities is also underlined by Dirk Van der Maelen⁷⁷ (SP.A-Spirit), for whom the lack of interest of the citizen for the European Union is due to the fact that their welfare is no longer defended in the context of massive privatisations.

Hervé Hasquin⁷⁸ (MR) urges the European Union to match the gap between the citizen and the institutions with an improved communication policy, which could also nourish the dream appetite for the challenge of the European construction, instead of always presenting it in terms of cold numerics.

Bulgaria

Bulgaria's expected accession to the EU was the dominant media topic in the country throughout 2006. Although the EU as a whole was largely present and highly visible in the Bulgarian public debate, it was mainly perceived as a point of reference to the different social and political reforms occurring in Bulgaria during the pre-accession process. In accordance with this "accession logic", the EU institution that dominated Bulgarian media in June-November 2006 was the European Commission. All other EU institutions, including the European Council, received considerably less attention.

The above context can help understand the lack of media coverage concerning the future German EU Presidency. There are also other explanations for the lack of media attention towards the preparation for and expectations from the forthcoming German EU Presidency.

First, Bulgarian foreign policy has been traditionally perceived as one tending to follow already established agendas rather than contributing to the formulation of such agendas. In this case, too, one can observe a re-active rather than a pro-active foreign policy making pattern. The Bulgarian "political horizon" is quite low and dictates the predominance of short-term preoccupations. It is connected with spending political resources and capital on immediate achievements,

⁷³ *Belga*, 29-08-06

⁷⁴ *L'écho*, 17-11-2006

⁷⁵ *Advice Committee for European Matters of the Chamber of Representatives*, 20-06-2006

⁷⁶ *President of European Reformative Left*, 22-09-2006 (<http://www.g-r-e.be/>)

⁷⁷ *Advice Committee for European Matters of the Chamber of Representatives*, 20-06-2006

⁷⁸ *Advice Committee for European Matters of the Chamber of Representatives*, 20-06-2006

sometimes to the detriment of strategic interests or visions. Even in cases where long-term political vision is demonstrated, it normally has two characteristics. On one hand, again, such a vision is careful not to deviate too much from the “mainstream”, or in other words, it is “suiviste” (in the words of the late Francois Mitterrand). On the other hand, it is mostly a sort of a declaratory activism, which stops short of producing concrete foreign policy deliverables. This line of argument can be illustrated by several interviews⁷⁹ of the Bulgarian Prime Minister Sergei Stanishev given in the autumn of 2006. There, Stanishev demonstrated political vision, stating that Bulgaria needs “a strong, integrated EU, integrating more common policies, which has the capacity to be a global competitor in the world”⁸⁰. The above features are explainable also by a relatively modest expert and institutional capacity in Bulgaria’s foreign policy making field that are difficult to overcome but in a long-term framework.

The second explanation for the lack of explicit positions on the future German Presidency is status-related. In June-November 2006 Bulgaria was still an acceding country, with its Accession Treaty pending the completion of the ratification procedure. The Bulgarian government has preferred to concentrate its political activity on a two-fold short-term goal – achieving successful ratification and “doing the internal policy homework” that is a sine qua non for ratification (reforms in the specific fields criticized by the Commission). On a more specific level, Germany was almost the only country to be feared by Bulgaria as a possible “trouble-maker” during the Accession Treaty’s ratification procedure. The Bulgarian government focused its attention on the

ratification procedure, instead of trying to lobby the German government in favour of not-yet-defined Bulgarian post-accession priorities.

Despite the above mentioned factors hampering the formulation by Bulgarian foreign policy of clear-cut and explicit expectations from the 2007 German Presidency of the EU, we can try – on the basis of expressed Bulgarian interests – to point out several EU policy priorities that Bulgaria will possibly support during the term of the German Presidency.

First comes the expected formulation of a common EU position on the increasing EU energy supply dependency from Russia. Bulgaria being a country with a very high degree of energy dependency, the expected elaboration of a common EU energy policy is supported by both political elite and public opinion in Bulgaria.

The next priority whose implementation should be carried out with perseverance by the German Presidency is the further development of the enlargement process, guaranteeing an explicit EU perspective for the Western Balkan countries.

Intensification and substantiation of the European Neighbourhood Policy, especially in its Eastern dimension and its Black Sea dimension, should be placed high on the EU’s foreign policy agenda by the office of Germany during its EU Presidency.

Another priority should be the reactivation of the EU Constitutional debate considering the existing necessity within the Union for a more efficient institutional structure, which would correspond with the increasing EU citizens’ expectations at both the political and economic level.

Croatia

The most important expectation from the German Presidency in Croatia is progress in finding a solution for the EU Treaty. It is expected that consultations on the Constitution during the Presidency will lead to certain improvements, particularly through harmonising the ideas and general guidelines towards achieving an agreement on the constitutional framework and finding basic solutions on the functioning the EU within its new circumstances.

⁷⁹ (1) Bulgarian Prime Minister Statement on the Conference “60 dni predi ES: kakvo da ochaskvame, kakvo da pravim” (“60 days before EU: What can we expect, what can we do.”); available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 27.10.2006. (Translation of quotes here and further below in the Bulgarian country report are done by Dragomir Stoyanov). (2) Joint Press-conference of Bulgarian Prime Minister, Mr. Sergei Stanishev, EU Commission President, Mr. Jose Manuel Barroso, and EU Enlargement Commissioner, Mr. Oli Rehn; 27.09.2006; available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 27.10.2006. (3) Press-conference of Bulgarian Prime Minister, Mr. Sergei Stanishev, and Hungarian Prime Minister, Mr. Ferenc Gyurcsany; 25.08.2006; available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 27.10.2006.

⁸⁰ Bulgarian Prime Minister Statement on the Conference “60 dni predi ES:...”

The media focuses mostly on this first priority of the German presidency, leaving other priorities related to economic dynamism, social responsibility, energy policy and Europe's social dimension in a shadow. There is an interest in the "Berlin Declaration", which is seen as an attempt to overcome the slow-down in the constitutional process after the two negative referenda⁸¹. However, the current debate also reflects some doubts, and the analysts do not consider it likely that the German Presidency will succeed in resolving constitutional issue, as it is evident that the next six months are not enough time to find a definitive solution to the constitutional crisis. There are views among academic circles that, in such a situation in which it is not possible to successfully solve the constitutional issue, the German Presidency will need to search for another political success, which might be the question of further enlargement to Croatia⁸².

The other issue that caught attention of the business media in Croatia is the statement of Angela Merkel, quoted in the EU Observer, about her intentions to make the EU less bureaucratic during the German Presidency. The business analysts have positively assessed this statement in light of making EU regulations more effective and less extensive, thus leading to an important impact on the development of entrepreneurship in the EU and the achievement of the revised Lisbon agenda goals.⁸³

The Croatian public and politicians have also high expectations from coming German presidency when it comes to speeding up Croatia's negotiation process with the EU and closing the negotiations on several *acquis* chapters⁸⁴.

Cyprus

As German State Secretary Silberberg stated, "The [German] Presidency comes at a difficult time for the EU", considering not only that "the constitutional process has come to a halt following the failure of the referenda in France and the Netherlands", but taking also into

⁸¹ Journalist Julijana Strbic in *Vjesnik*, September 7, 2006.

⁸² Damir Grubiša, Faculty of Political Sciences, in *Europa*, Supplement for European Integration, No 43, November 7, 2006.

⁸³ As quoted in business daily *Poslovni dnevnik*, 16 November 2006, p.11.

⁸⁴ Statement of Kolinda Grabar Kitarovic, Minister of foreign affairs and European integration, in daily *Novi List*, 3rd January 2007, p. 9.

account the "increasing scepticism towards Europe" in some Member States, the parallel reservations concerning further EU enlargement, the continuing threat of terrorism, "and extremely difficult international problems such as the explosive situation in the Middle East".⁸⁵

Nevertheless, Cypriot diplomats, civil servants, political parties, NGOs, and academics, whom we have contacted in recent weeks, appear quite optimistic that the German Presidency will respond successfully in the fields expected to be addressed by this presidency. The principal grounds for this Cypriot optimism include the German success in overcoming the early re-unification difficulties and the extensive experience in matters European accumulated by the German political and diplomatic classes, Germany being one of the founding States of the European dream.

The fields expected to preoccupy the 2007 German Presidency, according to State Secretary Silberberg, consist of constructing the "Rome Declaration 2007", "rethinking" how to bring Europe closer to its citizens, revisiting the constitutional conundrum, "economic dynamism and social responsibility", energy policy, and "Europe's social dimension".⁸⁶

While KIMEDE's Cypriot interlocutors endorse fully this agenda – as being rational, of moment and of the moment – there is one more issue whose treatment by the German Presidency they anticipate eagerly. It concerns the extension by Turkey of the "Ankara Protocol" to all 10 new Member States, including, perforce, the Republic of Cyprus.

Cyprus has joined the EU carrying an unresolved international political, legal and ethical problem, in which the United Nations has also been involved.⁸⁷ This problem does not only affect the island Republic, but also other EU member states (i.e. Greece and the UK) and of course Turkey (a candidate for membership). Living for 32 years under the occupation of 37% its territory, Cyprus'

⁸⁵ Speech by State Secretary Silberberg, "A Preview of Germany's EU Presidency: The Status of the Federal Government's Preparations", German Embassy Nicosia, 4 October 2006 (<http://www.nikosia.diplo.de>)

⁸⁶ Ibid.

⁸⁷ Whereas a few other countries became EU Member States carrying unresolved political problems concerning ethnic groups, the essence of the Cyprus problem derives from the 1974 Turkish invasion and the continuing violation of Cypriot human rights, as repeatedly condemned by the UN, the EC/EU, and by such International Courts as the European Court of Human Rights.

problem inevitably predominates most discussions on the island. Due to its complexity, it affects nearly all aspects of political, social and financial life. Thus, the Cyprus problem is of necessity transferred to the EU level. This does not mean that the problem's settlement is left to the EU. Government sources, however, confirm that while the solution will have to be achieved "within the UN framework", there are key issues that are raised in the EU context -such as Turkey's accession process and prospects - which are directly connected with the developments in Cyprus. "These issues must be addressed at a Union level".⁸⁸

Several government officials expressed deep satisfaction with the fact that, in recent months, many EU institutions reiterate the Union's commitment that the final settlement of the problem must *also* be "in line with the principles on which the Union is founded". Moreover, Turkey should "[u]ndertake steps towards normalization of bilateral relations between [itself] and all EU Member States, including the Republic of Cyprus".⁸⁹ Given that all the parties immediately involved in the problem are either EU member states (Cyprus, Britain, Greece) or a candidate (Turkey), it is self-evident that no solution can be fair and viable unless it is conditioned by the EU's principles and values. Therefore, and among many other things, all the rights of all displaced Cypriots -that is, both Greek Cypriots and Turkish Cypriots- who are now European Citizens, must be secured in a future solution.⁹⁰

As with all other Presidencies since May 2004, the Government of the Republic of Cyprus calls on its EU partners to address *some key issues* which will also contribute to the final resolution of the Cyprus problem. Cypriot officials believe that Turkey's accession process should help promote cooperation and understanding among the parties involved in the problem, leading eventually to its final settlement.⁹¹ Simultaneously, however, they

⁸⁸ Interviews conducted by Nicoleta Athanasiadou and Christos Xenophonos. Cyprus Foreign Ministry, 16 October 2006.

⁸⁹ Commission of the European Communities, Proposal for a Council Decision On the Principles, Priorities, and Conditions contained in the Accession Partnership with Turkey, Brussels, 9 November 2005, COM (2005), p. 10, emphasis added. See also the 21 September 2005 "Anti-declaration" issued by the European Community in response to Turkey's 29 July 2005 "declaration" that "it does not recognize the Republic of Cyprus".

⁹⁰ As in footnote (4) above.

⁹¹ Ibid.

stress that Turkey must respect the European principles, values and norms, and, therefore, comply with the corresponding EU expectations or demands. Only then would a Western-type democratic regime be established in Turkey, such that will find natural and rational to endorse a fair settlement in Cyprus.⁹² Our interlocutors further added that if Turkey keeps refusing to comply with the European norms, values and *agreements*, Cyprus would be unable to continue backing its accession in the Union.⁹³ But in case of such sustained Turkish intransigence, it is the *EU itself* that will be forced to react. For while Turkey is certainly obliged to fulfill its accumulated EU obligations, it is the EU's self-evident obligation to abide by its principles and treaties.

In this respect, Cypriot political analysts were gratified by the response of some distinguished MEPs to the 8 November 2006 Commission report on Turkey. For instance, Socialist Group Vice-President Jan Marinus Wiersma stated *inter alia*: "[T]he Ankara protocol is an important question of law: it is not up for negotiation and it must be implemented fully".⁹⁴ And the EPP's Elmar Brok, Chairman of the foreign affairs committee in the European Parliament, added: "The Commission evades a final evaluation of Turkey, in particular with respect to the unresolved Cyprus question. This means not only a lack of credibility towards the European public, but also continues to weaken the EU negotiation position vis-à-vis Turkey".⁹⁵

A diplomatic initiative introduced by the Finnish Presidency is, at this writing, "on the table". It aims to avoid the serious crisis that would ensue if Turkey fails to implement fully the Customs Union ("Ankara") protocol, that is, if it continues refusing to open its ports and airports to Cypriot vessels and aircraft. All public statements by Nicosia and Ankara suggest that the Finnish initiative will most

⁹² Ibid.

⁹³ It should be recalled that the Republic of Cyprus did not block Turkey's path towards accession negotiations either on 17 December 2004 or on 3 October 2005, despite the fact that the illegal occupation of Cypriot territory is continuing. Clearly, Nicosia's rationale has rested on Cypriot expectations that Turkey's need to "Europeanize" its behaviour at this juncture will ascertain the desired results. For an elaboration on Cypriot strategy and reasoning, see Costas Melakopides, *Unfair Play: Cyprus, Turkey, Greece, the UK and the EU* (Kingston, Canada: Queen's Centre for International Relations, 2006).

⁹⁴ "Last opportunity for Turkey", *EurActiv.com*, 8 November 2006, emphasis added.

⁹⁵ Ibid.

probably fail. This is because Ankara insists on rejecting the gradual return of the occupied city of Famagusta to the Republic, while, in turn, the Cypriot government stresses that this is a *sine qua non* condition which must be included in any initiative which hopes to avoid the notorious “train crash”⁹⁶.

It seems to follow that the German Presidency will most probably inherit “the EU’s Turkish problem”, although it is still uncertain in what form. Is the European Council in December going to take punitive measures against Turkey for not implementing the protocol? Or are the accession negotiations going to be terminated? Many Cypriot political analysts believe that the first scenario is more likely. This is because the European Commission is reportedly attempting to reach a compromise solution: namely, the freezing of certain chapters of the accession negotiations⁹⁷. Be that as it may, Minister of Foreign Affairs, Yiorgos Lillikas, has expressed the Cyprus Government’s position as follows: neither the partial freezing of Turkey’s EU accession course nor the total freezing of the country’s accession negotiations is preferred by Nicosia; instead, Cyprus expects Turkey’s fulfillment of its responsibilities towards all EU Member States⁹⁸.

Our political analysis⁹⁹ suggests that, if the Finnish initiative fails, the EU Member States will deal with a single, albeit tough, question: How to interpret the Declaration of 21 September 2005, which foresees punitive measures against Turkey if the latter does not fulfill its Cyprus obligations? That Declaration stressed that “the opening of negotiations on the relevant Chapters depends on Turkey’s implementation of its contractual obligations to all Member States”.¹⁰⁰ Furthermore, the EU Member States declared that “[f]ailure to implement its obligations in full will affect the overall progress in the negotiations [between

the EU and Turkey].”¹⁰¹ A number of scenarios could be premised on this ambiguity. The EU Member States, however, cannot evade making a single interpretation to their Declaration next December. First, the EU will need to track down *the relevant Chapters* which are affected by Turkey’s denial to implement the Protocol and decide how the negotiation on those chapters will be affected. It is evident that at least three Chapters (Chapter 1: Free Movement of Goods; Chapter 14: Transport Policy; and Chapter 29: Customs Union) are *directly* affected by Turkey’s refusal to implement the Additional Protocol. A fourth Chapter (Chapter 31: Foreign, Security and Defense Policy) is also *directly affected* by Turkey’s veto policy over Cyprus’ participation in the EU-NATO cooperation and in other organizations and international regimes. Some other Chapters, such as Chapter 8 (Competition Policy), Chapter 19 (Social Policy and Employment), Chapter 22 (Regional Policy), and Chapter 23 (Judiciary and Fundamental Rights) are *indirectly* affected by Ankara’s refusal to implement the Protocol. In this sense, the definition of the relevant chapters remains to be determined.

Even if the EU Member States decide which Chapters the Declaration was referring to, they will still need to define the way in which EU-Turkey negotiations over these Chapters will be affected. One option could be that none of these Chapters will be negotiated up until Turkey meets its obligations. A second option could be that some of these Chapters (e.g. the ones *indirectly affected*) may be provisionally opened for negotiation, albeit no final decision shall be made about their closure up until Turkey implements the Protocol. The difference between the two options is technical and, therefore, no further elaboration is required at this stage. The core issue at stake is the definition of ‘the relevant Chapters’.

Secondly, the EU Member States will need to decide on how the overall progress in the negotiations will be affected. The suspension of negotiations over some Chapters is already an effect on the overall progress of Turkey’s accession negotiations. In this sense, a first interpretation of that provision could be that the suspension of negotiations over some Chapters would affect substantially the progress of Turkey’s accession negotiations. A second interpretation of that provision could lead to the conclusion that Turkey’s accession

⁹⁶ *Politis* (Nicosia daily), “They Refuse, We Block”, 29 October 2006.

⁹⁷ All main TV stations’ correspondents in Brussels supported this in their Evening News Bulletins on 7 November 2006.

⁹⁸ All main news bulletins carried the Statement made on 8 November 2006.

⁹⁹ See Giorgos Kentas, “Making a Single Decision on Turkey”, *In Depth*, (Nicosia: Intercollege), December 2006 (forthcoming).

¹⁰⁰ 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 (emphasis added).

¹⁰¹ *Ibid.*

negotiations would not have been opened if it did not sign the Additional Protocol extending the EC-Turkey Association Agreement to the ten Member States that acceded on 1 May 2004 and, therefore, Ankara's denial to implement that Protocol should lead to the suspension of the overall process of negotiations up until Turkey meets its obligations. In short, the first option conflates the two aforementioned provisions of the Declaration and asks for no more punitive measures but the suspension of negotiations over some Chapters, while the second one differentiates the two provisions and asks for a tougher stance against Turkey's intransigence.

If the EU Member States fail to make a single interpretation of their Declaration, then they will not have any other option but to set forth another deadline for Turkey. Such a result, however, will have two direct implications. On the one hand, the overall process of negotiations will be *de facto* suspended. Nicosia, backed by a group of like-minded countries, such as Greece, Austria and France, will block the opening of negotiations over all Chapters before the expiration of the new deadline for the implementation of the Protocol. In the past couple of months, Nicosia has already blocked five bids of the Finnish Presidency to discuss the opening of negotiations over some Chapters¹⁰². On the other hand, the German Presidency will renew the EU initiative aiming at an agreement between Nicosia and Ankara on the trade offs for the simultaneous implementation of the Protocol and the establishment of a direct trading relationship between the Turkish Cypriot Community and the EU. At the same time, the UN may undertake some fresh initiatives for the implementation of the 8 July 2006 Agreement between the Greek and the Turkish Cypriot leaders—brokered by UN Under-Secretary General Ibrahim Gambari—which outlines further steps in the diplomatic effort to resolve the decades-old conflict on the Mediterranean island.

Turning, finally, to one of the principal preoccupations of the 2007 German Presidency, viz. the Constitutional Treaty, Cypriot Government officials, as well as MPs from various political parties and other organized groups, agree on the following thesis: the Republic of Cyprus, by ratifying the Treaty, has sent a clear message; namely, that it sees in a positive way the entire initiative of

establishing a more supranational approach to the European structures. The “double track approach”, of maintaining the constitutional process alive and in parallel creating a “Europe of results”, is something that satisfies the Cypriot citizens who prefer a European Union which stands closer to its citizens' expectations and aspirations.¹⁰³

Czech Republic

Domestic Politics Trumps All EU Issues

The Czech Republic finds itself in the middle of a year of triple elections: In June, elections took place to the lower chamber of the Czech Parliament, resulting in an unprecedented cul-de-sac: the left (Social Democrats (CSSD) and Communists (KSCM) won exactly one hundred seats, while the other one hundred seats were distributed among the strongest party (the right-wing Civic Democrats (ODS)), and two smaller parties (Christian Democrats (KDU CSL) and the Greens), both of whom favoured a centre-right coalition. The months that followed have been marked by never-ending negotiations among all parties, and as of today, have not led to the creation of a stable government. In October double elections to the upper chamber of the Parliament (the Senate) as well as to municipal councils were held, only to confirm that the Civic Democrats remain the most popular party, though the unified left opposition remains almost equally strong. As a result of this political stalemate, foreign policy issues including most of the topics tackled within this report have been sidelined.

Although the Czech Republic is starting to prepare for its own presidency in 2009, surprisingly little attention has been dedicated to the upcoming German presidency both in the Czech media and in political circles. When mentioned, the presidency is seen as important in two respects: First, Angela Merkel's determination to push through the Constitutional Treaty is believed to be the main priority. The Czech Social Democrats, who consider the Constitutional Treaty one of the pillars of their EU agenda, still insist on the necessity to adopt the Treaty and believe that it is the German presidency that might push the Treaty back into the limelight.¹⁰⁴ Second,

¹⁰² *Phileleftheros*, “Double Veto over Turkey's Chapters”, 11 November 2006.

¹⁰³ Interviews conducted by Nicoleta Athanasiadou in late October 2006.

¹⁰⁴ Press Conference, personal website of Mirek Topolánek, <http://www.topolanek.cz/improvizovana-tiskova-konference.html>

the German proposal to strengthen the EU's Eastern Policy is mentioned. However, there is almost no debate about the content of the German proposal or its merits for the Czech Republic.¹⁰⁵

There are a few potential obstacles to the effective course of the presidency. For instance, Czech Radio discussed in detail the danger that Germany might want to use its presidency to further its economic interests and thus clash with the liberally-minded European Commission. Here, the biggest risk allegedly lies in attempts to provide special market conditions for Deutsche Telekom or with regard to regulation offering special protection to German savings banks.¹⁰⁶

On the level of academia, the challenges for the German presidency were examined carefully on two occasions: The Czech Ministry of Foreign Affairs decided to finance a research grant entitled Modifications of German foreign policy after the election of September 2005, which ended with a report stressing the potential for a positive impact of the German presidency. While arguing that the policy of the current German Government has become more pragmatic, the project's leader maintains that "in the run-up to the German EU presidency, Berlin's policy has become more EU-partisan focusing on the EU Constitutional Treaty in particular, as well as seeking and offering more leadership in EU affairs than before."¹⁰⁷ The other occasion was an international conference on the German presidency, organised by the Prague-based Institute of International Relations in September 2006. The conference, in which a number of leading German scholars took part, presented a host of potential topics for the German presidency, including not only the Constitutional Treaty, but also a bundle of security issues, as well as the European Neighbourhood Policy. Interestingly, much attention was dedicated to the pragmatic turn in German EU policy, which some participants even labelled "de-Europeanisation".¹⁰⁸

¹⁰⁵ For a more thorough elaboration see Question 8.

¹⁰⁶ Světla a stíny blížícího se německého předsednictví Evropské unie (Lights and shadows of the upcoming German EU presidency), Český rozhlas 6, 14 October 2006, http://www.rozhlas.cz/cro6/internet/_zprava/283943

¹⁰⁷ Quoted from a forthcoming article based on the research. (Vladimír Handl & Tomáš Nigrin: Německá integrační politika mezi pragmatismem a europeizací (German integration policy between pragmatism and Europeanisation). Mezinárodní vztahy 4/2006)

¹⁰⁸ Summary report of the seminar of experts and academics on German European Policy "German EU Presidency 2007 – a Test Case of a New German

Denmark

In general there are high expectations for the upcoming German Presidency, as Danish Prime Minister Anders Fogh Rasmussen (Liberal Party) expressed it: 'We need to make a great effort to find intelligent compromises, which will help bring us forward again. I am confident that the upcoming German Presidency will be able to tackle this delicate issue wisely.'¹⁰⁹ The Danish hope is that the German Presidency will be very ambitious and, together with the Rome Declaration 2007, set a positive tone for the June 2007 European Council meeting.¹¹⁰ It is recognized that the French elections in April and May will give the German Presidency only a small margin of time in which to work before the European Council in June 2007.

On the institutional question it is expected that the German Presidency will continue the Finnish work on mapping the different interests of the member states. The Danish perspective is that the German Presidency will end up suggesting some scenarios, allowing the EU to move beyond the Constitutional Treaty. The Danish government was quite pleased with the Constitutional Treaty, but there is very little chance that the existing text will now be ratified by referendum in Denmark. The Danish expectation is that the German Presidency will mark a 'point of departure' for 'clarification regarding the fate of the Constitutional Treaty'.¹¹¹ As discussed in section 3, the Prime Minister's own preference was initially for a 'mini treaty' (see EU-25 Watch No. 3), but after the 'reflection pause' the government has clarified its position and now supports the need for more pragmatic institutional reforms.¹¹²

The European Neighbourhood Policy (ENP) is also expected to be prioritised on the German agenda. It is likely that the member states under the German Presidency will discuss an

European Policy?" 13 September 2006, organised by the Institute of International Relations with the support of the Friedrich Ebert Stiftung.

¹⁰⁹ Address by the Prime Minister of Denmark, Anders Fogh Rasmussen at the Annual Ambassadors Conference, Bucharest, Romania, 30 August 2006.

¹¹⁰ Interview with a civil servant in the Department of European Policy, Foreign Affairs Ministry, 7 November 2006

¹¹¹ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (the Danish Parliament) on Tuesday, 3 October 2006.

¹¹² Speech by the Prime Minister Anders Fogh Rasmussen, 'Europe of Results', at Copenhagen University on 21 April 2006; Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (the Danish Parliament) on Tuesday 3 October 2006.

enhanced ENP.¹¹³ There is general support for an enhanced ENP in Denmark. There is also support for a strong common EU position towards Russia (see question 8).¹¹⁴

Estonia

Although the expectations of the Estonian government have not yet been clearly articulated,¹¹⁵ the following points can easily be anticipated:

Given Estonia's commitment to the further deepening of integration and the continuation of enlargement, it is hoped that the German Presidency will actively try to solve the current impasse with regard to the Constitutional Treaty. A final solution, of course, cannot be achieved in this timeframe, as the reflection period has been extended. However, it is expected that the Merkel government will provide a feasible roadmap out of the crisis. The scenario favoured by Estonia is the ratification of the existing version of the treaty by all member states. This position was clearly spelled out when on 9 May 2006 the Estonian Parliament ratified the treaty despite the uncertainty produced by the French and Dutch no-votes.

Secondly, Estonian expectations regarding the German presidency focus on two interrelated topics: energy and Russia. A common and coherent EU energy policy is seen as the key to the energy security of the Baltic states. In wake of the Schröder-Putin pipeline agreement, the Estonian government remains wary of the big states in the EU making deals behind the backs of the smaller members and insists on greater solidarity in the sphere of energy and energy security. The Merkel government is seen as being more considerate of the interests of the Baltic states: for instance, energy issues dominated the agenda when Estonia's Prime Minister Andrus Ansip met with Chancellor Merkel in April 2006.

¹¹³ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (the Danish Parliament) on Tuesday 3 October 2006; Interview with civil servant in the office of Foreign policy, Foreign Affairs Ministry, 7 November 2006

¹¹⁴ Ole Bang Nielsen, 'Tyrkiet får længere tidsfrist af EU', *Berlingske Tidende*, 8 November 2006.

¹¹⁵ The Foreign Ministry routinely prepares a document on Estonian priorities for each Presidency; however, the respective paper for the German Presidency was not available at the time of writing this report.

Clearly, Estonia will watch the development of the new German Ostpolitik with great interest. Estonia strongly supports a common EU strategy on Russia and approves of the principle of tying Russia "irreversibly" to Europe through stronger political, economic and cultural ties. It is emphasized, however, that the EU's cooperation with Russia should be based on common values and Russia should not be exempt of the conditionality that underlies the EU's relations with third states. In this context, Estonia is certainly wary of bilateralism and potential interest-based deals between Russia and specific EU member states, especially if the prospect of gain makes European leaders turn a blind eye to deepening authoritarianism and human rights violations in Russia.

Finland

The reporting period of the current issue of the EU-25 Watch coincides with the Finnish EU Presidency from July 2006 until December 2006. The Presidency and its issues expectedly permeate the national media and topical political debate. This must be reflected in the relatively little attention directly devoted to the upcoming German Presidency. Finland has nevertheless declared strengthening the double-track approach – the EU strategy emphasising a continuing constitutional process and a streamlined, effective and transparent "Europe of results" - as one of its Presidency goals.¹¹⁶ Aspects of the double-track approach in general have hence been addressed by politicians and the media alike and will feature at various stages during this report.

Regarding public opinion on the EU, in general the observation of the previous EU-25 Watch must be reiterated: Europessimism looms large in Finland. This is also often mentioned in the media and public commentary. A survey by an independent think tank, the Finnish Business and Policy Forum (Elinkeinoelämän Valtuuskunta-EVA), reveals that where 33 % of the respondents view Finland's EU-membership in a positive light, and 31 % of them have a negative stance towards it. 33 % of respondents express a neutral stance towards membership. The percentage of the negative stance has risen by 6 % from the 25 % recorded two years earlier, while the percentage of the positive view has decreased

¹¹⁶ Matti Vanhanen, Speech, 21.6.2006.

by 10 %. The EU enjoys strongest support within the ranks of the well-educated urban population, while rural citizens working in the agricultural sector are among the staunchest opponents. The most prominent stated reasons for europessimism seem to include precisely those the double-track approach is partly attempting to address: lack of transparency and democracy in the Union's decision-making. Also, the influence of big core states in EU politics is viewed as excessive.¹¹⁷

No official government position exists yet on the German Presidency and the fate of the Treaty establishing a Constitution for Europe (TCE) during Germany's lead. The Government of Finland wishes that Germany would continue the consultations with the member states started by Finland aiming to move the Union forward from the period of reflection on the TCE.¹¹⁸

France

For the past six months, the media and political leaders have very often mentioned the upcoming German Presidency. Generally, expectations have been high, particularly on the part of those who had supported the Constitutional Treaty at last year's referendum¹¹⁹. The timeframe defined by the June 2006 European Council is usually considered to be relevant. Most people accept that it is now time to find a solution, one and a half years after the French and the Dutch voted "no". There is also a feeling in France that this is the last opportunity for a long time to revive European integration. The 2006 German Presidency will be the last before 2020 and the 2007 French Presidency the last before... 2022. Most French opinion-makers still look up to the "Franco-German relationship" as *the* pillar of European integration. The simple fact that Germany takes over the European Presidency is seen positively. The succession of the German and French Presidencies is regarded as a great "window of opportunity". If Germany and France do not manage to bring

together the 27 in the coming two years, it might simply be too late¹²⁰.

But beyond that general perception, very little is said about what the German Chancellor and her government should do. It is generally accepted in France that the French people will never accept a new version of the Constitutional Treaty with only minor changes. The method – disregard for a democratic decision – would be highly resented and would further damage the image of the Union among the French public. The problem, of course, is that so far, that solution – a new Treaty marginally amended – seems to have the preference of the German Chancellor. Thus, if most political leaders and opinion-makers have paid lip service to the importance of the German Presidency, no one has ventured to explain what the outcome could be. The media has expressed some doubts about Ms. Merkel's room for manoeuvre¹²¹. In his press conference following the European Council (December 2006), Mr. Chirac remained very elusive about what to do with the Constitution and what to expect from the German Presidency. He declared: "The current institutions do not ensure the smooth running of the European Union. It was the objective of the Convention, which made serious proposals - it should be noted - to improve and adapt these institutions. That was not followed of effect, because of the referendums in France and in the Netherlands. We are now in the situation where it is necessary to find new means of improving the institutions, without of course being put in contradiction with the public opinions of the countries which rejected the Treaty. Germany will start the process. It will have the support of France. It will be France's role, in 2008, at the time of its presidency, to conclude."

Ms. Merkel herself knows very well that no French political leader will take the risk to endorse her favoured solution before the spring elections, and she is well aware of the specific French context. The presidential election in France is *the* major election on the political calendar. During the previous year, the public debate at large has been constrained by that perspective. Europe and the future of the Constitutional Treaty are no exception. The

¹¹⁷ Elinkeinoelämän Valtuuskunta, Finnish Business and Policy Forum EVA – Kai Torvi, Pentti Kiljunen, "Ikkunat Auki Maailmaan. EVAn Suomi, EU ja Maailma-asennetutkimus 2006", http://www.eva.fi/files/1523_ikkunat_auki_maailmaan.pdf.

¹¹⁸ Personal interview with EU expert of the Prime Minister's Office, November 2006.

¹¹⁹ *Le Monde* expressed that general mood in its leader on 3 January 2007: "Let's be bold, Mrs. Merkel".

¹²⁰ See, in particular, Jacques Attali, "The last Presidency" (*L'Express*, 7 December 2006).

¹²¹ See, for instance, Pascale Hughes, "Merkel's ambitions" (*Le Point*, 21 December 2006) and Jacques Docquier, "Berlin asks the 27 not to expect miracles" (*Les Echos*, 20 December 2006).

two major candidates – Mr. Sarkozy (UMP, centre right) and Ms. Royal (PS, centre left) - are former advocates of the Treaty, but both know that they will have to convince people who voted “no” if they are to win the election. They will do nothing in the coming months that could antagonize the opponents of the Treaty. On the other hand, they will try to convince Euro-enthusiasts that they have the will and the capacity to give Europe a fresh start. Thus, as far as European issues are concerned, they are likely to remain as consensual as possible. This means being as elusive as possible on the future of the Treaty, which remains a very controversial issue. What the French government will do during the run-up to the election is not clear either. The government is led by Mr. de Villepin – Mr. Sarkozy’s main opponent in the centre-right. He and Mr. Chirac – who has an old animosity towards Mr. Sarkozy – might be willing to use European issues to reassert their political roles – and, why not, to put a spanner in the works for the probable right-wing candidate.

Ms. Merkel’s emphasis on “small steps” in a number of key areas – energy, environment (global warming), Ostpolitik, foreign relations of the Union – has received a warm welcome¹²². After the 2005 referendum, there was a consensus in France that Europe would only find again the path to the hearts of the French if it brought concrete results and launched new politics that deliver perceptible gains. Furthermore, Ms. Merkel’s objectives are non-controversial in France. They echo Mr. Chirac’s emphasis on a “Europe of projects” or Ms. Royal’s demand for a “Europe by proof”.

Germany

The German government¹²³ is confronted with high expectations for the outcome of its EU Presidency by the other EU partners as it is considered to be capable to push through a Presidency agenda that will help overcome the constitutional and EU reform deadlock. Germany is not only an EU member state with political weight, but it also has a stable grand coalition in external matters compared to the rather uncertain political situations in other EU member states. This is due to the EU being in a constitutional crisis and the political leaders

of some member states being occupied with election campaigns (France), leadership changes (Great Britain) or domestic political elections and problems (Netherlands, Hungary, Poland and Slovakia).

However, the time frame is very short, especially because of the French parliamentary and presidential elections in May and June 2007. Political leaders in Berlin do not tire of trying to scale down these expectations. The time slot for any fundamental re-launch of the Constitutional Treaty’s ratification or modification is limited to only two or three weeks (following the French elections). Additionally, German actors are aware of the fact that it could become even more difficult to meet all other points of the Presidency agenda in the first half of 2007 if for instance the Lebanon, Somalia or Kosovo crises deteriorate.

As Germany will be holding the G-8 Presidency at the same time, its policies will be critically observed throughout the next months. If the grand coalition successfully directs both presidencies its external capability to act will have been proven. Thus, the Merkel government could take advantage of foreign policy matters to conceal internal coalition quarrels between the CDU/CSU and the SPD. The year 2006 was characterised by several disagreements over domestic issues. In contrast, the EU’s global policy issues are usually discussed on the basis of a general German party consensus. For the German grand government coalition the holding of two presidencies at the same time will be both a test and an opportunity to gain recognition.

Therefore, Germany’s political leaders are hoping for a “smoothly flowing” and successful EU Presidency. They expect to meet their task, commissioned by the European Council meeting in June 2006: The German “Presidency will present a report to the European Council [...]. This report should contain an assessment of the state of discussion with regard to the Constitutional Treaty and explore possible future developments.”¹²⁴ The constitutional treaty and the ratification process will therefore be one of the basic elements of Germany’s EU Presidency agenda. However, the German government will primarily mediate the interests of the other EU member states and less

¹²² See Cécile Cala, “Germany sets its priority for its Presidency in 2007” (*Le Monde*, 7 December 2006).

¹²³ Cf. website of Germany’s EU Council Presidency 2007, available at: <http://www.eu2007.de/en/index.html> [last access: 29 December 2006].

¹²⁴ Cf. Council of the European Union: Presidency Conclusions, 10633/1/06, REV 1, CONCL 2, Brussels, 17 July 2006.

actively promote its own interests. A solution to the constitutional crisis is aimed at under the French Presidency in 2008 at the latest. The main outcome in June 2007 could pave the way to preserving as much substance of the Constitutional Treaty as possible. Beyond the constitutional issue, Germany's presidential EU agenda is not focused on single big issues. Moreover, the first concrete dates for 2007 are fixed, e.g. the quite early Spring Summit on 8 and 9 March, which will be devoted to a European energy policy. But German political leaders generally refrain from any tight agenda.¹²⁵

The EU Presidency agenda of the German government

The German government announced that it "will do everything it can to attain the goal set by the European Council in June 2006 [and put forward concrete proposals on next steps] to find a way to continue the constitutional process and conclude it successfully."¹²⁶ However, Chancellor Merkel also stated that the "German Presidency will certainly not solve this [constitutional] problem."¹²⁷ In fact, Germany's EU Presidency will be characterised by its transient function. A possible road map will be developed by arranging bilateral meetings with the responsible leaders of all EU member states.¹²⁸ Only following the French elections in May and June 2007 is the issue supposed to be discussed multilaterally.

Germany will be the first member state to preside over the EU-27. The symbolic character of this will additionally be underlined by the 50th anniversary of the signing of the Rome Treaties, which will be solemnly

¹²⁵ For a more detailed analysis of the German Presidency's room for manoeuvre see Dauderstädt, Michael/ Lippert, Barbara/ Maurer, Andreas: Die deutsche EU-Ratspräsidentschaft 2007: Hohe Erwartungen bei engen Spielräumen, Internationale Politikanalyse, November 2006, edited by the Friedrich Ebert Stiftung.

¹²⁶ Cf. Cabinet statement on EU Presidency, Jointly shaping Europe, Press release No. 387, 5 November 2006, available at: http://www.bundesregierung.de/Content/EN/Pressemitteilungen/BPA/2006/11/2006-11-05-eu-ratspraesidentschaft_en.html [last access: 27 November 2006].

¹²⁷ Cf. Notes of the press conference of chancellor Merkel and Dutch Prime minister Balkenende, 28 October 2006 (translated by the author), available at: http://www.bundesregierung.de/nn_1516/Content/DE/Mitschrift/Pressekonferenzen/2006/10/2006-10-28-pressekonferenz-merkel-balkenende.html [last access: 27 November 2006].

¹²⁸ Cf. Council of the European Union: Presidency Conclusions, 17 July 2006

celebrated on 25 March 2007 in Berlin.¹²⁹ The German government expects to take this historic date as an opportunity to announce a process of renewal. It plans to react adequately to "the kinds of challenges being faced today [which] are dramatically different from those that existed when the process of European unification began"¹³⁰. Since mid-2006, the chancellor, the foreign minister, party leaders and responsible actors in the chancellery and the federal foreign ministry defined their general ideas on Europe's future in several speeches.¹³¹ The repeated idea of government leaders is the necessity to "rethink"¹³² Europe and that the EU has to be "re-justified in a new way" so that it could better meet with the new challenges of the 21st century.¹³³

In addition to the close cooperation with the preceding Finnish EU Presidency and with the subsequent Portuguese and Slovenian presidencies, the shapeable part of Germany's

¹²⁹ See also question 2.

¹³⁰ Cf. Cabinet statement on EU Presidency, 5 November 2006, available at: http://www.bundesregierung.de/Content/EN/Pressemitteilungen/BPA/2006/11/2006-11-05-eu-ratspraesidentschaft_en.html [last access: 27 November 2006].

¹³¹ Cf. e.g. speech of Angela Merkel at the opening of the International Bertelsmann Forum „Die Zukunft der Europäischen Union“, 22 September 2006, available at: http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access: 27 November 2006]; Speech of Frank-Walter Steinmeier at the 35th Anniversary of the Heinz Schwarzkopf Foundation, Rethinking Europe, Berlin, 30 August 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/060830-Europa-Schwarzkopf.html> [last access: 27 November 2006]; Speech of State Secretary Reinhard Silberberg: A preview of Germany's EU Presidency, Berlin, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006].

¹³² Cf. speech of State Secretary Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006]; Speech of Frank-Walter Steinmeier, 30 August 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/060830-Europa-Schwarzkopf.html> [last access: 27 November 2006].

¹³³ Cf. speech of Angela Merkel, 22 September 2006, available at: http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access: 27 November 2006]; Speech of Frank-Walter Steinmeier, 30 August 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/060830-Europa-Schwarzkopf.html> [last access: 27 November 2006]; Speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006].

Presidency agenda was jointly prepared and discussed between the German federal ministries. The official German Presidency Programme¹³⁴ was finally presented by Chancellor Angela Merkel in her government declaration on 14 December 2006.¹³⁵ In the sense of Presidency groups of three member states – as envisioned in the Constitutional Treaty¹³⁶ – the German government has been directly cooperating with the two subsequent presidencies.¹³⁷ Including the continuous EU agenda that all rotating presidencies have to deal with, the German cabinet agreed on the following substantial focal points for its EU Presidency agenda:¹³⁸

- promoting a European energy policy and bringing forward measures to prevent climate change,¹³⁹
- defining the “external contours” of the EU more sharply,¹⁴⁰
- shaping globalisation actively,¹⁴¹

¹³⁴ Cf. The Federal Government: “Europe – succeeding together”, Presidency Programme, 1 January to 30 June 2007, available at: http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EU_Presidency_Programme_final.pdf [last access: 29 December 2006].

¹³⁵ Cf. Deutscher Bundestag: Stenografischer Bericht, 73. Sitzung, Berlin, 14 December 2006, Plenarprotokoll 16/73.

¹³⁶ Cf. Treaty establishing a Constitution for Europe, Final act, declaration on Article I-24(7) concerning the European Council decision on the exercise of the Presidency Council.

¹³⁷ See also the 18-month Programme of the German, Portuguese and Slovenian Presidencies, Note to the Council of the European Union, 16541/06, Brussels, 8 December 2006, available at: http://www.eu2007.de/includes/Download_Dokumente/Trio-Programm/trioenglish.pdf [last access: 29 December 2006].

¹³⁸ See also chancellor Merkel’s government declaration, Berlin, 14 December 2006, Plenarprotokoll 16/73.

¹³⁹ Cf. speech of Angela Merkel at a conference of the German Council on Foreign Relations (DGAP), 8 November 2006, available at: www.bundesregierung.de/Content/Rede/2006/11/2006-11-08-rede-bkin [last access: 27 November 2006]; Regierung online: Weltweites Klimaschutzabkommen weiter entwickeln, 3 November 2006, available at: <http://www.bundesregierung.de/Content/DE/Artikel/2006/11/2006-11-03-weltweites-klimaschutzabkommen-weiter-entwickeln.html> [last access: 27 November 2006].

¹⁴⁰ Cf. speech of Angela Merkel, 22 September 2006, available at: http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access: 27 November 2006]; Speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006]; Cabinet statement on EU Presidency, 5 November 2006, available at: http://www.bundesregierung.de/Content/EN/Pressemitteilungen/BPA/2006/11/2006-11-05-eu-ratspraesidentschaft_en.html [last access: 27 November 2006].

- advocating internally and externally a competitive economic system by, for example, creating European champions,¹⁴²
- strengthening the EU partnership with both the United States of America and Russia (by means of summit meetings of the EU and the G-8)¹⁴³
- expanding the EU partnership with the African continent (the fight against HIV and AIDS should become an important topic of both the German EU and G-8 Presidencies according to the Federal Minister for economic cooperation and development)¹⁴⁴,
- strengthening cross-border cooperation to fight against terrorist attacks, organised crime, refugee crises and illegal immigration,¹⁴⁵
- promoting a “knowledge-based” Europe through greater investment in education and research,¹⁴⁶
- scaling down European bureaucracy by installing a Council controlling all European regulations and standards,¹⁴⁷
- developing a European system of social security (as a means to react to the citizens’ fears of globalisation menacing

¹⁴¹ Cf. speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006].

¹⁴² Cf. Regierung online: Globalisierung mit europäischen Champions gestalten, 17 November 2006, available at: www.bundesregierung.de/Content/DE/Artikel/2006/11/2006-11-17-globalisierung-gestalten-mit-europaeischen-champions [last access: 27 November 2006].

¹⁴³ Cf. interview with Foreign Minister Steinmeier, „Wir sollten Russland unumkehrbar an Europa binden“, in: Frankfurter Allgemeine Zeitung, 10 November 2006; Graw, Ansgar/ Schiltz, Christoph B.: Merckels Masterplan für Europa, Kabinett berät mit Barroso Ziele der EU-Ratspräsidentschaft – Transatlantische Freihandelszone als „faszinierender Gedanke“, in: Die Welt, 12 October 2006..

¹⁴⁴ Cf. Heidemarie Wiczorek-Zeul (SPD) in the scope of a press conference following a meeting with her EU-homologues in Luxembourg, Agence France Press, 17 October 2006; Regierung online, Alle acht Sekunden infiziert sich ein Mensch, 21 November 2006, available at: www.bundesregierung.de/Content/DE/Artikel/2006/11/2006-11-21-aids [last access: 27 November 2006].

¹⁴⁵ Cf. press conference of Wolfgang Schäuble, Antonio Costa and Dragutin Mate on the occasion of the workshop on the first joint EU Presidency program of the Ministers of the Interior for the period between 1 January 2007 and 30 June 2008, 2 October 2006.

¹⁴⁶ Cf. speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006].

¹⁴⁷ Cf. Heute im Bundestag: Merkel will Bürokratieabbau zu Eckpfeiler der EU-Ratspräsidentschaft machen, news service of the German Bundestag, 27 September 2006

their national social and labour market systems)¹⁴⁸.

Apart from its mandate¹⁴⁹ to develop a roadmap for the further constitutional process Germany will concentrate on the following issues (the so-called double-track approach)¹⁵⁰: energy policy and environmental issues, promotion of the Lisbon process, strengthening of EU cooperation with Russia and the USA. Energy policy will be of great concern at the Spring European Council meeting in March 2007. Initiatives in the framework of both Justice and Home Affairs as well as foreign and security policy issues will be pursued in the second half of the Presidency. The grand coalition focuses on further development of the ENP¹⁵¹ and explains that "a political entity is nonviable without clear borders".¹⁵² In that context, Germany traditionally puts a stronger focus on Eastern than on Mediterranean neighbouring states.¹⁵³ In the scope of the renegotiation of the partnership and cooperation agreement with Russia, the Presidency will support "tying Russia irreversibly to Europe"¹⁵⁴. At the same time, though not mentioned in the government's working paper,¹⁵⁵ the chancellor slightly promotes a transatlantic free trade area.¹⁵⁶ Finally, the German Presidency will have to deal with global EU tasks: the continuation of the EU missions in Afghanistan and Kosovo, which both demonstrate, as Merkel underlines, the importance and

functioning of the "European security concept".¹⁵⁷

Different tendencies within the Grand Coalition

Although the grand coalition will try to conceal its internal differences, it is obvious that both parties still try to find their own profile. The Social Democratic Party (SPD), which holds the foreign ministry, is eager to demonstrate its willingness to act on the European scene, not leaving the floor solely to Merkel and her chancellery. The most evident difference is the question of Turkish EU membership, still strongly supported by SPD members. Whereas Kurt Beck, leader of the SPD,¹⁵⁸ and Federal Foreign Minister Frank-Walter Steinmeier underline that their party promotes Turkey becoming an EU member state, Chancellor Merkel (CDU) explained in a newspaper interview¹⁵⁹ the same day that all accession negotiations will be open, long-lasting and directly linked to the Turkish willingness to fully implement the Ankara protocol.¹⁶⁰ Officially, however, both parties agreed on the openness of EU-Turkish accession negotiations in the coalition agreement.¹⁶¹ Regarding the future of the constitutional treaty the coalition parties also try to differentiate from one another. Whereas Merkel declared that any forms of "cherry-picking" should be avoided¹⁶² and the title "constitution" be maintained,¹⁶³ Beck

¹⁴⁸ Cf. speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access: 27 November 2006].

¹⁴⁹ Cf. Council of the European Union: Presidency Conclusions, 17 July 2006.

¹⁵⁰ Cf. speech by President Barroso to the European Parliament prior to the European Council of 15 and 16 June 2006, European Parliament, Strasbourg, 14 June 2006, speech/06/373, available at: http://ec.europa.eu/commission_barroso/president/pdf/speech_20060614_en.pdf [last access: 27 November 2006].

¹⁵¹ See also question 4.

¹⁵² Government declaration, cited according to Frankfurter Allgemeine Zeitung: Beck fordert integrierte EU-Streitkräfte, 6 November 2006, p. 1.

¹⁵³ Cf. speech of Frank-Walter Steinmeier, opening speech at the conference of ambassadors in the Federal Foreign Office, Berlin, 4 September 2006, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060904-BM-BoKo.html> [last access: 27 November 2006].

¹⁵⁴ Cf. interview with foreign minister Steinmeier, Frankfurter Allgemeine Zeitung, 10 November 2006.

¹⁵⁵ According to Graw, Ansgar/ Schiltz, Christoph B, in: Die Welt, 12 October 2006.

¹⁵⁶ Cf. Graw, Ansgar/ Schiltz, Christoph B.: Merkels Masterplan für Europa, in: Die Welt, 12 October 2006.

¹⁵⁷ Cf. speech of Angela Merkel, 8 November 2006, available at: www.bundesregierung.de/Content/Rede/2006/11/2006-11-08-rede-bkin [last access: 27 November 2006].

¹⁵⁸ Cf. Frankfurter Rundschau: SPD-Europapolitik. Beck schlägt Grundgesetz statt EU-Verfassung vor, 26 September 2006; Speech of Kurt Beck at the Europe conference of the SPE faction in Berlin, "Europa gestalten: globale Friedensmacht – soziale Wirtschaftskraft", 6 November 2006, available at:

<http://www.spd.de/menu/1695612/>; Speech of Frank-Walter Steinmeier, 4 September 2006, available at:

<http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060904-BM-BoKo.html> [last access: 27 November 2006].

¹⁵⁹ Cf. interview with Angela Merkel, „Für die Türkei kann eine sehr, sehr ernste Situation entstehen“, in: Süddeutsche Zeitung, 6 November 2006, p. 6.

¹⁶⁰ See also questions . 4 and 8 of this EU-Watch.

¹⁶¹ Cf. coalition agreement between the CDU, CSU and SPD: Working together for Germany – With courage and compassion, 11 November 2005, available at: http://koalitionsvertrag.spd.de/servlet/PB/show/1673135/Koalitionsvertrag2005_engl.pdf [last access: 27 November 2006].

¹⁶² Cf. speech of Angela Merkel, 22 September 2006, available at: http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access: 27 November 2006].

¹⁶³ Cf. speech of Angela Merkel, 22 September 2006, available at: http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede

(SPD) proposed a “Grundgesetz” (basic law) to instead become the amended European constitution.¹⁶⁴ Beck’s idea would involve the shortening of the recent version of the Constitutional Treaty to its “central content”. An additional preamble would include the definition of the EU’s internal and external goals as well as an allusion to the *sui-generis* character of the Union, being “unified in diversity”.¹⁶⁵

Opposition parties and German Länder

One can only observe minor concerns that were formulated by the three opposition parties, as traditionally all German parties are still characterised by consensus in most European matters. The positioning of the liberal, green and left parties for Germany’s EU Presidency highly correspond to their general party programs. Also noteworthy is the fact that all opposition parties openly ask for a new or amended constitutional treaty.

The Green opposition party (*Bündnis 90/ Die Grünen*) demands the Presidency focus on the development of European asylum and migration policy strongly oriented towards human rights.¹⁶⁶ The Greens moreover hope for an initiative for a common climate change policy and a new freedom perspective for the Middle East in the scope of the German EU Presidency.¹⁶⁷ The Liberals (FDP) mainly focus on the question of Turkey and the Constitutional Treaty. The former chairman of the FDP faction, Gerhard, accuses the government of unfairly negotiating with Turkey while at the same time only being willing to accept a “privileged partnership”.¹⁶⁸ Koch-Mehrin (FDP, MEP) wants the government to develop concrete proposals for amendments to the Constitutional Treaty instead of only

proposing a road-map leading to its ratification.¹⁶⁹ Guido Westerwelle, chairman of the FDP, additionally criticises the government programme in energy policy matters and demands a more open support for nuclear energy.¹⁷⁰

The opposition left party (*Die Linke*) asks the government to re-launch the constitutional process and negotiate a new, two-fold treaty.¹⁷¹ One part should consist of institutional issues, the other should deal with detailed regulations for single EU policies. The latter is supported by the Greens as well.¹⁷² In addition, democracy, rule of law, a social dimension, and a non-military and civil character of the European foreign and security policy should be anchored in the new text.¹⁷³

The German *Länder* expect the government to use the opportunity to revive the constitutional and Lisbon processes.¹⁷⁴ They moreover ask for the implementation of the early warning system, irrespective of the Constitutional Treaty’s ratification, to strengthen the involvement of federally structured member states. In addition, the German *Länder* hope for the implementation of the Hague program to further develop the cooperation in Justice and Home Affairs and to install a common asylum policy in the framework of the German EU Presidency.

[/2006/09/2006-09-23-bertelsmann.html](#) [last access: 27 November 2006].

¹⁶⁴ Cf. speech of Kurt Beck, 6 November 2006, available at: <http://www.spd.de/menu/1695612/> [last access: 27 November 2006].

¹⁶⁵ See also question 3.

¹⁶⁶ Cf. request by the faction of the Greens: Forderungen an die deutsche EU-Ratspräsidentschaft, Ratspräsidentschaft für eine zukunftsfähige EU nutzen, Deutscher Bundestag, 16. Wahlperiode, Drucksache 16/3327, 8 November 2006.

¹⁶⁷ Cf. *ibid.*

¹⁶⁸ Cf. Wolfgang Gerhard: CDU hält Spagat in der Türkei-Frage nicht durch, 7 November 2006, available at: www.fdp.de/webcom/show_article.php?wc_c=567&wc_id=1139&wc_p=1 [last access: 27 November 2006].

¹⁶⁹ Cf. Silvana Koch-Mehrin: Verfassung muss das wichtigste Thema der deutschen EU-Ratspräsidentschaft werden, 6 November 2006, available at: www.fdp.de/webcom/show_article.php?wc_c=567&wc_id=1136&wc_p=1 [last access: 27 November 2006].

¹⁷⁰ Cf. Deutscher Bundestag: Stenografischer Bericht, 73. Sitzung, Berlin, 14 December 2006, Plenarprotokoll 16/73, p. 7215.

¹⁷¹ Cf. request by the faction of the left party: Für eine demokratische, freiheitliche, soziale und Frieden sichernde Verfassung der Europäischen Union, Deutscher Bundestag, 16. Wahlperiode, Drucksache 16/3402, 8 November 2006.

¹⁷² Cf. proposal by the Green party, Bündnis 90/ Die Grünen: Grüne Eckpunkte für die deutsche EU-Ratspräsidentschaft, Eckpunktepapier, 26 September 2006, available at: http://www.europaeische-bewegung.de/fileadmin/files_ebd/PDF-Dateien/GRUENE_RAT2007DE.PDF [last access: 27 November 2006].

¹⁷³ Cf. request by the faction of the left party: Für eine demokratische, freiheitliche, soziale und Frieden sichernde Verfassung der Europäischen Union, Deutscher Bundestag, 16. Wahlperiode, Drucksache 16/3402, 8 November 2006.

¹⁷⁴ Cf. results protocol of the heads of German Länder, 22 June 2006, Berlin, available at: http://www.eiz-niedersachsen.de/fileadmin/Inhalte/PDF/de-und-eu/2006-06-22_MPK-Beschluss.pdf [last access: 27 November 2006].

Germany's associations and trade unions

German trade unions and associations all developed their ideas for the future EU and formulated their proposals for Germany's EU Presidency agenda in detail. Their positioning is close to their own common national and European objectives. The concrete proposals of the German Employers' Association (BDA), for instance, are generally close to the government's agenda for 2007.¹⁷⁵ According to the BDA's recommendations the following issues should primarily be dealt with in the scope of the German Presidency: promotion of the Lisbon strategy, encouragement of "better regulation", fostering lifelong learning, and streamlining the open method of coordination. Nevertheless, the BDA additionally demands more competition in the internal market and an "employment-friendly European social policy"¹⁷⁶. The association also calls for less delegation of national competences to the European level in the area of immigration policy. On the contrary, the German Confederation of Trade Unions (DGB) primarily wants the social dimension of the European labour market and the social policy to be fostered. The EU's competitiveness needs to be strengthened by stopping any tax competition and installing a common tax. In general, a Constitutional treaty should be promoted.¹⁷⁷ The president of the Association of German Banks pointed out that "Europe not only needs Germany as an economic growth engine, but also as an engine of integration."¹⁷⁸

Public opinion and media debate

The German media debate leading up to the EU Presidency primarily deals with the risk of the government being asked of too much by the other EU member states.¹⁷⁹ The ambitious

agenda will be difficult to meet and recent worldwide political problems as in Kosovo, Lebanon, Afghanistan or Iran could overshadow internal EU topics. Additionally, the general conditions are quite difficult to cope with: the EU is deemed to be in both a constitutional and a confidence crisis.¹⁸⁰ The success of Germany's EU Presidency therefore on the one hand strongly depends on the reanimation of the Constitutional Treaty.¹⁸¹ On the other hand much of Germany's government energy could be invested in vain to a text that possibly will never meet the French and Dutch agreement.¹⁸²

The Presidency agenda comprises special issues that are considered to be of direct concern to the citizen (e.g. the social dimension is included and better communication of Europe is strived for to regain the population's trust in the EU). As the European Union, in the public's opinion, is often associated with job losses,¹⁸³ Merkel's government underlined the necessity of shaping globalisation actively, because it is considered to be a menace to the national labour market.¹⁸⁴ The focus on economic issues and the fostering of the Lisbon process also corresponds to the population's fears of decreasing economic growth. Last but not least, the issue of further EU enlargement is of concern to the German citizens. Like the population, the government now takes a reserved position towards further EU enlargements in the near future. The number of respondents refusing further EU enlargements still continuously grows (opponents of enlargement in autumn 2006: 66 per cent)¹⁸⁵. However, almost half of the respondents think that Turkey and the Ukraine

¹⁷⁵ Cf. Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA): Preparing Europe for the future – recommendations to the German EU Council Presidency, September 2006, available at: [http://www.bda-online.de/www/bdaonline.nsf/id/2811C0369A63CB38C125720B002B6942/\\$file/Posipapier_EU_Rat_engl.pdf](http://www.bda-online.de/www/bdaonline.nsf/id/2811C0369A63CB38C125720B002B6942/$file/Posipapier_EU_Rat_engl.pdf) [last access: 27 November 2006].

¹⁷⁶ *ibid.*

¹⁷⁷ Cf. resolution of the DGB's federal executive: Anforderungen des DGB an die deutsche EU-Ratspräsidentschaft 2007, 5 September 2006, available at: <http://www.einblick.dgb.de/archiv/0620/BESCHLUSS-EU-Ratspraesidentschaft.pdf> [last access: 27 November 2006].

¹⁷⁸ Klaus-Peter Müller, quoted according to Karen Horn: Auf der Suche nach einem neuen europäischen Bewusstsein, in: Frankfurter Allgemeine Zeitung, 24 November 2006.

¹⁷⁹ Cf. e.g. Scheerer, Michael: Noch fehlt das Leitmotiv, in: Handelsblatt, 13 October 2006; Wetzels, Hubert a.o.: Berlin

fürchtet Überforderung, in: Financial Times Deutschland, 10 October 2006.

¹⁸⁰ Cf. Rafalski, Frank: Deutsche EU-Ratspräsidentschaft voller Hürden, in: Financial Times Deutschland, 10 October 2006; Schiltz, Christoph B.: Kommentar: Unwichtige Verfassung, in: Die Welt, 12 October 2006.

¹⁸¹ Cf. Frankenberger, Klaus-Dieter: Allzu viele Erwartungen. Bringt die deutsche Doppelpräsidentschaft nur einen halben Erfolg?, in: Frankfurter Allgemeine Zeitung, 5 October 2006, p. 12.

¹⁸² Cf. *ibid.*

¹⁸³ Cf. Financial Times Deutschland: Deutsche verbinden EU mit Jobabbau, 10 October 2006.

¹⁸⁴ Cf. Cabinet statement on EU Presidency, 5 November 2006, available at:

http://www.bundesregierung.de/Content/EN/Pressemitteilungen/BPA/2006/11/2006-11-05-eu-ratspraesidentschaft_en.html [last access: 27 November 2006].

¹⁸⁵ Cf. Bertelsmann Stiftung: EU 2020 – the View of the Europeans. Results of a representative survey in selected member states of the European Union, 20 September 2006.

will have joined the Union by 2020 (Turkey: 47 per cent; Ukraine: 45 per cent).¹⁸⁶

Greece

Given that the German Presidency semester comes just after the crucial December 2006 decisions about the Turkish accession negotiations, and given the preeminence of the EU-Turkey-Cyprus-Greece node of relations for Greek political affairs, the main expectations from the German presidency are in this field. Especially since any sort of “fuite en avant” in EU/Turkey relations and rearrangement of the accession negotiations roadmap will bring a new wave of EU decisions within 2008. So the Greek side – the Government, the whole political system, increasingly the media and the overall public opinion – look expectantly at Germany; either to watch over Turkey’s fulfillment of such obligations as will be agreed upon/reconfirmed, or to take initiatives for the new path laying ahead. It is not to be excluded that Greek expectations give to Germany the role of a *deus ex machina* insofar as EU/Turkey relations are concerned, with all that this entails for (a) the future of the Cyprus issue, (b) the day-by-day evolution of Greek-Turkish less-than-neighborly relations.

The strong positions taken by Chancellor Merkel over the obligations of Turkey, especially regarding the recognition of Cyprus and the application of the Additional Protocol allowing for normal trade relations, ports and airports opening, etc. with Cyprus, have heightened awareness of Greek public opinion about the potential role of Germany. Earlier German positions, mainly CDU, about some ill-defined special relationship with the EU taking the place of the fully-fledged accession of Turkey, have started to be seriously discussed in Greece – notwithstanding the fact that both the (right-wing ND) Government party and the (socialist PASOK) main opposition party were until now unwaveringly in favor of Turkey’s full accession. Still, the media have been voicing increasing doubts and – in October 2006 – even Foreign Minister Dora Bakoyanni (known to have close ties with German political circles) started speaking about a “plan B” for Turkey.

The major weight that the Turkey issue carries for Greece in fact overshadows all other

matters of EU interest. Still, latent albeit dwindling support for the Constitution and the whole “Future of Europe” political project of the Union persists in Greece. Germany’s central role in institutional matters is well understood (and positively seen) in Greece, and the German Presidency is expected to “do something”. But not in a very concrete way: earlier high support of a federalist reading of EU’s future is ebbing in Greece, so expectations are mainly for “some kind of movement in the EU”, for “getting Europe out of the deep-freezer”.

Hungary

In Hungary – as in most EU member states – the German Presidency is awaited with great expectations¹⁸⁷. There should be a fresh start regarding two major aspects: the Union’s competitiveness and the future of the Constitutional Treaty. Especially the latter aspect is surrounded by great expectations, as the constitutional process has been essentially paralysed since mid-2005. The German Presidency is seen as capable of providing appropriate framework conditions for finding common political solutions on this issue. A milestone in this process will be the solemn declaration of 25 March, in which – according to the Hungarian view – the fifteen positive ratifications of the Constitutional Treaty (including Hungary) should not be questioned. Given the obvious commitment of the Merkel government to “saving” or reviving the constitutional achievements, Hungary expects concrete steps and concrete proposals on how to proceed further. At the same time no concrete solutions are forecasted by Budapest during the German Presidency, only the terms of coming closer to a consensus might be laid down by mid-2007.

In general, Hungary strongly hopes that, thanks to the proactive performance of the German Presidency and after long debates among the 27 member states, a real solution can be found by the end of 2008 (before the 2009 European Parliament elections). It must be underlined that Hungary had already ratified the Constitutional Treaty and would like to see it (or the most of it) implemented. This also means that, at present, Budapest supports neither the mini treaty approach, further supplements to the text, nor any “cherry-

¹⁸⁶ Cf. TNS Emnid survey of August and September 2006, quoted according to Financial Times Deutschland: Deutsche verbinden EU mit Jobabbau, 10 October 2006.

¹⁸⁷ The answers are based on interviews with diplomats of the Department for European Policy of the Hungarian Ministry of Foreign Affairs.

picking” from it. At the same time it is clear that the upcoming long debates may in the end result in a compromise which would be somewhere between these solutions. In parallel to this and in line with the double track approach, concrete new steps could be taken with a view to strengthening EU citizens’ confidence in the Union. Thus, member states have to focus their attention more on economic development, job creation, social security or enhanced internal security. Hungary is convinced that if there are tangible achievements in these fields, the constitutional process could gain a new impetus.

Ireland

Speaking at the Joint Committee on European Affairs in October 2006, Minister for European Affairs, Noel Treacy, said that the Irish government has a strong commitment to the European Constitutional Treaty (ECT) as agreed by the HOSG (Heads of State or Government) in 2005 and that he expected the Irish Foreign Minister to support the German Presidency in its view that the constitution continues to provide the best available solution to the institutional issues facing the Union. On 19 October 2006, the Deputy Prime Minister told the Dail (the lower house of parliament): “It is expected that Chancellor Merkel will bring forward the process of consultation among the Member States during the period of its Presidency’. In other words, it is expected that the Presidency will sound out Member States regarding their views on the current impasse of the ECT and take advantage of the national contact points to monitor any changes in position or policy stance. However, the Irish view is that it is not sufficient to do an *etat de lieu*, rather the Presidency should add something in terms of a synthetic review of where member states are at present and suggest possible avenues of progress. Opposition Leader, Enda Kenny, T.D., told the National Forum on Europe that he hopes the German Presidency will lead to a situation where there will be a great improvement in the discussions about the Constitution and clarity about where we should go from here. The Irish Prime Minister, an Taoiseach, Bertie Ahern, T.D., addressing the European Commission on 8 November 2006, said that he hopes that the German Presidency and the French elections should help to dispel some of the current uncertainty and create the conditions for pressing on with key decisions on the future of Europe. He cautioned that the work that went

into negotiating the ECT should not be discarded because:’ this finely balanced package, once unravelled, will be impossible to put together again’. His view is that the “right and realistic course is to return at the appropriate time to the substance of the Constitutional Treaty’.

Regarding other priorities, energy and climate change should be given highest significance.

Italy

First of all, the German Presidency has raised high expectations in Italy. The Italian government has explicitly declared on many occasions¹⁸⁸ its intention to work very closely with Germany to restart the integration process and save the Constitutional Treaty.

The hopes are that the German Presidency will be able somehow to revitalize the Constitutional process and show that European integration is still a valid and desirable project. No clear indication of exactly what initiative the German Presidency should take has emerged so far. However, there is wide consensus on the need for Germany to press countries that did not ratify the Constitutional Treaty to do so, in order to reach the critical number of 20 ratifications. Some hope that it may even be possible to come to a decision regarding the initiatives to relaunch integration immediately after the French elections, since both the probable French candidates have declared that France should be a main actor in the constitutional process.

Moreover, it is essential to recover popular support for the European project. It is important that European citizens be aware of all the benefits they have received through European integration: a period of peace on the continent, economic growth, stability. The EU must communicate more effectively to all Europeans the great advantages that it offers, and a good occasion to do this will be provided by the 50th anniversary of the Rome Treaty. The German Presidency should try to make good use of this opportunity.

Another way to gain more popular support is to increase cooperation on issues that make a difference for European citizens, such as economic policy, energy policy, and

¹⁸⁸ See for example Foreign Affairs Minister Massimo D’Alema, “*La seconda occasione dell’Europa*”, in *La Repubblica*, October 27, 2006

immigration. Measures aimed at increasing Europe's efficiency in dealing with issues affecting citizens' everyday life should be implemented to the full. Deeper cooperation among Member States makes for better results, and better results will in turn contribute to generating more popular support for the integration process. The Presidency should also take particular care in addressing young people. As the former president of the Italian Republic, Carlo Azeglio Ciampi, wrote¹⁸⁹, no ambitious project can be developed without the efforts of the young people. And European institutions should stimulate young people's participation in order to involve them more in the integration process.

Latvia

Awaiting eagerly Germany's official announcement of its priorities for the period that it presides over the EU, Latvia will not, therefore, make an official comment on the subject beforehand. However, certain trends from Berlin and certain preferences in Riga are known, and these shed light on the question of what Latvia is expecting from the German presidency of the Union. Latvia's views appear to be the following: in general, Latvia supports what has become known about Germany's priorities. Concerning the German emphasis on the "Treaty establishing a Constitution for Europe" (TCE), Latvia, having already ratified the document on 2 June 2005, believes that it is an important element of the debate about Europe's future and that the TCE would ensure achieving concrete results not only in the EU's political and economic goals, but would also foster increased transparency in the decision-making process. Latvia anticipates that in accordance with the decisions adopted at the June 2006 European Council there will be constructive discussions about the TCE in 2007 and these, in turn, will make it possible to draft a clear scenario about how to proceed in order to ensure that the treaty does not remain indefinitely in limbo.

Concerning other priorities, Latvia would very much like to have a common EU policy on energy and a common EU policy toward Russia. Though Latvia is very eager to preserve as much of its sovereignty as possible and make its decisions independently, it fully appreciates the fact that the EU, as an organisation of 25 or more member states, is

¹⁸⁹ Carlo Azeglio Ciampi, "Europa, è ora di riprendere il cammino", in *La Repubblica*, November 17, 2006

stronger than any one of its member states and therefore, the Union has the potential to meet more effectively the challenges that are common to all member states.

Lithuania

In a letter to the German Chancellor Angela Merkel the Lithuanian Prime Minister Gediminas Kirkilas wrote, "I expect that the forthcoming German presidency of the EU will become an important impulse for the closer cooperation between Germany and Lithuania and for effective EU actions in the international arena"¹⁹⁰.

Later, in a meeting with the Deputy Chairwoman of the German Bundestag, Susanne Kastner, Gediminas Kirkilas declared that Lithuania places much hope on the German presidency for the EU, because the German agenda is particularly relevant to Lithuania, especially the issues of the future of the Treaty Establishing a Constitution for Europe and energy security.

Gediminas Kirkilas declared that Lithuania favours the further ratification process of the Constitution for Europe and will support the German presidency's efforts to solve this problem¹⁹¹. The Prime Minister also claimed that the energy security problem is crucial not only for Lithuania, but also for the whole EU. According to him, in the new agreements with Russia the EU must require guarantees for transparency and opening the markets¹⁹².

Luxembourg

Jean-Claude Juncker, the Luxembourg Prime Minister and President of the EURO-group, congratulated Federal Chancellor, Mrs Angela Merkel, on her and her government's efforts to cope with the difficult financial situation she found when she took over her job. He was pleased that the German government was able

¹⁹⁰ Premjeras su Vokietijos Kanclere apsikeitė sveikinimo laiškais [Prime Minister has exchanged congratulatory letters with the German Chancellor], Lithuanian Prime Minister press release, 4 September 2006 <http://www.ministraspirmininkas.lt/Default.aspx?Element=VieWArticle&TopicID=9&ArticleID=62&Page=>

¹⁹¹ Ministras Pirmininkas su vizitu vieši Berlyne [Prime Minister is visiting Berlin], Lithuanian Government press release, 22 September 2006

http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=3859

¹⁹² Ibid.

to reduce the budget deficit to below the 3% mark of the GDP. He furthermore stressed the importance of continuing growth of the German economy as a dynamic factor for the whole EURO zone. The positive effect of higher fiscal resources due to stronger economic growth should not be interpreted as an invitation to reduce the consolidation efforts in public finances on a structural basis.¹⁹³

Concerning the German presidency in the first half of 2007 Juncker declared that the “*impossible and dangerous scenarios*” of renegotiating the whole constitutional treaty should be eliminated forever¹⁹⁴. He also rejected the possibility to submit the treaty a second time to the French and Dutch voters or to modify it in a way so that the member states, which have already ratified the text, would no longer recognize the substance of the text approved by the sovereign voters.

Prime Minister Juncker discussed the priorities of the German presidency with Angela Merkel and Peer Steinbrück. Among the topics dealt with were the preparation of the 2007 Rome Declaration, which reconsiders how to bring Europe closer to its citizens, stimulates growth and employment and scales down European bureaucracy and regulations; another aspect was the new implementation of the Lisbon strategy on research and innovation by promoting a “*knowledge-based*” Europe through greater investment in education and research, and the strengthening of cross-border cooperation to fight terrorist attacks, organized crime, the refugee crisis and illegal immigration, and, last but not least, a redefining of the European energy policy.

Luxembourg is ready to support Germany's ambitious efforts to promote a European energy policy and to suggest measures to prevent climatic change.

Malta

The expectation that the German Presidency of the EU in 2007 will inject new momentum into EU policy making in general is relatively high. This is especially the case when it comes to re-visiting the Constitutional Treaty debate, enhancing the reform process as envisaged in the Lisbon Strategy, and also re-assessing

foreign policy relations, especially those concerning transatlantic ties and the situation in the Middle East.

Netherlands

At the end of May 2005 a member of the Christian Democratic Party (CDA) criticised his own prime minister for putting the constitutional treaty in the fridge. He argued that this is not in line with the Christian democratic tradition of promoting European integration as a tool for enhancing democracy and welfare for the citizens, and at the same time he hailed Angela Merkel for her efforts to create ‘a new motor for European integration’. In his opinion the contrary is true for the Dutch government, which is showing no efforts to motivate and convince its people of the importance for The Netherlands to take an active role in the process of European integration. He is calling upon the government to change its direction.¹⁹⁵ The Minister of Foreign Affairs Bernard Bot, also a Christian democrat, rather prefers to speak about a time-out concerning the constitutional treaty and about ‘euro-criticism’ rather than euro-scepticism.¹⁹⁶ People involved in European policy-making recognise a trend over the last years of a stronger focus on the Dutch national interests, but at the same time they conclude that a new treaty will be inevitable in the near future.¹⁹⁷ In early June Prime Minister Balkenende also openly recognised the need for a new treaty, but stated that it would be better to focus on the period of reflection first. “It is better to take time and show progress and the results of European cooperation – in areas like job creation, security and the environment – and then look to the institutional aspects”.¹⁹⁸ Finally, in mid-June the Dutch Minister of Foreign Affairs stated that treaty changes will be on the agenda only after the German Presidency.¹⁹⁹ Considering the fact that the Dutch government is clearly focussing on a delay of the debate on the constitutional treaty, which is quite understandable given the forthcoming parliamentary elections of November 22, there is hardly any attention to

¹⁹³ LA VOIX DU LUXEMBOURG 6.9.2006. Jean-Claude Juncker à Berlin

¹⁹⁴ LETZEBUERGER JOURNAL 6.9.2006. Visite du Premier ministre Juncker à Berlin

¹⁹⁵ Jeroen Adolfsse ‘Zo stranden wij in de periferie van Europa. EU-Grondwet’, Trouw, 30/05/06.

¹⁹⁶ Bernard Bot, ‘Niet eurosceptisch, maar eurokritisch’, NRC, 31/05/06

¹⁹⁷ Hendrik van Oostrum, ‘Nederland gaat voor eigenbelang’, Financieel Dagblad, 01/06/06.

¹⁹⁸ Ian Bickerton, ‘Dutch prime minister seeks to avoid another EU referendum’, 01/06/06.

¹⁹⁹ Mark Kraneburg, ‘Europa zit vooral tussen de oren’, NRC, 13/06/06.

what role the German Presidency could play in this respect. Although it is quite obvious that the positions on institutional reforms of both countries differ considerably. Most recently the government indicated to opt for a seriously slimmed down version of the constitutional treaty, which is fully in line with the Dutch focus on concrete European policy results and better adherence to the principles of subsidiarity and proportionality (see question 3 on scenarios for more detailed information).

The Netherlands is advocating the double track approach in order to realise concrete policy results to regain the trust of the European people. Policy areas of attention are economic reforms, the internal market and sustainability, energy, internal security and external security. With regard to economic reforms the priorities are the continuation of the Lisbon agenda with special attention for economic competitiveness and social solidarity in line with the outcomes of the Hampton Court meeting. The priorities for completing the internal market are better regulation and less obstacles for companies providing cross-border goods and services and strengthening the position of consumers. On sustainability the priority is the implementation of the adopted European Strategy on Sustainable Development. In the field of energy the governments' priorities are security of supply, developing the external dimension and working towards an integrated internal and external energy policy. With regard to internal security priorities are enhanced cooperation with states of origin and states of transit on asylum and immigration; enhanced operational cooperation between justice and police of member states; improved decision-making procedures by introducing majority voting on Justice and Home Affairs and more and better evaluation to effectively monitor implementation. The priorities regarding external security are more coherence in the Unions external performance, a better coordination between Council, Commission and member states; more coherence between EU instruments (cross pillar); better adjustment with the external JHA policy; incorporation of clauses on important issues as human rights, terrorism and non-proliferation in all new external agreements of the EU; enhanced coherence in the cooperation with other international organisations, like NATO and the UN; and an integrated approach towards

internal and external security as is already effectively developing in fighting terrorism.²⁰⁰

Poland

The four key priorities of the German Presidency presented by Reinhard Silberberg²⁰¹, which included:

- stabilisation of the standard of living and of the achieved social model in Europe within globalisation;
- provision of internal security, given the challenges of terrorism and crime, while preserving democratic standards;
- stabilisation of the direct geographic neighbourhood in Europe and the promotion of peace, democracy and market rules in the larger world context;
- care of the earth's natural environment in the long run;

did not induce any immediate public debate in Poland.

During the last six months, the Polish political public sphere was concentrated on internal political issues. This concentration resulted first from the lasting problems with the construction of a governing coalition. The two subsequent political crises dominated all political debates and European matters were raised not only rarely but – as well - only in connection with current events, like the most recent events linked to the Russian embargo on food, the future of the Russian – EU relationship and, on the occasion of debates, internal security.

The official statement of the Polish Ministry of Foreign Affairs on the approaching German Presidency has not been presented. Media and press do not raise these issues either. Even the academic community, after a series of conferences devoted to EU issues, which took place alongside the May anniversary of Poland's membership, was mainly concentrated on the economic and social effects of this membership.

This weak interest in the European issues could also result from the fact that – in the period covered by this WATCH edition – after summer holidays, self-government elections issues appeared to have gathered the most

²⁰⁰ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 14-25.

²⁰¹ See: Speech: „100 Days to the Presidency”, pronounced on October 4.

prominent role in the public debates. First, there was a substantial controversy concerning changes in the Local Elections Law, and secondly, the campaign started relatively early (as early as September). During this campaign, EU related issues were raised by almost all candidates but in the context of efficient use of structural funds only.

However, while having a careful look at the development of the mutual Polish-German relations in the given period, one can deduce some common priority points in the Polish and German views on the future developments of the EU under the German Presidency.

The first and the most lively discussed issues are EU relations with Russia and the second – directly related with the first one - is the EU's long-term energy security policy. For Poland, the most important issues are: energy security and the creation of a genuine European energy market and policy. The President of the Republic of Poland stressed that the Polish interests in these areas should be protected²⁰². In this context one can state that the greatest expectations of Poland are linked to these two particular issues, although the departure standpoints demonstrate several substantial differences while referred to the German Presidency approach. These differences and the key elements of Poland's standpoint are described below in the context of further points of this Questionnaire (Energy and Russia).

It is important to note that, in general terms, there are some expectations addressed to the German Presidency in the context of its involvement in the construction of the prospective strategy of the EU towards the East. These great expectations are addressed to the overall Polish – German relationship. At the public opinion level, according to the spontaneous replies given by Poles to an open question about the real allies of Poles²⁰³, it is worth mentioning that - in the period between 1990 and 2005 - the greatest positive changes took place in the perception of Germany, appearing to have reached the extremely strong position of the “real ally”, contrary to its previously weak position in this ranking (in 1990, only 2% of Poles considered Germany to be a “real ally”). Over 73% of Poles state that

Germany is for them the most important member of the European Union, and a similar figure points out that the co-operation between Poland and Germany in European matters is of crucial importance²⁰⁴. Unlike in the case of Germany, Polish fears of Russia, also related to its historical experience with the Soviet Union, have been substantially increasing. Nowadays the threat is linked to the fact that Russia is connected with its growing strength on the international stage, mainly based on its energy resources and military potential. The image of Russia recovering its influence in Central and Eastern Europe creates significant fears – over 67% of Poles are afraid of this possibility²⁰⁵. These facts allow for the expectation that – during the German Presidency – this public support for and community of interest in the mutually vital points may lead to the reinforcement of bilateral co-operation between Poland and Germany in the broader context of the European Eastern policy.

One can also notice a substantial evolution of Poland's approach to the question of the constitutional future of the EU. After Angela Merkel's meeting with the Pope took place, some new expectations were raised in relation to the possibility introducing a reference to Christian values to the constitutional text. The positive approach to this statement was expressed by several individual politicians of PiS (Prawo i Sprawiedliwość – Law and Justice) and of Liga Polskich Rodzin (League of Polish Families), through radio interviews. The special programme devoted to this issue was broadcast by Radio Maryja and its TV Channel²⁰⁶ the day after the event. This German leader's statement seems to play an important role in the stimulation of new debate on the future of this Treaty, after it had disappeared from the Polish political scene in the aftermath of the negative French and Dutch referenda. Moreover, as soon as September 2, the Head of the Presidential Chancellery, Aleksander Szczygło, in his interview given to *Zycie Warszawy*, declared that Poland would present a completely new proposal for the Treaty²⁰⁷. Work on the preparation of such a proposal was recently

²⁰² See: Créer ensemble un marché européen de l'énergie, Bundesregierung, lun., 30.10.2006

²⁰³ See: Public opinion on fears and hopes related to Russia and Germany, The Institute of Public Affairs, June 2006, p.2-3.

²⁰⁴ Communication of public opinion pole: About the Polish Policy in the European Union, CBOS, Warsaw, September 2006.

²⁰⁵ Jarosław Cwiek-Karpowicz: Public opinion on fears and hopes related to Russia and Germany, Report Publisher by The Institute of Public Affairs, Warsaw, 2006.

²⁰⁶ Michał Świgoń, niecodziennik internetowy,

<http://dukem.iogger.pl/2006/08>

²⁰⁷ *Zycie Warszawy*, 02.09.2006

confirmed by Polish Minister of Foreign Affairs, Anna Fotyga²⁰⁸, as well as by President Lech Kaczynski in his TV1 interview held on November 22, in which he declared that Poland would soon present a new proposal for a constitutional solution to the EU.

As the Constitutional Treaty itself and the future of the European Union are concerned, Poland expects the presentation by the German Presidency of the report on the assessment of the debate about the Constitutional Treaty as well as a draft of possible future solutions, which will be developed on the basis of comprehensive consultations with the Member States²⁰⁹. Poland opts for the continuation and the prolongation of the reflection period on the Constitutional Treaty. Moreover, the Polish society needs larger and further debate, which would bring them closer to the vision of a united Europe. But the expectations of Poles concentrate on the high level of economic development and security and solidarity to be achieved rather than particular EU policy issues. Poland expects more action from the side of the Union aimed at security (also energy security) and the fight against global dangers like terrorism, corruption and organised crime.

From the Polish point of view, the two-fold approach is perceived as required, namely one which could link - on the one hand - implementation of concrete projects and - on the other - the continuous search for agreement in terms of new legal bases for further functioning and development of the Union²¹⁰.

According to public opinion, the greatest priority (56% of respondents)²¹¹ - in Poland - EU relations should be given to the abolition of restrictions on employment and services in all EU countries. The other important issues include: ensuring EU assistance for the development of poorer Member States (34%), scientific research, energy security and the strengthening of the foreign and security policy (each issue is pointed out by 34% of population, as reported by the mentioned public opinion poll). It is worth mentioning that,

²⁰⁸ PAP, MFi/03/11.2006

²⁰⁹ Senat of the Republic of Poland, Stenogram no 297 from the joint meeting of the European Affairs Committee and the Foreign Affairs Committee

²¹⁰ *ibid.*

²¹¹ Polish public opinion on the European Union and the Constitutional Treaty, The Institute of Public Affairs, Warsaw, May 2006, p.2.

currently, opinion polls show the increase of supporters of European integration while reaching a level of over 80% of society.

Portugal

Official statements stress that the Trio has been working closely together in setting forth the main priorities and strategic guidelines for the one-and-a-half year, three Presidencies agenda. Public statements and media attention are already concentrating on Portugal's rather than Germany's turn at the EU helm.

As to the 'leftovers' from the Finnish presidency, there are certainly hopes that Germany will succeed in resolving the impasse standing in the way of substantial progress in Turkey's accession negotiations. Although there were no specific public statements on the issue, it is known that Portugal is more inclined to favour freezing the smallest possible number of dossiers and is certainly not prepared to insist on giving Turkey a deadline to comply with the Ankara protocol, i.e. granting Cyprus, no different from any other EU member, unrestricted access to its ports and airports.

Regarding the Constitutional Treaty, it is obviously assumed, in line with the division of labour set forth by the June 2006 European Council, that Germany will make no ground-breaking progress. Like elsewhere in Europe, the ultimate fate of the Treaty is generally thought to hinge primarily on the results of the French presidential election, and the very postponement of the German Constitutional Court's decision on the challenge to Germany's ratification of the Treaty seems to confirm the idea that putting forward definite proposals ahead of May are premature and would possibly compromise desired outcomes. This may explain why only broad sketches are being put forth in official circles, while some consider that Portugal will be in a position, come the second half of 2007, to "reconcile" diverging stances and "find ways of resolving" the constitutional impasse.²¹²

Although specifics remain scarce, expectations would seem to lie more in the realm of addressing political blockages at the level of policy formulation and implementation than, for example, in "covertly" pushing forward certain

²¹² Former EU Commissioner António Vitorino, quoted in *Público*, 10 September 2006.

provisions of the CT or parts thereof. Proposals for joint consular representation outside the EU, for example, of which smaller countries would stand as natural 'net beneficiaries' were not exactly greeted with an excess of enthusiasm.

Portuguese officials insist that the Constitutional Treaty, though being "a far cry from revolutionary"²¹³, provides a balanced combination of institutional arrangements and substantive policies, and resist any suggestion towards salvaging only the substantive parts that might jeopardise laboriously-built power sharing compromises. Suggestions towards dropping Part III, which many contend is closer to 'ordinary' than to 'constitutional' law, were made by Portuguese among other European experts, but attracted little media attention or serious debate. The on-going public debate on the Constitutional Treaty, it is contended in official circles, should contribute to the creation of a "truly European political arena", and do so by concentrating on Europe's grand designs, whether its future role in world affairs, enlargement, or the need for a greater level of economic coordination and greater solidarity and jointness in such areas as migration, the environment, and taxation.²¹⁴

In CFSP/ESDP, expectations for the forthcoming three presidencies are chiefly to reassert the EU's role in the Mediterranean and the Middle East, seen as politically too thin for the amount of financial resources and efforts put into the region. This would seem to fall primarily on Portugal's turn, although the full commitment of all EU Member States, and particularly Germany, is seen as crucial to the success of any initiative geared towards the South, as is already seen to be the case with the Barcelona Process. Official circles are expressing concerns in private that the German presidency will tend to be overly eastward-bound, prioritising the East over the South in terms of Neighbourhood, which is seen as detrimental to southern neighbours. Central Asia is seen as part of the strategic eastward focus, driven primarily by energy-related concerns.

²¹³ Manuel Lobo Antunes [current Secretary of State for European Affairs], "De novo no centro da Europa", *Público*, 26 October 2006.

²¹⁴ *Ibidem*. As mentioned in the June report, EC and government backed initiatives to further involve the Portuguese public into the European constitutional debate are currently running to the end of June 2007.

Many expect that the German presidency will be heavily constrained by the current European crisis. Although in public statements emphasis is laid by government ministers and officials that the Trio is working jointly on the unified agenda of the coming three EU presidencies, there is no clear statement or debate into what initiatives, according to which specific priorities, each one of them is supposed to undertake, aside from summitry and other specific events. And in the run-up to the public announcement of the programme, the focus is indeed, unsurprisingly, on what the Portuguese presidency is expected to achieve on all fronts.

Romania

The start of the German EU Presidency on 1 January 2007 corresponds to a change of status and perspective as regards Romania's approach to the main challenges confronting the European Union. The membership perspective has engendered, at the least in recent months, a switch in the messages and positions of Romanian officials from the concerns of the last demands conditioning Romania's accession in January 2007 to the arena of the major issues on the European agenda. The perspective convergence, still in an incipient stage, has been stimulated in the last half-year by the efforts of the actors involved in Romania's EU accession process – both at the political and administrative level and within the concerned academic and think-tank field – to transfer the interests of the Romanian public from the definitely national pole to the European one. Within this context, the subject of the "national interest", which was until now approached from the standpoint of overcoming the obstacles before the accession, enjoys a more subtle debate. The new questions are phrased starting from Romania's added value in the EU-27 formula: what solutions and visions a new Member State like Romania may provide within the debates on the future of the Union? What kind of Union will Romania join? How could it promote its interests at the European level while keeping Romania's interests as a Member State compatible with the Union's common interest? In which way could Romania contribute to the development of the European Neighbourhood Policy or to the reinforcement of the transatlantic partnership?

The stance of the Romanian officials and experts on the role of the German Presidency

of the Council has been influenced to a large extent by the general European expectations on Berlin administration involvement in the resolution of certain stagnant issues on the European agenda. During the reflection period launched after the failure to ratify the Constitutional Treaty, a series of messages on resuming the constitutional reform, launched by the Merkel cabinet, generated increased expectations regarding the German Presidency's agenda. Most opinions grounded their high expectations in Germany's prestige and beneficial position within the Union.

In a statement reaffirming Romania's intention to actively take part in the EU's effort to revive the European Constitution, President Traian Băsescu also asserted that "he expects Germany to prepare a "roadmap" to reform the Community institutions, during the period it would provide the rotating Presidency of the Union. He hopes Germany would curb bureaucracy in Brussels and prepare plans to diversify Europe's energy supplies²¹⁵."

As regards the classical responsibility of the EU Presidency to ensure the continuity of the reform process, the Romanian politicians' opinions are similar to those voiced by the experts in the field of integration and the mass-media representatives, highlighting Germany's ability to promote the EU institutional and constitutional reform. Mircea Vasilescu, executive editor of *Dilema veche* magazine, states that "with the benefit of its position within the Union and the moderate stance of German public opinion as regards the European Constitution, Germany should resume the debate on the Constitutional Treaty and convince its main European partners (in particular France) that the process should be restarted, in view of that fact that the current deadlock has substantial drawbacks both for the Union as a whole and the individual Member States. Moreover, Germany has the ability to resume the institutional reform of the Union – in particular as regards the relations between the Commission and the Parliament – as the enlargement wave that started in 2004 is set to end in January 2007 with the accession of Romania and Bulgaria²¹⁶."

The priority of the Constitutional Treaty on the agenda of the German Presidency has also been mentioned by a series of experts in the

field of European integration. According to Aurel Ciobanu-Dordea²¹⁷, "it is apparent that one of the main expectations is that Germany would contribute to the advancement of the process sketching (at least) the general opinions of the other Member States on a consensus solution to overcome the current constitutional deadlock. It is possible that the progress towards a common viewpoint be only achieved discreetly, through confidential bilateral consultations with the other Member States. However, public opinion needs guidance and has to be attentive, in order to be prepared to accept a debate which, inevitably, will become public".

As the two EU enlargements of 2004 and 2007 have increased and will increase the Member State typological and viewpoint diversity, the need to include on the German Presidency's agenda of general priorities the identification of ways to revive the impetus for a renewed solidarity between all 27 Member States is also brought into discussion. The primary reason is that, although the increased diversity affects to a lesser degree the functionality and effectiveness of the Union, it may have a major impact on its credibility before European and international public opinion²¹⁸.

Beyond the responsibilities directly related to the continuation of the EU institutional reform and the reopening of debates on the Constitutional Treaty's future, there are several specific areas where the German Presidency might play a substantial role. The issue of the European energy security, i.e. finding an alternative to the Russian gas, which President Băsescu considers to be the priority no. 1 of the Union, increasingly calls the attention of Romanian public opinion and is the subject of frequent debates in the Romanian mass-media.

Therefore, the energy issue is a sectoral priority where a series of solutions or recommendations are expected to be identified in the first half of 2007. According to Dragoş Negrescu, "one obvious lingering problem pertains to the further opening to competition of the network industries, in particular energy. Whether a Presidency may have the clout to

²¹⁵ Meeting of President Băsescu with foreign journalists accredited to Bucharest (*Reuters*).

²¹⁶ Interview with Mircea Vasilescu, Editor-in-Chief, *Dilema Veche*.

²¹⁷ Interview with Aurel Ciobanu-Dordea, Assistant-Professor at the Faculty of Law (University of Bucharest), former Romanian Chief-Negotiator with the EU.

²¹⁸ Aurel Ciobanu-Dordea: "A friendly and mutual pedagogy between the Members States is necessary to gradually achieve that renewed solidarity."

put this issue high on the agenda of the Union is another story, though.”²¹⁹

The German Presidency might also contribute to “the deepening and practical validation of the Lisbon strategy, in particular that, as the second half of the interval assigned to attain the fundamental objective of the strategy has been entered into without the certainty of a better result than at mid-term, the current competitiveness conjuncture of the Union turns the emergence of substantial positive trends in all Member States into a crucial issue”²²⁰.

As regards the migration issue, and the area of freedom, security and justice, it would also be necessary to grant special attention to controlling and limiting the migratory flows, through measures leading to the active social integration of the immigrants²²¹.

The topic of the role and priorities of the German EU Presidency had less public coverage, as Romanian citizens are rather interested in the immediate impact of the Romanian accession to the European Union, in particular the widely commented announcements of the United Kingdom and Ireland on the introduction of restrictions against Romanians on the labour market. However, in the second half of 2006, several specific debates have been organized, focused on the perspectives of the German Presidency of the Council.²²² The discussion having taken place provided an overview of the key topics on the European agenda of the Berlin administration in the first half of 2007: the European Constitution dossier, the energy policy, the enlargement, and several “emergencies”, as the issues of Iran, Iraq and Lebanon, which might mark that agenda beyond the priorities of the institutional and constitutional reform. However, according to the opinions voiced on that opportunity, it is likely that one of the essential messages of the German Presidency would be “Slow down expectations!”. The January-July 2007 interval has to be approached with realism and moderation, as it will cover a political context

²¹⁹ Interview with Dragoș Negrescu, Professor at the Academy of Economic Studies in Bucharest, Economic Adviser of the European Commission Delegation in Romania.

²²⁰ Aurel Ciobanu-Dordea.

²²¹ Idem 3.

²²² Series of debates *EIR's Guests at Infoeuropa. Romania in Europe* (organized by the European Institute of Romania and Infoeuropa Center): *Perspectives of the German Presidency of the European Council*, September 2006, guest-speaker dr. Ulrike Guérot, Senior Transatlantic Fellow, German Marshall Fund of the United States.

which, very likely, will not allow spectacular developments of several points holding back the European agenda, such as the European Constitution dossier. Before the French elections, the French-German partnership will operate with some sluggishness at the political leadership level and, without the support of a dynamic French-German engine, the German Presidency cannot take responsibility for a “magic solution” to the major problems confronted by the European Union²²³.

Slovakia

Slovakia's expectations for the German Presidency of the EU concern two priority areas: the EU Constitution and the European Neighborhood Policy (ENP). With regard to the EU Constitution the Ministry of Foreign Affairs of the Slovak Republic (MFA SR) expects that the German Presidency will evaluate the so-called ‘reflection period’ on the EU Constitution and outline possibilities for further action with respect to further EU institutional reform. Slovakia's MFA expects that Germany will lead bilateral consultations with other member states in order to assess the degree of political interest in continuing the constitutional process. Slovakia also expects that the declaration on European values to be signed on the occasion of the 50th anniversary of the Rome Treaties will help foster a political and value-based consensus on the future of the EU.²²⁴

On 9 – 12 November 2006 Bratislava became a place for discussing the future of the European Neighborhood Policy (ENP) when the Research Center of the Slovak Foreign Policy Association together with other partners organized an international conference “Strategic Framework for the EU's Eastern Policy”. While Slovakia's official circles remain generally silent on the subject of the future ENP, experts debating this issue expect that the German Presidency could help reform and revive the European Neighborhood Policy, which would engage the EU's neighbors more actively both politically and economically. Yet, Slovakia's experts worry that overarching emphasis on the EU's relations with Russia in

²²³ Event report:

http://www.infoeuropa.ro/eweb/imgupload/Sinteza_19_sep_tembrie_Ulrike_Guerot_29_sept_-_00002.pdf.

²²⁴ For these expectations see *Discussion Paper – Zmluva o Ústave pre Európu*, presented by the Ministry of Foreign Affairs of the Slovak Republic during a conference “Ako ďalej s inštitucionálnou reformou EU” held in Bratislava on 28 November 2006.

the debate on the ENP Plus initiative discussed among German policy planners could potentially create a new dividing line within Europe rather than foster reform in the EU's neighborhood, especially in Ukraine and Moldova.²²⁵

Slovenia

There is not much attention given to the question of the German EU Presidency in Slovenia despite the fact that Slovenia closely cooperates with Germany on EU issues. Namely, Germany, Portugal, and Slovenia form the so-called 'Troika' for the Presidency (Germany presiding in the first half of 2007, Portugal in the second half of 2007 and Slovenia as the first new member state in the first half of 2008). The German Presidency is mostly mentioned in the media in the context of coordination or preparations for the Slovenian Presidency, but not in relation to EU politics as such. One of the explanations why EU issues are not given much attention is that the public still considers them foreign and incomprehensible.²²⁶

On the governmental level there have been various meetings in the framework of the Troika. A part of the Presidency preparations was a visit of the Slovenian Prime Minister Janez Janša to German chancellor, Angela Merkel, back in March 2006. Cooperation between the two Governments in the framework of the Troika was very high on the agenda.²²⁷ The visit of the German foreign minister, Frank Walter Steinmeier, followed in July and the Presidency of the EU was again intensively discussed. Both the German and the Slovenian foreign ministers pointed out that the toughest challenge of the German, Portuguese and Slovenian EU Presidencies will be bringing about consensus among all EU

members on the Constitutional Treaty. Another joint presidency priority will be the European energy policy.²²⁸ The priorities of all three presidencies will thus be: the constitutional crisis, EU Enlargement with an emphasis on the Western Balkans, energy policy, and economic reforms.²²⁹ According to the German chancellor, Angela Merkel, Germany will closely work together with Portugal and Slovenia on the future of an EU Constitution.²³⁰

The Slovenian Prime Minister Janez Janša has expressed the rarely voiced expectation of Slovenia that Germany, at the time of its presidency, will present concrete proposals that will be debated further on. That is actually restating what the European Council has agreed upon.²³¹ Not far from that expectation is one of the rarely voiced contributions of other, non-governmental actors to the issue of the German and Slovenian presidencies. The intention of Matej Avbelj,²³² a doctoral researcher at the European University Institute in Italy, is to contribute to the forming of a Slovenian position regarding the Constitutional Treaty and future of the EU. He expects Germany to launch further talks and proposes alternatives for the solution of the constitutional crisis. France is expected to end the process during its presidency in the second half of 2008. Throughout that period Portugal and Slovenia will have an important role to keep the debate on the institutional crisis alive and propose new ideas. Here Avbelj sees a great opportunity for Slovenia, and this is why Slovenia should outline its own proposition as soon as possible.

The majority of Slovenia's opposition parties as well as public opinion focuses rather on the costs of the Slovenian Presidency than on the issues that will have to be debated at the time of the Slovenian and German presidencies.

²²⁵ For the program of the conference "Strategic Framework for the EU's Eastern Policy" as well as for the policy paper assessing also Germany's debate on possible initiatives within the ENP during Berlin's Presidency see http://www.sfpa.sk/sk/programy/RC_SFPA/odborne-podujatia/696?rok=2006.

²²⁶ Primorske novice (2006) *Premalo zanimanja za EU* [Not enough interest in the EU], p. 3., 30 June 2006 and Info TV (2006) *Novice*, 29 June 2006.

²²⁷ Nataša Kramberger (2006) *Pomembno in močno zavezništvo* [An Important and Strong Partnership], Večer, p. 1, 16 March 2006.

²²⁸ Press release of the Slovenian Foreign Ministry, *The Minister of Foreign Affairs of Germany pays an official visit to Slovenia*, 3 July 2006, [http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11291&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11291&tx_ttnews[backPid]=141) (7 November 2006).

²²⁹ Andreja Seršen (2006) *V Sloveniji pred predsedovanjem EU nemški zunanji minister* [German foreign minister in Slovenia before the EU Presidency], STA – Slovenian Press Agency, 3 July 2006.

²³⁰ STA – Slovenian Press Agency (2006) *Merklova napovedala časovni načrt za evropsko ustavo* [Merkel announced a time frame for the European constitution], 11 October 2006.

²³¹ TV Slovenija 1 (16 June 2006) *Dnevnik* [News].

²³² Matej Avbelj (2006) *Slovenska ustavna vizija za Evropo* [Slovenian Constitutional Vision for Europe] Ampak, p. 6, 24 October 2006.

Spain

Expectations are that the German Presidency may help the Constitutional Treaty's (CT) ratification to get back on track. Still, senior officials at the Foreign Ministry, experts, and opinion makers coincide in pointing out the limited timeframe that the Presidency has. There is a consensus around the French elections being the key event, since the range of possible ways out of the crisis may differ considerably, depending on whether Segolene Royal or Nicolas Sarkozy is elected French president. Concerns have been voiced that Merkel's commitment to the CT is not strong enough, and that the Chancellor may dismiss it all too easily in order to bring France, the UK and other countries into agreement. Therefore, the desire is that Germany stick to a position that defends an ambitious CT and does not give in too early. From the Spanish perspective, the countries which have already ratified the Treaty should coordinate better so as to increase the political pressure on those who have not.

Concerning "policies" (the second-track), senior officials, experts and policy-makers all coincide in signalling that the double-track approach is not working properly. Although there is agreement on identifying both the key issues (immigration, crime, energy, etc.) and the much-needed European dimension to their solution, there is no political will on how to proceed in tackling these issues. As a consequence, Europe lacks an immigration policy, FRONTEX is not working, disagreements on energy and relations with Russia proliferate, etc. This shows the cost of not having the CT in place, and it should be a matter for further reflection when the incoming CT revision negotiations begin.

Sweden

The new center-right government (in office since October 2006) has yet to make a detailed position explicit in this matter, but it has made clear that it supports the double-track approach and the time-table regarding the constitutional issues and will attempt to work closely with the German Presidency.²³³

²³³ Speech by Cecilia Malmström at the Swedish Institute for European Policy Studies, 2006-11-16, www.regeringen.se; "EU kvar i tankepaus", Svenska Dagbladet /Swedish daily newspaper) 2006-12-16, www.svd.se.

Turkey

At the moment, the Turkish public opinion seems to be focused on the deadlines set by the EU and/or the Finnish Presidency regarding the extension to all EU members of the Additional Protocol to the Association Agreement, signed by Turkey in July 2005. Therefore, there is not much discussion about the possibilities to enhance or hasten the accession negotiations between Turkey and the EU that could emerge during the German Presidency. In fact, to the extent that there has been some discussion of the future of Turkey's relationship with the EU, there has been some suggestions that Turkey should reconsider its relationship with the EU so as to develop a strategy to preserve what it is considered as its vital national interests as well as to avoid further tarnishing this relationship. It is significant in this respect that five former Turkish foreign ministers of different political persuasions seemed to have reached a consensus during a TV debate which was broadcasted live that it would be in Turkey's national interest to suspend the negotiation process for a year. Although the present Turkish government did not signal any support for this idea, it was subsequently echoed in the Turkish press.

The attitude of the German Presidency towards the Turkish membership negotiations will, however, be of critical importance, as it will coincide with important political developments such as the presidential elections in France, where this issue will be on the political agenda.

United Kingdom

One of the key priorities of the upcoming German Presidency is to revive the ratification of the EU Constitutional treaty and to be able to reach agreement on holding an intergovernmental conference on the treaty in 2007 or 2008. The UK government has hinted that it does not think it is practical to revive the stalled ratification process. It has indefinitely postponed a referendum in Britain and will only look again at that question if the problems that were the heart of last year's French and Dutch rejection of the Constitutional treaty are sorted out and clarified. Nevertheless, some of the organisational and administrative problems addressed by the Constitution are recognised by the majority of the UK political class as necessary steps for an enlarged EU to work effectively. But there are few UK politicians

who believe that the Constitutional Treaty can be passed in anything like its present form.

For the UK government, more important than trying to keep the constitutional process alive, is the other aim of the so-called "double track approach", that is an emphasis on creating a "Europe of results", a Europe more in touch with the citizens' aspirations and expectations. The European Union should therefore concentrate, the British government believes, primarily in policy areas in which it can add real value and that includes the delivery of the Lisbon agenda.

The UK has high expectations on the priorities defined by the German Presidency with regards to energy security and the fight against climate change. The UK government was an enthusiastic advocate of the development of an EU energy policy, agreed at the UK European Council Presidency in the second half of 2005. It expects that progress will come out from the German Presidency particularly with regard to negotiations with Russia and other strategic partners to ensure Europe's security of energy supplies. The UK also expects from German Presidency an active role in combating climate change. The recent Report produced by Sir Nicholas Stern, Head of the Government Economics Service,²³⁴ is intended to show that strong early action on climate change is the right pro-growth strategy. It is also intended to give Mr. Blair and the EU ammunition to persuade the US and China, two of the world's largest emitters of CO₂, to agree to a binding

international emissions-cutting programme. So far, few EU member states really seem committed to submitting their plans for reducing carbon emissions. The UK Government would like to see the German Presidency calling for the implementation of National Allocation Plans and keeping this issue high on the agenda. In a recent speech held in Berlin, Foreign Secretary Margaret Beckett has said that the EU "must make climate security one of Europe's greatest priorities [...]. We still support you [Germany]. But you must lead."²³⁵

The UK actively supports the Presidency focus on the fight against terrorism and organised crime, Chancellor Gordon Brown has recently stated in an interview with the Financial Times.²³⁶ Referring to the need for European co-operation and unity on justice and home affairs, Mrs. Beckett has remarked, "We in the UK had reason to be grateful for the new European Arrest Warrant in the wake of the (...) horrific attacks on the London Underground last summer".²³⁷

The UK will look to the EU and the German Presidency for help in trying to achieve other strategic priorities, namely an agreement with the Doha Development Agenda and dealing with the crisis situation in Darfur. The UK government does not attach a high priority to Europe's "social dimension", one of the fields to be pursued by the German Presidency agenda.

²³⁴ HM Treasury, "Stern Review on the Economics of Climate Change", 30th October 2006, accessible at http://www.hm-treasury.gov.uk/independent_reviews/stern_review_economics_climate_change/sternreview_index.cfm

²³⁵ Margaret Beckett, "Climate Change", Berlin, 24th October 2006

²³⁶ Financial Times, Security is our top priority, says Brown, 25th October 2006, accessible at: <http://www.ft.com/cms/s/71a03938-6445-11db-ab21-0000779e2340.html>

²³⁷ Margaret Beckett, "Remarks on the need for EU unity", London, 20th November 2006

2

Elements for the Berlin declaration

In the June 2006 Presidency Conclusions the “European Council calls for the adoption, on 25 March 2007 in Berlin, of a political declaration by EU leaders, setting out Europe's values and ambitions and confirming their shared commitment to deliver them, commemorating 50 years of the Treaties of Rome.”

- **Which elements, ideas etc. should be put into this declaration?**
- **Can this declaration be helpful for continuing with the constitutional process and “double track approach”?**
- **Which kind of text would be suitable, which areas and topics should be covered, which principles confirmed and prospects delineated?**

Austria

The celebration of the 50th anniversary of the foundation of the European Union is seen as an important public event to which an important symbolic value is attributed. Against the current crisis of legitimacy and the rising criticism on part of its citizens, it is expected that the Rome Declaration 2007 will contribute to a higher level of acceptance, commitment and confidence into the European Union, its institutions and policies.

This crisis of legitimacy shall also be reflected in the contents of the Rome Declaration. Commitments to European integration and the ongoing policy reform process are seen by all policy actors and research institutions as central elements of the declaration. It is expected that the content of the declaration will provide a kind of roadmap for the constitutional reform process, including concrete proposals on how to move forward with the Constitutional Treaty.

The political declaration commemorating the success stories and milestones of European integration shall however also set out to address the fears and expectations of the European citizen, including globalisation, integration, immigration and the social dimension.

Especially pressure groups representing the workers' interests claim that the Rome Declaration should not limit itself to yet another political document that focuses on values only. A positive impact on European integration and the legitimacy of the European Union can only be achieved if the declaration contains an effective policy catalogue as well. *“Europe needs more than another symbolic declaration, but rather better policies in many fields to improve its performance in social and economic terms.”*²³⁸ In this respect the declaration should also contain clear commitments for effective measures against tax dumping, equal access to high-quality services for all citizens and a commitment to an increase of public expenditure to be invested in growth and employment (Lisbon strategy). For the Austrian union of trade unions, the declaration also needs a clear commitment to a European social model and to a Europe not only as an economic, but also as a social union. Furthermore, the European Charter of Fundamental Rights should also be put forward in the Rome Declaration as a

positive milestone of European integration. The Rome Declaration should also emphasise the importance of the union as a peace project based on democratic values and norms.

Belgium

Even though the commemoration of the Treaty of Rome was frequently evoked by political leaders, as well as the need to confirm a shared commitment among the member states of the Union to get out of the actual crisis, it seems that most statements did not focus on the content of the forthcoming political declaration to be adopted on 25 March in Berlin.

A much commented event was the commemoration of the negotiations that took place in *Hertoginnedal – Val Duchesse* in October 1956, of which the crisis situation was often compared to the actual one. For many politicians, among them Premier Verhofstadt, this birthday should give an impulse to go forward in the construction of a reinforced Union.

Not directly mentioning the forthcoming declaration, most political actors are talking of urgent measures to be taken before a solution is found for the Constitution. Among those are the questions of immigration, energy and economic policies, as well as the need to begin with the institutional reforms.

Prof. J.V. Louis²³⁹ declared it would be unwise to abuse of the slogan “unified in diversity”, which might lead, with respect to the danger of coalitions outside of the Treaty, to too much diversity in the Union.

Bulgaria

In the autumn of 2006, there is practically no debate in Bulgaria on the elements of a future “Rome Declaration” (declaration on the 50th anniversary of the signature of the Rome Treaties). However, here we can provide some suggestions concerning the necessary elements that should be included in such a declaration.

Although dealing with various economic sectors at the initial stages of its community development, the EU has been, throughout its

²³⁸ Questionnaire Austrian Chamber of Labour, 2006.

²³⁹ Prof. Emeritus ULB ; *Bulletin quotidien Europe*, 5 – 10 – 06.

history, a joint democracy building exercise – first in the defeated Western Germany and Italy shattered by the devastation of authoritarian regimes, then in the Southern European countries (Greece, Portugal, Spain) where another generation of authoritarian regimes had been overthrown, and, in the end, in the “new” EU member states that have “come in from the totalitarian cold” in 2004-2007. The Community/Union was launched essentially as a political project having at its core basic principles of democracy, such as freedom of speech, free elections, and freedom of establishing political and social institutions. The emergence of and support for civil society development have resulted in building an environment of open access to social and human rights. Thus the EU was/is not simply a common economic space but “a community of values and politicians have to explain that to their people.”²⁴⁰ These values have been a guiding light for all ex-communist countries in Central and Eastern Europe during their long transition period. The 50th anniversary declaration should confirm these EU values and give a clear sign that future EU development is strongly connected with respect for these common political and social values. Also, the Union should keep promoting them in its neighborhood policy. This will provide the Union with the opportunity to develop its institutions and policies while not neglecting its duties to other European countries that are still not among its member states.

Another element of this Rome Declaration should be the devotedness of the EU to the stabilization and reforming processes in the countries from the Western Balkans and Turkey. The EU can guarantee peace and stability in the Balkans only by assuring a clear integration perspective for the Western Balkans. The latter can be used as a tool for strengthening the development of the democratic order and the protection of human rights in these countries.

The third element of this Declaration should include considerations about the political development of the EU, and the so called “democratic deficit”. It is important that the leaders of EU member states to address a strong signal towards EU citizens that there is the political will on the part of the political elite

to overcome the existing gap between citizens and EU institutions.

In sum, the above constitute a plea for the further development of the EU as a coherent democracy building endeavour (a) with a view to consolidating democracy inside the EU member states in order to withstand the ever growing temptations of populism contaminating “new” and “old” EU members alike, (b) with a due account of the urgent demand for a self-reflection about democracy at EU level and linkage with EU citizens, and (c) with the mission to project democracy in the immediate EU neighbourhood (in South Eastern Europe and in Eastern Europe).

Last but not least, the Rome Declaration 2007 should demonstrate a clear political vision about future EU development. A strongly shared common vision about the future of the EU is unlikely at the moment. Some degree of consensus is however needed if we want the EU not to “freeze” in the labyrinth of unsolved problems after the last enlargement. The EU needs dynamism and the forthcoming 50th anniversary Declaration can provide it.

Croatia

The specific question of potential elements which might be introduced into the political declaration of the European leaders, setting out Europe's values and ambitions and confirming their shared commitment to deliver them, on the occasion of commemorating 50 years of the Treaties of Rome was not an issue debated in Croatia. Public attention has been focused on the particular aspect of Treaties relevant to future enlargements, as this might have the most immediate impact on Croatia's accession prospects.

Cyprus

In Cyprus, a country still experiencing the effects of Turkey's military occupation and the consequent violation of a host of fundamental human rights of its citizens –Greek and Turkish alike – the values on which the Union was founded are widely respected and enthusiastically endorsed. Many of our political, diplomatic and academic interlocutors drew parallels between the state of mind of the Europeans founding the Communities a few years after the end of the Second World War and the Cypriots' psychology 32 years after the

²⁴⁰ Interview with Bulgarian Prime Minister, Mr. Sergei Stanishev, for “La Croix”; 17.10.2006; available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 27.10.2006.

Turkish invasion. In other words, the Cypriots we spoke with referred with anticipation to the inclusion in the “Rome Declaration 2007” of such fundamental principles and values as “respect for human dignity, liberty, democracy, equality, the rule of law, and respect for human rights, including the rights of persons belonging to minorities”.²⁴¹ As the same Article of the Constitutional Treaty continues, “These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail”. In addition, diplomats and political elites we interviewed insisted that the twin conferences (in Berlin and Rome) of 25 March 2007 should adopt a Text that also incorporates the Union’s objectives, that is, Articles I-3.

Furthermore, the Cypriots whose views and opinions are here reflected have expressed their expectation that next year’s “Rome Declaration” will also include a host of other principles and values that would respond effectively to the Union’s current needs and emerging concerns. Thus, being familiar with the 4 October 2006 speech by State Secretary Silberberg, some of our interviewees (including one Ministry of Foreign Affairs diplomat) pointed to that section of the speech which enumerated the following EU tasks:

- maintain the European way of life in the era of globalization by means of a strong and dynamic economy and a social model attuned to citizens’ needs;
- safeguard internal security in the face of the threat of terrorism and cross-border crime, while at the same time preserving civil rights and freedoms;
- stabilize our immediate geographical neighbourhood in Europe and promote freedom, democracy and free-market economies in other parts of the world;
- be committed to the future of our planet, i.e. to sustainable development, environmental and climate protection, and the preservation of our natural heritage.²⁴²

As regards Cyprus’ political parties, the views of left-wing AKEL, the country’s largest political formation, were conveyed to us by its spokesperson, Mr Andros Kyprianou (MP). As he stated, “We believe that the EU should

emphasise diachronic and universal values, such as peace, freedom and democracy. In order for these values to be fulfilled the role of the UN should also be strengthened.”²⁴³ According to AKEL’s worldview, as implied by its spokesperson, the EU cannot develop satisfactorily on its own but should play an active role in assisting the economic and social development of weak and poor countries.²⁴⁴

The position of the largest opposition party, right-of-centre DISY, were expressed to us by its MP, Mr Tassos Mitsopoulos. He first noted that “the German Presidency should urgently act in the direction of institutional modernization”, in order to avoid structural and functional problems “that would prevent the EU to develop effective internal and international policies”. Therefore, the “Rome Declaration 2007”, should include “such elements that would strengthen the Union’s internal political cohesion and its capacity to undertake actions and positive interventions so as to develop conditions of freedom, security, and stability in the global political system”.²⁴⁵ Mr Mitsopoulos added that “the EU has a historic responsibility to promote peace, freedom, multi-party democracy and economic development in the rest of the world and especially in the countries of the so-called ‘Third World’”.²⁴⁶

Czech Republic

The declaration only received marginal attention in the Czech Republic. One reason for this is the political stalemate following the June election, which left little room for political discussions on other topics. In addition, a lack of interest for the issue could be explained by the view that the main priority regarding European policy at the moment should be to discuss those concrete common European policies and projects that can be realised on the basis of the current treaties.²⁴⁷ When Prime

²⁴³ Interview conducted by Annita Demetriou with Mr Andros Kyprianou, Nicosia, 17 November 2006.

²⁴⁴ Ibid.

²⁴⁵ Interview conducted by Annita Demetriou with Mr Tassos Mitsopoulos, Larnaka, 16 November 2006.

²⁴⁶ Ibid.

²⁴⁷ See for instance *Postoj ČR k prioritám finského předsednictví v Radě EU a další důležité otázky pro ČR* (Stance of the Czech Republic to the priorities of the Finnish presidency in the Council of the EU and other questions important for the Czech Republic). Ministry of Foreign Affairs, <http://www.mzv.cz/servis/soubor.asp?id=19645>, or comments of former Minister of Foreign Affairs, Evropsští konzervativci se o euroústavě vyjadřovali opatrně (European Conservatives expressed themselves carefully

²⁴¹ Constitutional Treaty, Article I-2.

²⁴² Speech by State Secretary Silberberg, “A Preview of Germany’s EU Presidency: The Status of the Federal Government’s Preparations”, German Embassy Nicosia, 4 October 2006 (<http://www.nicosia.diplo.de>)

Minister Mirek Topolánek in a speech addressed the planned declaration he emphasised the importance of focusing on the concrete benefits that the EU can bring to the member states.²⁴⁸

The first comments on the declaration in the Czech Republic after the June EU summit came from President Klaus, who expressed doubts regarding the true motives behind such a declaration. He argued that it would be a substitute initiative, instead of clarifying the Union's institutional foundations.²⁴⁹

Denmark

The substance of the "Rome Declaration 2007" is not yet debated in Denmark, but the government would be expected to focus on 'Europe of results'.²⁵⁰ The absence of debate is interesting in itself and appears to reflect three factors in the current Danish-EU relationship. Firstly, it seems that there is relatively little interest in looking forward to celebrating the Treaty of Rome, particularly as Denmark was not a founding member. Secondly, it may also be the case that the subject of the Declaration has the potential to be sensitive for many in Denmark. Thirdly, it is the case that the Danish government is waiting for clarification on the status of the Constitutional Treaty and proposals from Germany (as well as from France and the Netherlands) suggesting a way forward. Despite these three factors, it is the case that Denmark is generally supportive of 'European values' and would probably welcome a declaration acknowledging the value of peace, freedom, democracy, human rights and equality, as well as a clear separation between politics and religion.²⁵¹

regarding the European Constitution) Czech News Agency, 15 June, 2006

²⁴⁸ Projev premiéra Mirka Topolánka na výroční poradě vedoucích zastupitelských úřadů ČR v Černínském paláci (Speech of Prime Minister Mirek Topolánek at the annual meeting of the directors of the representative offices of the Czech Republic) 7 September 2006, www.vlada.cz/scripts/detail.php?id=18863

²⁴⁹ Klaus je spokojen, že EU netlačí na ratifikaci ústavní smlouvy (Klaus is satisfied that the EU is not pushing for a ratification of the Constitutional Treaty) Czech News Agency, 16 June 2006

²⁵⁰ Interview with civil servant in the office of European Policy, Foreign Affairs Ministry, 7 November 2006

²⁵¹ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (the Danish Parliament) on Tuesday 3 October 2006; Prime Minister Anders Fogh Rasmussen's speech at the 50th Anniversary of the Revolution and Freedom Fight of 1956 in Hungary 27 October 2006.

Estonia

There has been virtually no public discussion on the usefulness and content of this declaration in Estonia. In the absence of explicit statements by Estonian politicians and officials, my best guess is to derive a few central principles from the government's general priorities and positions. Presumably, the Estonian government will want the declaration to be strongly pro-integrationist, expressing commitment to both further deepening and widening. Secondly, Estonia will emphasize the need and obligation to stand up for European values, both inside the EU and in its neighbourhood. The renewed focus on values is clearly evident from a recent speech by the recently elected President Toomas Hendrik Ilves (formerly a member of the European Parliament) at the Estonian Parliament's annual conference on Europe. In a speech that makes frequent references to the 50th anniversary of the Treaties of Rome, Ilves argues that the EU's founding values – peace, freedom and democracy – "have come under serious pressure inside the European Union, and even more so in our immediate neighbourhood."²⁵² Drawing parallels to the successful struggle for democracy and freedom in the Central European and Baltic countries a few decades ago, Ilves stresses the obligation of the EU, as well as of its individual member states, to help those countries and political forces involved in such struggles today. "Let us understand that nearby, in Europe's immediate neighbourhood today, are people who risk their lives and their freedom in order to defend fundamental European values. They are threatened by forces who are stronger than they, forces that are more stable, with whom it is always easier to strike a deal, invite to our country, and to whom we can sell our goods."²⁵³ As the EU is emerging as a stronger, more unified international actor, it should try to project its own founding values to its immediate neighbourhood and beyond.

Finland

The "Rome Declaration" as such has received very little attention in Finnish public discussion. A June editorial of Turun Sanomat, the third

²⁵² A Speech by the President of the Republic Toomas Hendrik Ilves at the Estonian Parliament's conference on Europe entitled „Values and Interests in International Relations.“ 30 October 2006 in Tallinn. www.president.ee

²⁵³ Ibid.

most widely read newspaper in Finland, addressed it briefly in conjunction with the TCE: the paper viewed the declaration, as a motion of Austria, only as directed against the EU membership aspirations of Turkey.²⁵⁴ The Government has not formulated an official stance to the declaration yet; a tentative position is that the declaration should be brief, clear and political. It should refrain from addressing institutional issues.²⁵⁵

France

The "Rome Declaration 2007" has received very little coverage in France. No political leader has expressed any expectation about it, and it has hardly been mentioned by the media²⁵⁶. On 18 December, a committee to prepare the celebration of the Treaty of Rome was created. This was the occasion of an official press release by the Prime Minister and the Minister for European affairs, but the "Rome declaration 2007" was not mentioned. This lack of interest is perfectly understandable. When they think about the Union, the French have two priorities: higher growth and better employment. The rest might be useful, but it is seen as secondary. When they debate about Europe, the French speak of the reform of the European Central Bank, a new trade policy, better competition regulation and social harmonization. Democracy, values and fundamental rights come very low on the agenda.

Germany

Concerning the elements of the "Berlin Declaration" one can distinguish two different approaches. Pro-European politicians and academics regard the "Berlin Declaration" as an opportunity to revive the constitutional process by outlining possible ways to overcome the current crisis.²⁵⁷ In contrast to this opinion, voices from the German ministries refer to the fact that the political situation (especially the internal situation in France, the

United Kingdom, Poland, the Czech Republic, Hungary and Slovakia) will not allow far-reaching compromises on this topic. Therefore they consider the Berlin declaration as a document that looks back at the benefits of European integration, common European values and the basic principles of the integration process. This perspective is also supported by the recent statement of the federal government, which outlines the main aim of the Berlin declaration in giving an orientation about the values and tasks of the European Union.²⁵⁸

The attitude that the so called "Berlin Declaration" will probably not be a solution to the constitutional crisis can also be noticed in Angela Merkel's estimation that the "German Presidency will certainly not solve this [constitutional] problem".²⁵⁹ Further on she pointed out that the first task during the German Presidency is to "work a bit more intensively behind the scenes",²⁶⁰ something that excludes far-reaching compromises or declarations on possible solutions to the constitutional crisis. Considering these statements, it is hard to imagine that the "Berlin Declaration" will go further than a mere confirmation of some basic principles for further reforms, such as transparency, efficiency and progress in terms of democratic legitimation, etc. Yet if the Berlin declaration is restricted to such general considerations, it is not clear which added value it offers compared to the Nice declaration on the future of Europe or the Laeken declaration.

In addition to the constitutional topic, the Berlin declaration could contribute to the double-track approach of the commission²⁶¹ by focusing on positive policy output of the European Union. For this purpose, policy areas like the common foreign and security policy, the area of justice and home affairs (including immigration) and the energy sector offer especially appropriate

²⁵⁴ Turun Sanomat, Editorial, 17.6.2006.

²⁵⁵ Personal interview with EU expert of the Prime Minister's Office, November 2006.

²⁵⁶ It only received coverage when a Commission of Bishops of the Catholic Church developed their vision of the "values" of the European Union.

²⁵⁷ To be found in the tenor of several interviews conducted for the research-project "A Citizens' Europe - The Constitutional Treaty and Efficient Policies" of the ASKO EUROPA-Foundation and the Institute for European Politics (IEP).

²⁵⁸ Beck fordert integrierte EU-Streitkräfte. Außenpolitische Grundsatzrede des SPD-Vorsitzenden/Kabinetts bekennt sich zu Verfassungsvertrag, in Frankfurter Allgemeine Zeitung, 6 November 2006.

²⁵⁹ Vgl.: Mitschrift der Pressekonferenz von Bundeskanzlerin Merkel und Ministerpräsident Balkenende (translation of the author), <http://www.bundesregierung.de/Content/DE/Mitschrift/Pressekonferenzen/2006/10/2006-10-28-pressekonferenz-merkel-balkenende.html>.

²⁶⁰ Ibid.

²⁶¹ For the double track approach see Barroso, Manuel José: Speech to the European Parliament prior to the European Council of 15 and 16 June 2006, S. 2. (http://ec.europa.eu/commission_barroso/president/pdf/speech_20060614_en.pdf)

fields. Accordingly, creating a link to the energy action plan, which will be adopted at the spring European summit, could be a helpful approach.²⁶²

Greece

Greece tends to be a great believer in solemn declarations; the 2003 Greek Presidency worked strenuously so as to obtain the Thessaloniki declaration at the last preparation stage of the Draft Constitution (at a lower prominence than the proposed 50-years EU Rome one, certainly, but still considered important by the Greek political system). It is certain that Greece will cooperate enthusiastically insofar as it is called upon. Both Greek Prime Minister Karamanlis and Opposition chief Yorgos Papandreou (ex-Foreign Minister, who worked for the Draft Constitution) are on-record in favor of the continuation of the constitutional process, as is the wider public opinion in Greece: so, the Rome Declaration is expected to play a kick-starter role – and Germany's central position in institutional matters is thought to work as a catalyst.

Moreover, Greeks have deplored the fact that the Thucydides' passage was stricken out of the Draft Constitution Preamble: some sort of diving back to the roots of European-ness in the Rome Declaration might meet with favor on the part of Greece. (The same does not go, necessarily, for a mention of the religious roots).

Hungary

According to the Hungarian view²⁶³ the future document – a kind of solemn declaration of significant political value – should be structured along three broad aspects. 1) It should highlight for the EU citizens all the achievements of the past 50 years in terms of both deepening and widening. 2) It should set out clearly the Union's fundamental values (the relevant parts of the Constitutional Treaty should serve as a guide here). 3) The directions of further developments of European integration should be laid down. There are

²⁶² Council of the European Union: Brussels European Council 15/16 June 2006: Presidency Conclusions (10633/1/06), p. 10.

²⁶³ The answers are based on interviews with diplomats of the Department for European Policy of the Hungarian Ministry of Foreign Affairs.

three elements which are important for Hungary: a) the Eastern enlargement should be mentioned as a successful enlargement of historical importance; b) the traditional evolution of the EU – namely the coexistence of deepening and widening – should not be abandoned; c) any kind of deepening should occur upon consensus, embracing all the member states and not leading to a Europe of several speeds. In any case, Hungary is looking forward to receiving the German draft on the would-be text and supports the Presidency in its efforts to develop a (preferably short and easy-to-understand) document which should aim at regaining citizens' interest/confidence in the EU.

Ireland

It should be a short clear text that sets out in accessible language the shared values and future objectives of the EU. The text should look to the future and not to the past, situating economic and social developments in the context of an enlightened approach to issues such as energy security and climate change – global issues which impact on the daily life of Europe's citizens. Furthermore, the declaration should emphasise the fact that the EU subscribes to the human rights objectives in the UN Charter on Human Rights.

Italy

According to Prime Minister Romano Prodi, the "Rome Declaration 2007" is a good chance to "rouse people and make them think about Europe's great successes in the last fifty years"²⁶⁴. "The greatest goal Europe set for itself, and has indeed achieved, is a lasting peace on the continent – a result that must be remembered because", Prodi wrote, "these great achievements are always reversible".

More accurately, the government aims to produce a very short document, but of great impact, without using excessively solemn or evocative tones. A model could be the sober Messina Declaration of 51 years ago, but the new declaration should also contain references to the institutional and social dimensions of the integration process. In short, the incisive Rome Declaration 2007 should recall the profound reasons for the integration process and the

²⁶⁴ Romano Prodi, "Salviamo la Ue con la Carta", in *Il Sole 24 ore*, 05/11/2006

past results (peace on the continent, economic prosperity, deep links between nations), but it should also identify future challenges: defence of European models and values in time of globalization and new emerging extra-European powers such as China and India, bringing peace and stability to the EU's borders, immigration, energy policy; justice, freedom, and security. Such a text would be the best guarantee to avoid that the celebrations of the Treaty of Rome's first 50 years end up in empty rhetoric or, worse yet, new controversies between member states²⁶⁵.

In addition, President Giorgio Napolitano and some Italian ministries are also thinking about underlining Italy's role and involvement in the process that led to the Rome Treaty and in the constitutional process today. A series of initiatives to recall Italy's contributions are currently being evaluated.

Latvia

The Latvian government is in the process of drafting suggestions regarding a "Rome Declaration 2007". So far no specific statements have been made in this regard by Latvian policy makers or government officials. However, it is absolutely certain that Latvia will heartily support a reaffirmation of European values and the shared commitment of EU member states to act fully in their spirit. Regarding the Constitutional Treaty, Latvia believes that the ratification process should move forward as quickly as possible, but has not so far offered any specific suggestions as to how to proceed.

Lithuania

The political declaration which would commemorate 50 years of the Treaties of Rome and which would be adopted on 25 March 2007 in Berlin does not yet attract a lot of discussion in Lithuania. More attention is concentrated on the different events which could be organized in Lithuania to commemorate this occasion.

Luxembourg

In Luxembourg the festivities commemorating the 50th anniversary of the Rome treaties in 2007 will be far less opulent than the commemoration of the anniversary of the Schuman declaration in 2000. This might be explained by a lack of interest, but also by the fact that other far more important European festivities will take place in Luxembourg in 2007.

The city of Luxembourg, together with its neighbouring regions (Lorraine, Wallonia, Rhineland-Palatinate, Sarre), also called the "Greater Region", and the city of Sibiu (Hermannstadt / Romania) will be European Cultural capitals in 2007. This is the first time that not one single city will be the European cultural capital, but the whole of the "Greater Region". A large number of cultural highlights will take place under the common motto "migrations".

In this respect the declaration underscoring European values and ambitions and confirming a shared commitment to sustain them by commemorating the 50 years of the "Treaties of Rome" has so far not been touched at all in Luxembourg.

Malta

The most important principle that needs to be enshrined is that of Solidarity, especially at a time of continuing EU enlargement and rapid changes in the global community of states. Malta has already voted in favour of the Constitutional Treaty and thus hopes that the 2007 Rome Declaration will serve as a catalyst to reviving a process that ultimately results in achievement of such a goal.

Netherlands

Although the scheduled adoption of a political declaration by EU leaders on 25 March 2007 in Berlin has already been announced at the European Council in June, no discussion or dialogue whatsoever has started in The Netherlands concerning the content of this document commemorating 50 years of the Treaty of Rome. A possible explanation is that the debate in The Netherlands is to a large extent still focussing on the aftermath of the referendum and the possible ways forward in the constitutional process. Another important

²⁶⁵ Audition of the Italian permanent representative to the EU, Rocco Cangelosi, at the Committee for European Policies of the Italian Senate, September 19, 2006

issue is the importance of Europe for The Netherlands and how to communicate with citizens on European Affairs. Although lip service has been paid to increase awareness on European Affairs and highlight the importance of European integration for The Netherlands it was striking, that after the fall of the cabinet in early July, followed by a continuation of a minority cabinet (Balkenende III) with limited powers, the post of Minister of European Affairs disappeared.²⁶⁶ Also, during the election campaigns for the early parliamentary elections of 22 November, there was hardly any attention for the future of European integration and the role of The Netherlands in Europe. In general the government is playing the tactics of delay. First the elections, and then we will have a serious debate on Europe. This approach is prevailing despite criticism by leading think tanks and their advice to politicize European Affairs in order to help visualize Europe in Dutch politics and enhance citizens' understanding of Europe.²⁶⁷

Poland

The content of the Rome declaration has not been as yet officially discussed in Poland. The lack of any serious exchange of ideas may prove that the declaration is not treated very seriously. Former Foreign Minister Bronisław Geremek (current liberal MEP) is the only Polish politician who pronounced his views on the matter, albeit in a very obscure setting (the meeting of the constitutional committee of the European Parliament). Experts tend to agree, however, that the declaration, if it were to have any impact whatsoever, should launch new ideas which could be realized in practice, instead of just repeating the obvious common ambitions that have propelled the integration process so far. Strong statements concerning energy cooperation (similar to those featuring in the Messina declaration) would certainly be welcomed by the Polish government.

²⁶⁶ Mendeltje van Keulen en Rob Boudewijn, 'Geen Europese Zaken voor Balkenende III', *Staatscourant* no.143, 26/07/06.

²⁶⁷ Two relevant advices in this respect are: Peter van Grinsven, Mendeltje van Keulen en Jan Rood, 'Over verkiezingen, politisering en het Nederlands Europa beleid' Clingendael European Studies Programme, November 2006 and 'Europa een prioriteit!' Report Advisory Council on International Affairs (AIV), November 2006. (AIV website: www.aiv-advies.nl)

Portugal

There has been scarce official or other comment on this particular issue, which is only likely to be given any prominence closer to the event. Other than a general restatement of the non-cultural, universal character of the values the European Union rests upon, which informs its identity, and an insistence on their being expressed both in the EU's internal and external action throughout its vast array of policy instruments, and a renewed call for effective multilateralism, it is likely that a restatement of such principles as cohesiveness, solidarity and diversity will be central to Portugal's preferences.

Experts, on the other hand, would like to see an operational, as opposed to a merely declaratory side to the Berlin Declaration, adding to the restatement of the Union's value-based identity a policy statement geared towards combating those factors (e.g. racism, xenophobia) which run counter to those values within the EU. Also, it should be strong enough in addressing public concerns to contribute towards bridging the gap between the citizenry and the Union.

Romania

Although there are no elaborated opinions or political statements expressly referring to the contents of that declaration, several occasional views indirectly conducive to an anticipative range of ideas that might be compatible with the *raison d'être* of such a European document can be quoted. Recurrent topics within the European debates – such as the “European fatigue”, the “European malaise”, the crisis of ideas, the lack of political guidance and will, the risks of diversity, the deadlock concerning the European project, the restatement of questions related to the finalité de l'integration, etc. – have also been assumed at the national level by several political leaders. Prime Minister Călin Popescu Tăriceanu stated during the opening ceremony of a European summer school that “there is a feeling of fatigue reigning in some EU countries where people are used to democracy and democratic institutions. (...) Those are common acquisitions for them, things people have experienced for years, they are born in that environment and many Europeans cannot appreciate those virtues anymore”.²⁶⁸ The fact that the original values and aims of Europe

²⁶⁸ Government of Romania, Press Office, 7/17/06.

have been essentially attained – that is, the values of democracy and the aim of setting up an area of security, peace and prosperity – raises some questions on the ends of a project whose relevance should be reassessed and reasserted much more dynamically in the context of new challenges on the world scene.

The *solidarity* should primarily be the central principle of a political declaration issued by the European leaders, which may be the foundation of their renewed commitment to pursue the project of an enlarged and competitive Union, having a consistent and integrated vision as regards its foreign policy. According to the former Romanian Chief Negotiator with the EU, Aurel Ciobanu-Dordea, the statement marking the 50th anniversary of the Rome Treaty should be “a landmark for a renewed solidarity among the Member States, in particular a political and psychological one, constituting both an overview and a strategic orientation statement.”²⁶⁹ He also mentions that it would be useful for the Member States to announce on that occasion their joint intention on the future of the constitutional process, building upon the current achievements, while reinforcing them. There are also views according to which, beyond reasserting key principles and values, the statement might contain several conceptual clarifications in order to fine-tune and better outline the common vision on the Union’s future: “Against the background of the long debate of widening and deepening, this may be a good opportunity for delineating the borders of each concept, i.e. a) *What are Europe’s borders*, which countries still have the vocation of becoming EU Member States? b) What is the EU aiming to become ultimately, what is an accepted synonym for *ever closer Union*?”²⁷⁰

One of the main issues the Union currently confronts is its credibility, both as regards the relations on the world scene and the popular support among the European citizens. In that context, it is absolutely necessary for the statement to include elements reiterating the political will of the European leaders to reinforce the EU’s role as a global actor and its capacity to respond to major challenges beyond the borders of the continent. The relevance of Europe depends not only on the

redesign of its institutional architecture according to the principle of effectiveness, but also – and directly connected to that issue – on the retrieval of its ability to act in the foreign policy arena.

The document may be very useful to set straight the perspectives of the constitutional reform process, in case its prospective and strategic orientation significance would actually be the outcome of a political compromise negotiated by European leaders bringing forth a common vision on the European project’s future. The declaration’s positive impact on the actual results of the double track approach, as agreed upon within the European Council, depends on the consistence of the messages and the success in coordinating the two documents: on the one side, the declaration and, on the other side, the first report of the German Presidency assessing the status of the consultations during the “reflection period” and exploring potential developments in the constitutional process. As regards the form of the statement, we think a concise document, focusing on the prospective component, would be suitable.

Slovakia

There is no specific governmental position on the contents and implications of the Rome Declaration. The Ministry of Foreign Affairs has indicated that it places significant importance upon a common statement of the EU’s leaders reaffirming shared values and goals of Europe’s integration project.²⁷¹

Slovenia

In general, not much attention is paid to the question of the Constitutional Treaty and the follow-up to the reflection period. Only the most general comments are found coming from the Government or its representatives, which reflect the general support for the continuation of the process of constitutionalisation, further integration (deepening) of the EU and the support for the “double track approach”.²⁷² The question of the work on the solution for the Constitutional Treaty is often mentioned in

²⁶⁹ Aurel Ciobanu-Dordea.

²⁷⁰ Interview with Dragoş Negrescu, Professor at the Academy of Economic Studies in Bucharest, Economic Adviser of the European Commission Delegation in Romania.

²⁷¹ See again *Discussion Paper – Zmluva o Ústave pre Európu*, presented by the Ministry of Foreign Affairs of the Slovak Republic during a conference „Ako ďalej s inštitucionálnou reformou EÚ“ held in Bratislava on 28 November 2006.

²⁷² Prime Minister Janez Janša in TV Slovenija 1 (15 June 2006) *Dnevnik* [News].

relation to the Slovenian Presidency over the Council of the EU in the first half of the 2008. In this respect, the importance of close coordination between the three Presidencies (German, Portuguese and Slovenian) and continuity in their work is often stressed. Moreover, Prime Minister Janša expressed his support for the creation of a group of countries presiding over the Council of the EU until the end of 2008 in order to work closely on a solution, which could be presented by the group by the end of 2008.²⁷³ However, no comments as to the content or the direction of Slovenian endeavours in this respect, nor more specifically to the envisaged Rome Declaration, have been presented to the public in the period covered by this report.

Spain

There has been very little elaboration so far on this topic. First, because there is unanimity about the depth of the current crisis. In these circumstances, lofty declarations full of rhetoric may be counterproductive, because they would make even more visible the lack of political will among the EU-25, and secondly, because the Preamble and Part I and II of the Constitutional Treaty can themselves be considered a declaration of political values and ambitions. In theory, all member states share those principles, so the Union could just express this by cutting and pasting them into the 50th Anniversary declaration. There is concern thus that the declaration will be another moment of division, rather than of unity.

Sweden

Again, the new center-right government has yet to make a coherent position explicit in this matter. Numerous references are made, however, in public announcements from across the political spectrum to values such as peace, human rights, democracy and freedom. "Peace remains the deepest aim of EU cooperation", the new EU Minister Cecilia Malmström recently stated in a speech, "whereas the fight for democracy, the defence of human rights and the principle of constitutionalism are at the heart of European cooperation".²⁷⁴

²⁷³ Tino Mamić (2006) *EU: Kako naprej?* [EU: How to go on?], Primorske novice, p. 3, 15. 6. 2006.

²⁷⁴ Speech by Cecilia Malmström, "Svensk vilja och förmåga i den nya världen", 2006-10-18, www.regeringen.se.

Turkey

As the public debate on the EU in Turkey almost exclusively focuses on the Turkish accession process and the relationship between Turkey and the EU, there has been almost no Turkish media coverage of the Rome Declaration. Given the lack of interest in this issue, it is not yet possible to detect any ideas emanating from Turkey's government, opposition, political parties, civil society organisations, pressure groups and public opinion as to the elements that should be put into this declaration.

United Kingdom

The Rome Declaration 2007 to be adopted by European leaders next Berlin Council is an issue of low salience in the UK. It is striking how little attention the UK government seems to give to the commemorations of the 50 years of the Treaties of Rome. Partly, this is essentially due to the fact that Britain was not a signatory of the Treaty of Rome in 1957. But it is also a reflection of how the UK government is keen on avoiding debate on Europe.

One of the few public references to the European Union's 50th anniversary was ironically made in continental Europe, when UK Minister for Europe Geoff Hoon gave a speech in the "Rome 50" series lectures in Paris. Geoff Hoon hopes to build an EU that is more "popular", "relevant", "prosperous" and "effective" before it reaches its 100th anniversary.²⁷⁵ According to Mr. Hoon, an attractive European Union would have a crucial role in the world in addressing the challenges of globalisation, terrorism, climate change and energy security. He advocates a Union pursuing those ambitions set out in the Hampton Court agenda – completion of the single market, results on job creation, economic growth, and education - and therefore moving closer to its citizens' concerns.

In the redefinition of the broad goals and values of the EU to be announced on 25 March 2007, the UK would like to see the EU reaffirming its commitment to enlargement, particularly to include Turkey, Croatia and the countries of the Western Balkans. It has no other proposal for the declaration.

²⁷⁵ Geoff Hoon Speech, "Opening 'Rome 50' Lecture, Paris, 2nd October 2006

3

Scenarios

Taking into account that the consultations with the member States related to the future of Europe have already begun:

- **What are/could be the different scenarios for the future negotiations of the Constitutional Treaty?**

What are the the most probable and looked-for solutions:

- The Continuation of ratification (probably with the addition of declarations or protocols) ?
- A “mini treaty” drawn from the Constitutional Treaty ?
- A new process of negotiations (often referred to as “Nice plus”)?

Austria

Although there is a common understanding among all political actors that the Constitutional Treaty needs to be re-negotiated, opinions on how to proceed differ substantially. The Austrian government believes in negotiations based on the Constitutional Treaty as it is now. Amendments and additional protocols are considered necessary if an approval by all member states shall be achieved, especially in those countries where it has not been ratified. However, a complete re-negotiation of the treaty is believed to delay the consolidation process further, as it may call for further changes also by those member states which have already ratified the document. This would not only endanger the constitutional process as such, but also the project of European integration as a whole, for which the Constitutional Treaty is considered a litmus test.

A re-negotiation on the basis of the existing treaty is also favoured by the Austrian Federal Economic Chamber, which fears that a complete re-negotiation process will further delay the creation of a common legal, political, social and economic framework, considered indispensable for a further successful integration process.

The assessment of the opposition parties and the pressure groups/research institutions dealing with labour issues is quite the opposite. Apart from the European Charter of Fundamental Rights and the commitment towards a Social Europe, the Austrian chamber of Labour and the Austrian union of Trade Unions, urge for a complete re-negotiation of the content of the treaty. This especially concerns the highly contradictory positions regarding social and economic aims and principles. The commitment towards full employment would be at variance with the overall macro-economic framework of the European Union, especially as regards the dominance of a restrictive monetary and fiscal policy which the treaty as it is now, would reinforce. The neglect of a more coherent economic and social policy framework is also considered one of the major reasons for the failure of the referenda in two founding member countries. The alternative solution of a mini-treaty is however also rejected on the grounds that it would not be enough to restore the lost confidence in a European union. The

only two viable alternatives are therefore a complete re-negotiation of the constitution or instead, the Nice-Treaty, both with a greater emphasis on the creation of a social union.

The trade unions insist that the debate on the content needs to be accompanied by a road map towards a ratification by the French presidency in the second semester 2008. The most urgent questions to resolve are the institutional debate, as already discussed in the Nice-treaty (majority versus vs. unanimous decisions in several policy fields), and secondly, the monetary and fiscal policy. The constitutional crisis that has become clearly visible with the rejection of the treaty in the Netherlands and France has to be taken seriously. It has to be understood as a clear mandate for a re-negotiation of the treaty in terms of a more effective and balanced economic and labour market policy within the EU. Although the trade unions welcome the commitment to full employment, a broad social dialogue and the recognition of the social partnership, they argue that the treaty as it is now, has clearly failed to address the social dimension effectively and partly needs to be re-negotiated. To this end, a new convention and revision conference with the broad participation of civil society groups and a broad public discussion needs to be installed to resolve and correct remaining contradictions regarding the content and aims of the union.

Despite the re-negotiation process of the treaty towards a more balanced policy between economic and social considerations, the trade unions urge the commission to ratify policies already agreed upon, such as the Declaration of the Fundamental Human Rights and the new service directives in a separate process in order to ensure a swift constitutional reform process.

Similar to the government, the Green party believes that the new negotiations should be based on the current Constitutional Treaty, which provides a good basis for further improvements. A new convention should be provided with a clear mandate based on a division of the treaty in a constitutional part and a part for specific policies. Similar to the trade unions, the Green party urges a broader incorporation of civil society groups in the new convention. The resulting document should then be ratified in 2009, together with the next European elections.

Belgium

Even if it has become evident that the Treaty can no longer be implemented in its original version, the continuation of the ratification procedure is considered by Belgium's top politicians to be the most promising way for the future of the constitutional negotiations.

Prime Minister Verhofstadt²⁷⁶ declared that a way to improve the Treaty would be to add amendments rather than to suppress items.

For Prof. Franck²⁷⁷, it is probable that the Union is going towards a reduced Treaty, limited to institutional reforms; Prof. Magette²⁷⁸, however, doubts a mini Treaty would have a chance to be accepted for more than a try to save what the sovereign citizen has refused.

A priority question to answer is how a new Constitutional Treaty will be agreed on without asking for a new acceptance from the member states that have already accepted the original text.²⁷⁹

Philippe de Schoutheete²⁸⁰ argues that whatever the scenario, the content of the Treaty might well be adopted in practice with time, since it is a well balanced text. Recalling the Tindemans report in the recent history of the European construction, he finds no problem in taking the time to let the Constitutional Treaty make its way, while the necessary urgent reforms take place.

Bulgaria

Bulgarian politicians and experts were part of the European Convention and more or less actively participated in the process of elaboration of the Treaty Establishing a Constitution for Europe. However, the Constitutional Treaty has not become a substantial part of the broad Bulgarian public debate; it has remained locked behind the doors of universities and other academic institutions.²⁸¹ The long process of ratifications

and member states' referenda was regarded in Bulgaria as something distant and not in direct relation with the country's political development. We can nevertheless try to analyze the existing scenarios for a future EU Constitution on the basis of some rare publicly expressed arguments delivered by the Bulgarian Minister of European Affairs Meglena Kuneva and some scholars.

If we follow the arguments expressed during the EU Constitutional debate in the member states, we can outline three distinct scenarios: continuation of the ratification process, a "mini-treaty" adoption, or the elaboration of a completely new Constitutional Treaty text.

Lots of considerations were expressed during the whole European Convention process and ratification period about the name, composition, and content of the proposed Constitutional Treaty. The long and difficult ratification process demonstrated that European citizens are not ready to support the proposed Constitutional document without reservations, although objections were rarely directed at the text proper. As a result, most of the EU member countries preferred not to use a referendum as a ratification tool but decided that the constitutional text shall be approved by national parliaments. Finally, the French and Dutch referenda results were a clear signal about the failure of the project. A continuation of the ratification process without paying attention to the above mentioned referenda results will put EU coherence into danger.

Following this logic, both the most probable and most desirable solution could be the composition of a "mini-treaty" containing two or three chapters, reaffirming the basic EU values and principles, and regulating in detail the EU institutional architecture. "The EU's Constitution should include common principles, human rights and EU institutions, so people can understand it better."²⁸² This "Constitution of values" has to underline the key elements lying at the foundation of the EU construction, illuminating EU guidelines, which are to be broadly debated among EU citizens: "A Constitution must outline several important

²⁷⁶ De Morgen, 16-06-2006

²⁷⁷ Director of the European Studies Center, UCL. *La libre Belgique*, 21-09-2006

²⁷⁸ Director of the Institute for European Studies, ULB, *Le Soir*, 20-09-2006

²⁷⁹ Bernard Bulcke, *De Standaard*, 13-10-2006

²⁸⁰ Director of European Studies at the Royal Institute for International Affairs. *Europe's world*, summer 2006

²⁸¹ This observation was shared by the Bulgarian Minister of European Affairs, Ms. Meglena Kuneva, in an interview

for the Bulgarian National Radio (BNR); *Horizont*; "Nedelja 150" ("Sunday 150") program; 09.10.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 27.10.2006.

²⁸² Bulgarian Minister of European Affairs, Ms. Meglena Kuneva; 19.10.2006; available at: <http://www.euractiv.com/en/constitution/duff-plan-rescue-constitution/article-158933>; accessed on 05.11.2006.

consensual principles, which are possible to be apt to public debate.”²⁸³

The third scenario, called “Nice plus” can result from the “mini-treaty” scenario, and complete the “mini-treaty”, focusing its attention on EU policies and policy competencies. Thus, “Nice plus” can supplement the “Constitution of values” with a thorough description of EU policy issues.

In sum, whatever decision is taken by the EU member states’ governments, it is of crucial importance that this decision to be transparent, and that the proposed Constitutional Treaty text be open to public discussions before its ratification. This is able to contribute to achieve a high level of support both by the EU member states’ political elites and their citizens.

Croatia

The Croatian Government has not yet come with an official attitude on the possible scenarios for the future negotiations of the Constitutional Treaty, although this is considered to be an extremely important question, particularly from the point of view of making preconditions for further enlargement. The focus of the attention of Croatian government officials has been primarily on whether it will be possible for Croatia to become the 28th member of the EU without the Constitutional Treaty being adopted and not so much on offering or advocating specific outcomes for the negotiations on the Constitutional Treaty.

Referring to the European Commission President Barroso’s statement on the future of EU enlargement given on the occasion of the publication of the Commission reports on Bulgaria and Romania, Croatian Chief Negotiator Vladimir Drobnyak commented on the timeframe and deadline set for developing a new framework for the adoption of the Constitutional Treaty (during the French EU presidency in 2008) and found it encouraging for Croatia as the country plans to finalise its

²⁸³ An intervention by Bulgarian scholar, Ivailo Dichev, in an interview with Bulgarian Minister of European Affaires, Ms. Meglena Kuneva, for Bulgarian National Radio (BNR); Horizont; “Nedelja 150” (“Sunday 150”) program; 09.10.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 27.10.2006.

accession negotiations in the same timeframe²⁸⁴.

On the other hand, the Croatian prime minister has pointed out the readiness of the Croatian Government to actively contribute to the European debate on the future negotiations of the Constitutional Treaty and even stressed that Croatian experts should also take part in the process of finding an adequate solution for the Constitutional Treaty deadlock²⁸⁵.

Representatives of the Croatian academic community offer rather similar views on the possible outcomes of the Constitutional Treaty negotiations. Referring to the possible implications of the recent decision of the German Constitutional Court not to give its opinion on the validity of German ratification of the new Constitutional Treaty, some experts from the Political Sciences Society estimate that Germany is likely to abandon its leading role in pushing the continuation of the ratification of the original version of the Treaty during the country’s EU presidency in the first half of 2007. Instead, taking into account the political climate in some countries as well as the results of the October Merkel-Balkenende meeting in the Hague, they consider the adoption of a new “mini-treaty” drawn from the original Constitutional Treaty as a more probable alternative²⁸⁶. According to some Croatian political scientists, the adoption of a simplified, better communicated miniature version of the Treaty will enable citizens of the EU to better understand the proposed text, while at the same time ensuring the efficient functioning of the institutions of the enlarged Union²⁸⁷.

However, the Sarkozy mini-treaty proposal was received with some criticism among political analysts, due to the fact that this scenario did not welcome Turkey (negotiating in parallel

²⁸⁴ Statement of Vladimir Drobnyak, Croatian Chief Negotiator, for Croatian News Agency HINA, on 26th September 2006

²⁸⁵ Statement of Prime Minister Ivo Sanader at the press conference held on the occasion of the visit of Elmar Brok, president of the EP foreign affairs committee – 25 August 2006 (Official web page of the Croatian Government, www.vlada.hr)

²⁸⁶ Dr. Damir Grubisa, *Croatia and the 'Enlargement Fatigue'*, article published in Novi List (supplement Europa), 7 November 2006

²⁸⁷ See, for example, the comment of Dr. Zvonko Posavec, published in the article *Sanader: Možemo u Uniju i na temelju ugovora iz Nice /We can join the EU based on Treaty of Nice/*, by Igor Medic, Poslovni dnevnik, 30 October, 2006. The view was expressed at the academic debate of the Political Sciences Society Annual Meeting.

with Croatia) to become a full EU member in the future.

The opinion expressed at the highest political level was that finding the appropriate institutional framework for integrating new members could be solved before 2009, which is the Croatian Government's target date for achieving EU membership. On several occasions, Prime Minister Ivo Sanader has emphasised that Croatia should be able to gain full EU membership even on the basis of the provisions of the Treaty of Nice (by adding amendments to the Treaty itself or by introducing specific new provisions in the Accession Treaty of Croatia)²⁸⁸. There were also opinions that the political will to integrate Croatia is crucial - once the political will exists, it might be possible to define the institutional framework²⁸⁹.

In the case that Croatia concludes negotiations by 2008 and achieves a consensus of all EU member states to become an EU member, there are three scenarios.²⁹⁰ The first scenario: Croatia's end of negotiations coincides with finding the agreement on the EU constitution, meaning that the legal basis for integrating Croatia has been defined. Second scenario: based on a political decision, the annex to the Nice Treaty is agreed, referring to the particular question of Croatia and its EU membership. Third scenario: the Croatian EU accession treaty defines in the Annex the number of MPs in European Parliament, number of representatives in the Council, European Commission and other bodies.

A similar scenario was developed by the Croatian chief negotiator and was directed towards finding the solution for the situation if the institutional crisis could not be solved within the mentioned time frame, particularly through means that do not require treaty change. The possibility of "adjusting" the Treaty by the Accession Treaty is seen as a solution. In this situation there are legal ways to simply adjust the EU's current Nice Treaty, designed for the functioning of the EU institutions only for 27 members. Namely, the

²⁸⁸ Speech of Prime Minister Ivo Sanader at the Conference *European Union, Nation State and the Future of Democracy* organised by the Faculty of Political Sciences, 27 October 2006, Zagreb, Croatia.

²⁸⁹ Neven Mimica, Head of the Parliamentary Committee for EU integration in Slobodna Dalmacija, September 27, 2006.

²⁹⁰ Neven Mimica, Head of the Parliamentary Committee for EU integration in Slobodna Dalmacija, September 27, 2006.

current framework could be expanded in order to accommodate the 28th member. Legally speaking, this special institutional arrangement could be adopted by including it into the Croatian EU accession treaty. That Croatia does not need to wait for the European Constitution was one of the messages recently reported by the media. A suggestion has been made by the Croatian chief negotiator that a country should have an observer seat at the expected new round of talks between EU capitals and institutions on the fate of EU constitution²⁹¹. This opinion was expressed as a direct challenge to the position of the European Commission, saying that Croatia could only enter the EU when the Union reaches the agreement on the full new treaty, underlining that it is encouraging that the EU member states have already developed a general time plan for developing the new institutional framework.

As for media analyses, the majority of Croatian press/media regularly follows the news related to the 'reflection period' and Constitutional Treaty debates. Nevertheless, the media reports are usually restricted to the overview of statements by leaders of various EU member states and representatives of EU institutions and usually fail to provide independent analysis of the issues at stake.

Cyprus

In view of the overwhelming discussions surrounding the Cyprus problem, EU-Turkey relations, and their profound implications, it may not be surprising that the debate on the fate of the Constitutional Treaty is, currently, rather limited in the island-state at large. Thus, only occasional and en passant comments can be heard during Public Media discussions which refer to, or touch on, European Union issues.

However, the European Commission's Representation in Nicosia, in cooperation with the Ministry of Foreign Affairs and various NGOs, have continued organizing events on the Commission's Plan D (for Democracy, Dialogue and Debate) for the future of the European Union. Ministry of Foreign Affairs (MFA) circles comment, however, that Plan D was not meant to salvage the Constitutional Treaty but to elaborate a broader debate about Europe, adding that the Republic of Cyprus'

²⁹¹ Vladimir Drobnyak, Chief Croatia Negotiator, quoted in EUOBSERVER, Brussels, October 24, 2006.

contribution to this debate and to the future of Europe itself would be substantive.²⁹²

On the other hand, left-wing AKEL – which went, in the past, through a mildly Euroskeptic phase – now holds that “negotiations with the Member States should take place in order to take into account the concerns of the countries that rejected the Treaty, since such a treaty should represent the views of all members of the European family”.²⁹³ In the words of AKEL’s party spokesperson, Mr Andros Kyprianou, “We had identified both positive and negative features in the TCE. On these grounds, we stated our disagreement. Now we add that in order to give our consent to a proposed constitutional treaty there should be removal or moderation of the negative features and an enforcement of the positive attributes. Thus, we are in favour of a more socially oriented Union, which will respond to the people’s needs and will reduce the economic gap among its Member States”.²⁹⁴

For its part, the main opposition party DISY, again through MP Tassos Mitsopoulos, expressed the following position: “The scenario known as ‘Nice plus’ is inadequate to cover the needs of a Union of 27 plus. The only serious and integrated basis for dialogue is certainly the Constitutional Treaty, which must incorporate the rational concerns and visions of the European citizens. The intention of Finland to ratify the Treaty before the end of this year is a positive development that adds new momentum to the whole affair”.²⁹⁵

Finally, in the words of one of our MFA interlocutors, “As Cyprus, we trust the German commitment to prepare a new document to extricate the Union from the present cul-de-sac, and we are encouraging the Germans to make all the necessary moves, proposals, suggestions, actions and negotiations in order to present their document at the European Council either in the Spring or next June”.²⁹⁶ The same diplomat observed that, while the Cypriot Ministry believes that the Treaty – already ratified by 15 of the EU-25 – can be a good basis for the development of new initiatives, “we do not preclude other proposals

or suggestions, such as Mr. Nicolas Sarkozy’s concerning a “mini-treaty” or the concept of the Italians, that is, to create a Committee to evaluate ways to proceed”.²⁹⁷

Czech Republic

There is a clear political division in the Czech Republic regarding the Constitutional Treaty between the positive view of the former governing coalition of the Social Democrats, Liberals, and Christian Democrats and the sceptical view represented by the Civic Democrats. The Social Democrats still consider the treaty a necessity whereas the Civic Democrats were against the ratification of the treaty even before it was rejected by referenda in France and the Netherlands.²⁹⁸ In the June elections the Civic Democrats became the biggest party in the Chamber of Deputies and have since then made attempts to form either a coalition or a minority government.

The immediate consequence of the unclear political situation after the June elections was that the outgoing social democratic Prime Minister Paroubek decided not to attend the EU summit in June. He argued that it was time for the other member states to get to know the Euro-sceptical views of the winning Civic Democratic Party, which in his view was well represented by the Czech President Václav Klaus, who is the former chairman of the party.²⁹⁹

During the last mandate period the conflicting views of the president and the Czech government regarding foreign policy repeatedly received public attention. This time Klaus had the outgoing government’s mandate to negotiate a prolonged reflection period. This was also what Klaus described as the main conclusion of the event. The summit according to him finally put an end to the ratification process, and thus no pressure would be put on countries such as the Czech Republic that so far have not ratified the treaty to do so.³⁰⁰

²⁹² Interviews conducted by Nicoleta Athanasiadou and Christos Xenophontos, Cyprus Foreign Ministry, 16 October 2006.

²⁹³ Interview conducted by Annita Demetriou with Mr Andros Kyprianou, 17 November 2006.

²⁹⁴ Ibid.

²⁹⁵ Interview with Annita Demetriou (as in note 24 above).

²⁹⁶ Interview conducted by Annita Demetriou, Cyprus Foreign Ministry, 13 November 2006.

²⁹⁷ Ibid.

²⁹⁸ See for instance 5 důvodů proč říci NE evropské ústavě (5 reasons for rejecting the European Constitution) <http://www.ods.cz/eu/stranka.php?ID=18>

²⁹⁹ Začal summit EU věnovaný osudu euroústavy (The beginning of the EU summit devoted to the fate of the Constitutional Treaty). Czech News Agency, 15 June 2006.

³⁰⁰ Klaus je spokojen, že EU netlačí na ratifikaci ústavní smlouvy (Klaus is satisfied, that there is no pressure to ratify the Constitutional Treaty). Czech News Agency, 16 June 2006.

Klaus furthermore argued that he still considers the Constitutional Treaty as unnecessary, which contradicted the conclusion of the Austrian Chancellor Schüssel, who argued that, even if there were no consensus regarding the signing of the treaty, no one doubted its foundations. Klaus' view is that it would not be legitimate to implement any parts of the treaty.³⁰¹ The Czech President moreover interpreted the timetable agreed at the summit as less mandatory than what the Austrian presidency considered.³⁰²

The coalition negotiations that followed the parliamentary elections illustrated the differences of opinions that exist regarding the Constitutional Treaty, and which are not limited to disputes between the two main parties. The Civic Democrats in negotiating with the Greens and the Christian Democrats suggested a formulation to be included in the declaration of the government that would imply that the EU could manage without a constitution, something that the other two parties did not agree to.³⁰³

The Civic Democrats have lately allied with the British Conservative party and founded the Movement for European Reform³⁰⁴ with the aim of creating a more flexible EU whose primary concern is free trade. Yet the planned parliamentary fraction in the European Parliament between the two parties has been postponed partly due to domestic political concerns within the Civic Democratic Party. There were concerns that such a fraction would make it harder for the party to find agreement on the creation of a government with other, more pro-European Czech political parties.³⁰⁵ The fact that the Civic Democratic Party's spokesperson for foreign affairs, Jan

Zahradil, was not appointed Minister of Foreign Affairs in the minority government formed in September 2006,³⁰⁶ added to speculations regarding a possible change in the party's EU policy. Instead of Zahradil, who is the dominating voice of Euro-sceptics within the party, Alexandr Vondra was appointed Foreign Minister, a former ambassador to the United States and who is not a member of the Civic Democratic Party. In his first comments Vondra also stressed the continuity in the Czech Republic foreign policies and emphasised that he is minister in a pro-European government.³⁰⁷

It is still too early to jump to any conclusions that this is a profound change in the party's EU policy. It however indicates that there will not be a profound change in the country's EU policy independent of which party/parties in the end receives the support of the parliament. Zahradil himself has produced a similarly pragmatic explanation as to why he was not appointed foreign minister. Even so, he emphasises that Vondra embraces the party's EU policy, and thus the main difference will be that a government with Vondra as Minister of Foreign Affairs will face less opposition and have greater opportunities for reaching concrete results.³⁰⁸

The government welcomes that the reflection period has been extended and that by the end of 2008 there will be a final decision regarding the Constitutional Treaty.³⁰⁹ Yet, the extension of the timetable regarding the ratification of the Constitutional Treaty has led to some speculations that this could become a matter that the Czech Presidency in 2009 will have to deal with. The former Foreign Minister Cyril Svoboda has expressed the hope that the question of the Constitutional Treaty will be

³⁰¹ Ústava EU nebyla živá nikdy (The Constitution of the EU was never alive) Lidové noviny 31, October 2006 http://lidovky.zpravy.cz/ustava-eu-nebyla-ziva-nikdy-dft-/ln_nazory.asp?c=A061031_083618_ln_nazory_svo

³⁰² Podle Schüssela v EU nikdo nezpochybnil podstatu ústavní smlouvy (According to Schüssel no one doubted the essence of the Constitutional Treaty). Czech News Agency, 20 June 2006.

³⁰³ Zahraniční politika: spor o euroústavu (Foreign Policy: disputes over the European Constitution) Hospodářské noviny 16 June, 2006 http://ihned.cz/index.php?p=000000_d&articleId=18695360

³⁰⁴ See Movement for European Reform <http://www.europeanreform.eu/>

³⁰⁵ ODS vytvoří novou frakci s britskými toryi až za tři roky (The Civic Democrats will only form a new fraction with the British Tories in three years) <http://www2.euroskop.cz/data/index.php?p=ihned-detail&c-id=18887050&id=5352>

³⁰⁶ The government later failed to receive the support of the parliament

³⁰⁷ Vondra: disident, který znemožnil Jakeše, (Vondra: a dissident who discredited Jakeš) In Mladá Fronta Dnes, 14 September 2006, see also Topolánek uvedl do úřadu posledního z nových ministrů Vondru (Topolánek's last new minister was Vondra), www.Aktualne.cz, 6 September, 2006

<http://aktualne.centrum.cz/domaci/clanek.phtml?id=230955>

³⁰⁸ Vondra není změnou v ODS! (Vondra is not a change in the Civic Democratic Party).

<http://zahradil.cz/cze/prispevek.php?ID=227>

³⁰⁹ Postoj ČR k prioritám finského předsednictví v Radě EU a další důležité otázky pro ČR (Stance of the Czech Republic to the priorities of the Finnish presidency in the Council of the EU and other questions important for the Czech Republic). Ministry of Foreign Affairs, <http://www.mzv.cz/servis/soubor.asp?id=19645>

solved well ahead of the Czech presidency, even though further delays are still possible.³¹⁰

Denmark

Publicly Prime Minister Fogh Rasmussen holds the position that 'I also continue to believe that the Constitutional Treaty is a very good treaty. I support the treaty'.³¹¹ As detailed in EU-25 Watch No. 3, Fogh Rasmussen had suggested the possibility of a shorter treaty containing some of the elements of the existing document. This now appears to include support for more effective decision-making, elements to improve the democratic standing of the EU, an EU-president, an EU Foreign Minister and clarity on the structures and values of the EU.³¹² The Prime Minister has distanced himself from the concept of 'cherry picking' as it is important that citizens do not feel that something is being implemented behind their backs and that the outcomes of the referenda in France and the Netherlands are respected.³¹³ The focus on achieving concrete results does not imply that the importance of a solution to the future of the Constitutional Treaty is neglected – the Prime Minister's position is that Denmark needs clarification. The final Danish position on whether to have a referendum on a treaty will depend on the legal content of the Treaty and the political context.

The Government's position on possible scenarios for the Constitutional Treaty is generally supported by the rest of the Parliament, with the exceptions of the Danish People's Party and the Unity List. The Danish Parliament agreed on 31 May 2006 on a joint statement to the government in which it stated that the Parliament still found the Constitutional Treaty a good basis for European cooperation and called upon the government to work actively for adoption of the Constitutional Treaty, taking into account the results of the

³¹⁰ Evropská konzervativci se o euroústavě vyjadřovali opatrně (European Conservatives expressed themselves carefully regarding the European Constitution) Czech News Agency, 15 June, 2006

³¹¹ Address by Prime Minister of Denmark Anders Fogh Rasmussen at the Annual Ambassadors Conference, Bucharest, Romania, 30 August 2006.

³¹² Speech by the Prime Minister Anders Fogh Rasmussen, 'Europe of Results', at Copenhagen University on 21 April 2006.

³¹³ Speech by the Prime Minister Anders Fogh Rasmussen, 'Europe of Results', at Copenhagen University on 21 April 2006; Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (the Danish Parliament) on Tuesday 3 October 2006.

ratification processes of the member states. The parliament called upon the government to work for open Council meetings, openness and simplification of the EU's working procedures – including publicity on lobbyism, early orientation of the national parliaments, the complete right of access to documents for EU-citizens, strengthening of EU-cooperation on climate and environmental problems, the fight against terrorism and organised crime – including human trafficking, the advancement of research, development and education, growth and employment, and a more efficient foreign policy and added consideration on environment, health and consumer protection in the implementation of the Internal Market.³¹⁴

Estonia

The position of the Estonian government is clear: the best possible solution to the current impasse is the ratification of the Constitution in full with as few amendments as possible. The government continues to regard the Constitutional Treaty as the best compromise that could be achieved under the 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."³¹⁵ This commitment to the treaty was demonstrated in May 2006 when the Estonian Parliament ratified the Treaty, despite the uncertainty produced by the French and Dutch no-votes. Such steps, it is hoped, will help restore confidence in the Treaty. According to the Foreign Minister, it is not impossible „that even the States, which rejected the Treaty, will, in time, ratify it after all, in its present form.”³¹⁶ No serious consideration has been given to the option of a "mini-treaty." From the Estonian perspective, a watered-down version of the text is not desirable. Also, such an option would be extremely cumbersome procedurally, as all countries that have ratified the Treaty would have to (re)ratify the new version. There is virtually no domestic opposition to the government's pro-

³¹⁴ Beretning om tænkepausen og EU's fremtid, Beretning afgivet af Europaudvalget den 9 juni 2006. Beretning nr. 5, Folketinget 2005-06.

³¹⁵ 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.

³¹⁶ Ibid.

integrationist stance: at times of rapid economic growth and increasing prosperity, support for the EU is stronger than it has ever been since the beginning of the accession process (78% of the population in favour of membership).

Finland

In June 2006 the Finnish Government passed on to the Finnish Parliament its motion to ratify without changes the Treaty establishing a Constitution for Europe (TCE). The Government considers the TCE a balanced agreement and hopes it would improve the functioning of the EU. Negotiations on its content ran on for years: opening negotiations again would neither lead to an improved draft nor can Finland base its ratification decision on the outcome of referenda in other member countries (France and the Netherlands). Indeed the Parliament ratified the Treaty on 5 December 2006.³¹⁷ Former Prime Minister, current Speaker of the Parliament and political heavyweight, Paavo Lipponen (Social Democratic Party), has been vocal in his support for the prompt ratification of the Treaty.³¹⁸ Mr Lipponen will also be part of the Action Committee for European Democracy, led by Italian Minister of the Interior Giuliano Amato, made up of senior European statesmen contemplating the future of the Constitution. Foreign Minister Erkki Tuomioja (Social Democratic Party) has signalled that a “cherry-picking”-approach – ratifying only parts of the Treaty - to the TCE would be unfortunate and that the Treaty in its existing form can best streamline EU decision-making, especially in the field of security policy.³¹⁹

Most large political parties of Finland support the general idea of a European constitution in the hope it would improve decision making in the Union and democratize it further in line with the goals of the double track approach. However, the current form of the draft is controversial. Impending ratification of a draft Treaty that will not – as it is generally perceived- enter into force in its current form draws criticism across party boundaries. Biggest opposition parties including the Left Alliance, the Green League, the Christian Democrats and the True Finns have opposed

ratification.³²⁰ To the surprise of many commentators President of the Republic Tarja Halonen also took a critical stance to a quick ratification of the Treaty. She argued that the ratification of a Treaty that will most likely change might diminish the credibility of EU politics in the public opinion.³²¹ Another issue under debate is whether a referendum should be arranged on the ratification. The Government sees no need for this as the referendum on joining the Union in 1994 is viewed as a mandate for the TCE. Individual voices demanding a referendum have been heard, especially within the Left Alliance, the Green League and the populist anti-EU party, the True Finns. Civil society has also activated over the matter somewhat, with some NGOs, spearheaded by ATTAC Finland, calling for a referendum. ATTAC views the Government’s negativity towards a referendum as conflicting with the goals of the double-track approach of increasing legitimacy.³²² Not much debate on specific alternative scenarios for future negotiations has taken place, however. The media has been relatively active in keeping the TCE in the headlines. A common view in commentaries is that the current TCE draft is officially “on hold” but in reality scrapped and will move forward only after a narrower Treaty is negotiated. A Suomen Kuvalehti – Finland’s biggest quality weekly – editorial argues that the TCE will progress once France and the UK have changed leaders.³²³

France

The scenarios put forward by political leaders, intellectuals or columnists are closely linked to the analysis of the causes of the French “no” last year. Although it is evident that internal factors played a role in this outcome – mainly low popularity of the executive – it is also generally accepted that the French are uneasy with the path taken by European integration. The French think that the Union should not just be a unified market, be it with a common currency. It should be a shield against the odds of globalization, it should intervene in the economy to improve growth and employment and it should become a real political power. A recent Eurobarometer poll showed that almost 60% of the French consider that the priorities

³¹⁷ Ibid.

³¹⁸ Paavo Lipponen to the Grand Committee of the Parliament, 27.9.2006.

³¹⁹ Erkki Tuomioja, Speech to Brussels Media on TCE, 29.6.2006.

³²⁰ www.vasemmistoliitto.fi; www.vihrealiitto.fi; www.kristillisdemokraatit.fi

³²¹ Tarja Halonen, Helsingin Sanomat, 8.5.2006.

³²² Hanna Kuusela, Uutispäivä Demari, 12.7.2006.

³²³ Turun Sanomat, Editorial, 17.6.2006; Suomen Kuvalehti, Editorial, 7.7.2006.

of the Union should be to fight unemployment, poverty and social exclusion. The preservation of peace is only mentioned by 25% of respondents³²⁴. Similarly, 80% of the French are in favour of a common defence and security policy. That particular perception of the French public explains why no political leader regards the renegotiation of the Treaty as simply a technical issue. The main political parties all consider that the only solution is a new Treaty limited to institutional matters.

The UMP (the main right wing party, lead by Mr. Sarkozy) considers that drafting a new, fully-fledged Constitutional Treaty would be impossible. The visions of the future of Europe are too diverse within the Union. Thus, the objective should be to find an agreement on a purely institutional treaty (the so-called "mini-treaty") which would put the "constitutional dead-end" behind us and allow the Union to concentrate on what is really important, namely policies that deliver. "We need Europe to advance on common policies. Europe widened too quickly, before it was able to reform its institutions to make it possible to function with 25 Member States. With the exception of Romania and Bulgaria, new adhesions should be ruled out, as long as the institutions are not reformed. We are in favour of a common sense decision, namely to adopt an institutional agreement which will include the non-controversial institutional improvements of the draft Constitution: a stable Presidency of the Union, the Foreign Minister, extension of qualified majority voting and co-decision to a certain number of essential matters, strengthened co-operation, greater role for national Parliaments. This agreement will have to reaffirm that the principles of subsidiarity, proportionality and reciprocity must govern the action of the Union. Lastly, the institutional mechanisms which govern the running of the European Union should not prevent those who want to advance more quickly to do it. Strengthened co-operations or specific treaties must make it possible for voluntary countries to start the common policies that meet their needs³²⁵." To avoid new difficulties, Mr. Sarkozy is in favour of parliamentary ratification of this new treaty. This, however, is very controversial, and during the presidential campaign, he might want to send a more "democratic" signal to voters. It must be pointed out, that in spite of his declarations; Mr. Sarkozy does not see this "mini-treaty" simply as a short version of the Constitutional

³²⁴ Eurobarometer 65, spring 2006, report on France.

³²⁵ Legislative platform of the UMP, november 2006.

Treaty containing only its consensual improvements. He wants, for instance, to re-open the discussion on the composition of the European Commission. According to him, the President of the Commission should be free to appoint whoever he wants as commissioners³²⁶.

What the Socialists really intend to do is not clear either. The official platform of the Party for the next elections supports the idea of a purely institutional treaty. "The enlarged Europe will not be able to decide effectively and carry weight in the world with the institutions of the Treaty of Nice. We will refuse the ratification of the Constitutional Treaty rejected on 29 May, even if it is accompanied by a new preamble. We will propose the elaboration of a purely institutional Treaty which will organise effectively the powers, with a Parliament fully responsible for legislative and budgetary matters, a President of the Commission elected by Parliament, a European Council chaired by a President of Europe. Once renegotiated, the Treaty will have to be approved by referendum."³²⁷ The candidate of the Party, Ms. Royal, has repeatedly explained that institutions are not the priority. On the page of her website devoted to Europe, only one very short section out of 12 is devoted to the future of the Treaty. She has recently detailed her intentions: "The Treaty is null and void. An institutional reform allowing Europe to work is necessary. Everyone knows that the French will never re-vote on the Constitutional Treaty, nor will the Dutch. The best solution would be: achieving 'Europe by proof', then start a debate on the objectives of the Union under the German Presidency. The French Presidency could then call a convention in charge of drafting the text of the institutional reform. It would be ratified on the same day in all member states, according to their own procedures³²⁸."

Apart from the declarations of the main leaders, there is a growing feeling in France that it would be an error not to take the opportunity of the renegotiation to review a number of existing policies. Politicians in all main parties have expressed their concern about the rules governing the European Central Bank, for instance. On the left, there is a consensus on the need to increase the budget of the Union, and on the idea that the

³²⁶ Speech on Europe, september 2006.

³²⁷ Platform of the Socialist Party, september 2006.

³²⁸ Ségolène Royal, speech delivered at the French National Assembly, 11 October 2006.

new treaty should open the way for it. Apart from the proximity of the presidential election, this is probably the main reason why the public debate on the future of the Constitutional Treaty may seem so hesitant. Most people know that reopening the constitutional debate on the fundamental issues is risky; simply because concessions made by some governments at the time of the ICG might not be renewed today. On the other hand, it is clear that a new treaty that would fail to take into account the preoccupations of the French would probably increase yet again the growing distance between them and the European Union.

Germany

Although the German *Bundestag* and *Bundesrat* ratified the Constitutional Treaty in May 2005, Germany will assume the EU Presidency without having fully ratified the treaty. In October 2006 the Federal Constitutional Court decided to postpone its decision about a legal claim against the Constitutional Treaty in its current form, filed by German politician Peter Gauweiler (CSU). Nevertheless, apart from the opposition left party (*Die Linke*), which demands the negotiation of a new treaty document, all German parties are in favour of the Constitutional Treaty – either in its current form or modified, but with its content's substance maintained. The Federal Constitutional Court announced not to pronounce any judgement as long as the reflection period and the EU discussion about the Constitutional Treaty are ongoing.³²⁹

With respect to the German proposals for scenarios on the Constitutional Treaty's future, one has to differentiate between the speaker's governmental and non-governmental affiliation: It is obvious that government members much more refrain from openly discussing their ideas. Neither Chancellor Merkel nor other members of the **German government** formulated any concrete scenarios for the future of the Constitutional Treaty that could be promoted in the framework of the EU Presidency agenda in the first half of 2007. According to them, the text in its current form would be the best way to guarantee efficient institutions, a clear competence order and

more democratic legitimacy.³³⁰ Foreign Minister Steinmeier underlined that not only a political compromise, but also a solution to the constitutional crisis would be needed to guarantee a good working and sustainable EU-27.³³¹ However, in the scope of the EU Presidency, the German government will try not to foster its own interest.³³² The latter would be the only way to avoid any possible but unintended intervention in the French election campaigns. That is why the Merkel government will focus on the development of a roadmap³³³ and neglect single issues and proposals for any concrete amendments of the recent version of the Constitutional Treaty.³³⁴ The main purpose of the roadmap will be the ratification of a European constitution by the end of 2008, so that a new treaty will be in force before the next European elections in 2009.³³⁵ The German government will propose modalities, methods and a timetable to reach this objective.³³⁶

Although the Constitutional Treaty will be one of the priorities³³⁷ of the German EU Presidency, the government is trying to lower all expectations. As agreed at the Brussels European Council meeting in June 2006 "the [German] Presidency will present a report to

³³⁰ Cf. speech of State Secretary Reinhard Silberberg: A preview of Germany's EU Presidency, Berlin, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access 27 November 2006].

³³¹ Cf. speech of Frank-Walter Steinmeier at the conference of the SPD parliamentary faction in Berlin, 25 September 2006, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060925-Europa.html> [last access 27 November 2006].

³³² Cf. Federal Cabinet statement on EU Presidency, "Jointly shaping Europe", 5 November 2006, available at: http://www.bundesregierung.de/Content/EN/Pressemitteilungen/BPA/2006/11/2006-11-05-eu-ratspraesidentschaft_en.html last access 27 November 2006].

³³³ Cf. Council of the European Union: Presidency Conclusions, 10633/1/06, REV 1, CONCL 2, Brussels, 17 July 2006.

³³⁴ Cf. Riccardi, Ferdinando: Angela Merkel's first praises for European method, in: Bulletin Quotidien Europe, No. 9284, 12 October 2006.

³³⁵ Cf. speech of Angela Merkel at the opening of the International Bertelsmann Forum „Die Zukunft der Europäischen Union“, 22 September 2006, available at: http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access 27 November 2006].

³³⁶ Cf. speech of Frank-Walter Steinmeier, 25 September 2006, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060925-Europa.html> [last access 27 November 2006].

³³⁷ Cf. speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access 27 November 2006].

³²⁹ Cf. Reuters: BVG verschiebt Urteil über EU-Verfassung auf unbestimmte Zeit, 31 October 2006.

the European Council [...]. This report should contain an assessment of the state of discussion with regard to the Constitutional Treaty and explore possible future developments.³³⁸ Merkel therefore explained that “active listening” will be one of the main tasks of her government.³³⁹ The presentable solution in June 2007 will possibly lie somewhere between a proposal for further proceedings and a new draft for the treaty.

In detail, **Angela Merkel** opposes the idea of implementing only parts of the Constitutional Treaty.³⁴⁰ Apart from the institutional regulations, the Charter of Fundamental Rights of the European Union and the preamble would need to be included to guarantee the character of a constitutional document.³⁴¹ Merkel sees no requirement for a completely new draft, as problems are not linked to concrete substantive matters of the treaty, but to European integration in general.³⁴² However, she again supported the suggestion of including a “reference to God or Christianity” in the Constitutional Treaty.³⁴³ In general, Merkel’s proposals are scarcely concrete. The government’s objectives for the EU Presidency range between the wish to avoid any forms of “cherry-picking” to retain the “political substance”³⁴⁴ of the Constitutional Treaty and the need to find compromises. In that context,

³³⁸ Council of the European Union: Presidency Conclusions, 10633/1/06, REV 1, CONCL 2, Brussels, 17 July 2006.

³³⁹ Cf. interview with Angela Merkel: „Den Menschen den Nutzen Europas erklären“, in: Süddeutsche Zeitung, 6 November 2006.

³⁴⁰ Cf. Regierung online: Europäische Verfassung bis 2009 verabschieden, 11 October 2006, available at: http://www.bundesregierung.de/Content/DE/Artikel/2006/10/2006-10-11-europ_C3_A4ische-verfassung-bis-2009-verabschieden.html [last access 27 November 2006].

³⁴¹ Cf. interview with Angela Merkel, 6 November 2006, and speech of Angela Merkel, 22 September 2006, available at:

http://www.bundestkanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access 27 November 2006].

³⁴² Cf. speech of Angela Merkel, 22 September 2006, available at:

http://www.bundestkanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html [last access 27 November 2006].

³⁴³ Cf. Watt, Nicholas: Merkel backs more Christian EU constitution, in: Guardian, 29 August 2006, and Frankfurter Allgemeine Zeitung: Merkel: „Europa braucht einen Bezug auf das Christentum“, 29 August 2006.

³⁴⁴ Cf. e.g. speech of Reinhard Silberberg, 4 October 2006, available at: <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/061004SilberbergEuropa.html> [last access 27 November 2006] and speech of Frank-Walter Steinmeier, 25 September 2006, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060925-Europa.html> [last access 27 November 2006].

Merkel recognises that the idea of a “mini-treaty”, proposed by French presidential hopeful, Nicolas Sarkozy, would not be at complete odds with German objectives (no “insuperable conflict”)³⁴⁵. Foreign Minister **Frank-Walter Steinmeier** (SPD) and others in his party explained, however, that “some EU member states have to move more than others” to reach a compromise between those who already have ratified the treaty and those who do not react or whose public voted against it.³⁴⁶ Several German political leaders repeatedly point out that the needed majority of 4/5³⁴⁷ will possibly be achieved soon. Especially those member states that have not already ratified could feel more responsible for finding a solution to the ratification crisis.³⁴⁸

Nevertheless, members of the governing SPD, precisely the party chairman and non-member of the cabinet, **Kurt Beck**, are more open to changes to the recent constitutional text than members of the coalition party CDU/CSU. Beck pleads for a kind of European “Grundgesetz” (basic law).³⁴⁹ The treaty’s name needs to be changed because the term “constitution” was too often criticised. However, a reform of the treaty could not be restricted to a new terminology. An additional preamble would include the definition of the EU’s internal and external goals as well as an allusion to the *sui-generis* character of the Union, being “unified in diversity”.³⁵⁰ According to a cabinet’s statement the latter could also be part of the Berlin declaration to be celebrated on 25 March 2007.³⁵¹

Several **German members of the European Parliament** openly support Merkel’s planning for the EU Presidency and favour the recent version of the treaty. Martin Schulz, chairman

³⁴⁵ Cf. Frankfurter Allgemeine Zeitung: Merkel schließt Mini-EU-Vertrag nicht aus, 13 October 2006.

³⁴⁶ Cf. speech of Frank-Walter Steinmeier, 25 September 2006, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060925-Europa.html> [last access 27 November 2006].

³⁴⁷ Cf. Declaration on the ratification of the Treaty establishing a Constitution for Europe, in: Treaty establishing a Constitution for Europe, Final act, A (30).

³⁴⁸ Cf. speech of Frank-Walter Steinmeier, 25 September 2006, available at: <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060925-Europa.html> [last access 27 November 2006].

³⁴⁹ Cf. speech of Kurt Beck at the Europe conference of the SPE faction in Berlin, “Europa gestalten: globale Friedensmacht – soziale Wirtschaftskraft”, 6 November 2006, available at: <http://www.spd.de/menu/1695612/> [last access 27 November 2006] and Frankfurter Rundschau: SPD-Europapolitik. Beck schlägt Grundgesetz statt EU-Verfassung vor, 26 September 2006.

³⁵⁰ Cf. speech of Kurt Beck, 6 November 2006.

³⁵¹ See also question 2.

of the European Socialists, objects to any new constitutional text.³⁵² The same applies for Ingo Friedrich (CSU) and Elmar Brok (CDU) who repeatedly formulated their views on the Constitution's future in the German media.³⁵³ The designated president of the European Parliament, Hans-Gert Pöttering (CDU), strictly opposed any new negotiation of the Constitutional Treaty, only small amendments would be reasonable.³⁵⁴ According to him "none of the content that was worked out by the convention could be put into question"³⁵⁵. Jo Leinen (SPD), stressing the importance of the Constitutional Treaty, noted however that the current version is too detailed.³⁵⁶ Therefore, the third part could be shortened by removing those parts which are already ratified in the Treaty of Nice. The new articles of 'part III' would then need to be regrouped and reordered. The other parts of the document (Part I, II and IV) would be maintained.³⁵⁷

The **parliamentary opposition parties** all demand amendments or even a new treaty. The Greens underline the importance of a constitution for Europe and call for a public debate on the future EU.³⁵⁸ The treaty could be restructured: one part consisting of institutional issues, the other of detailed regulations for single EU policies.³⁵⁹ The latter is also

supported by the left party (*Die Linke*). They additionally ask the government for a re-launch of the constitutional process to negotiate a new, two-fold treaty.³⁶⁰ The liberal party (FDP) also recommends amending the recent version, but openly expresses its support for the Constitutional Treaty.³⁶¹ The European Parliament and FDP member, Silvana Koch-Mehrin, stresses the Constitutional Treaty could not be maintained in its current form.³⁶² She welcomes the French proposal of a mini-treaty and a removal of the third part, calling for a concrete proposal from Merkel by spring 2007.³⁶³ Moreover, Koch-Mehrin opposes the idea of a Wise Men's report and follows the FDP demand of a referendum on a possibly new European constitution.³⁶⁴

As mentioned above, the German government is aware of the necessity to play a mediator role throughout its EU Presidency and, by the majority, avoids naming concrete scenarios. In contrast, several concrete and differing scenarios for the Constitutional Treaty's future are discussed among **German academics**³⁶⁵ and in the media. "Considering the painful give-and-take bargaining in drafting the constitution"³⁶⁶ some academics recommend "implementing the current version of the treaty rather than abandoning it".³⁶⁷ It is underlined that "a new convention could hardly achieve better results" and that "taking out some parts of the treaty, particularly excerpts concerning sensitive decision-making areas, would only upset the whole carefully-balanced

³⁵² Cf. Interview with Martin Schulz, „Ich bin ein Anhänger der jetzt vorgelegten Verfassung“, in: Deutschlandradio, 11 October 2006, available at: http://www.dradio.de/dlf/sendungen/interview_dlf/552053/ [last access 27 November 2006].

³⁵³ Cf. Frankfurter Allgemeine Zeitung: Steinmeier: „Europa neu denken“, 1 September 2006 and interview with Elmar Brok, Brok: „EU-Ratspräsidentschaft kann Verfassung nach vorne bringen“, in: Deutschlandradio, 6 November 2006, available at: http://www.dradio.de/dlf/sendungen/interview_dlf/560104/ [last access 27 November 2006].

³⁵⁴ Cf. Süddeutsche Zeitung: Pöttering: Verfassung der EU nur anpassen, 25 November 2006.

³⁵⁵ Pöttering, quoted according to Süddeutsche Zeitung, 25 November 2006 (translated by the author).

³⁵⁶ Cf. Interview with Jo Leinen, Jo Leinen: Merkel muss EU-Verfassung voranbringen, in: Deutschlandradio, 16 October, 2006, available at: <http://www.dradio.de/dkultur/sendungen/interview/553462/> [last access 27 November 2006].

³⁵⁷ Cf. interview with Jo Leinen, MEP and chairman of the Committee on Constitutional Affairs, in: Euractiv, 25 September 2006, available at: <http://www.euractiv.com/en/constitution/interview-jo-leinen-mep-chairman-committee-constitutional-affairs/article-158122> [last access 27 November 2006].

³⁵⁸ Cf. request by the faction of the Greens: Forderungen an die deutsche EU-Ratspräsidentschaft, Ratspräsidentschaft für eine zukunftsfähige EU nutzen, Deutscher Bundestag, 16. Wahlperiode, Drucksache 16/3327, 8 November 2006.

³⁵⁹ Cf. faction of Bündnis 90/ Die Grünen: Wie weiter mit der EU-Verfassung?, available at: www.gruene-

bundestag.de/cms/europaeische_union/dok/115/115839.htm [last access 27 November 2006].

³⁶⁰ Cf. request by the faction of the left party: Für eine demokratische, freiheitliche, soziale und Frieden sichernde Verfassung der Europäischen Union, Deutscher Bundestag, 16. Wahlperiode, Drucksache 16/3402, 8 November 2006.

³⁶¹ Cf. Heute im Bundestag: Ausschuss für die Angelegenheiten der Europäischen Union, Bringschuld für Verfassungsgegner, 28 June 2006.

³⁶² Cf. Neuerer, Dietmar: FDP sieht EU-Verfassung „endgültig gescheitert“, in: Netzeitung.de, 2 November 2006.

³⁶³ Cf. Koch-Mehrin, Silvana: Die Verfassungsfrage duldet keinen Aufschub, in: Die Welt, 28 September 2006.

³⁶⁴ Cf. Neuerer, Dietmar: FDP sieht EU-Verfassung „endgültig gescheitert“, in: Netzeitung.de, 2 November 2006.

³⁶⁵ For more details see Diedrichs, Udo/ Wessels, Wolfgang: Die Europäische Union in der Verfassungsfalle? Analysen, Entwicklungen, Optionen, in: *Integration*, 4/2005, pp. 287-306.

³⁶⁶ Cf. EU-25 Watch, No. 3, p. 35, available at: http://www.iep-berlin.de/publik/EU25-Watch/EU-25_Watch-No3.pdf [last access 27 November 2006].

³⁶⁷ Cf. Göler, Daniel/ Jopp, Mathias: Die europäische Verfassungskrise und die Strategie des ‚langen Atems‘, in: *Integration*, 2/2006, pp. 91-105.

package.”³⁶⁸ To overcome the constitutional crisis, it would be necessary that all member states clearly state their views on the current version of the treaty and their most desired scenario for its future.³⁶⁹ In a second step the political leaders would agree on one of the following three options:³⁷⁰ (1) ratification of the current version, annexed by a protocol for those member states who have not ratified the treaty yet; (2) maintaining of the status-quo on the basis of the Nice Treaty or a so-called ‘Nice plus’ to include some concrete single projects made possible, for example, by the use of the passerelle clause; (3) a mini-treaty, like the one proposed by Sarkozy, on the basis of the first and second parts of the Constitutional Treaty and a re-negotiation of other parts. In that context a “constitutional treaty light” could also be possible: parts I, II and IV would be added to the recently effective primary law in the sense of a “basic treaty”.³⁷¹

Most scholars argue that any alternative proposal to the Constitutional Treaty is undesirable. As a ratification of the Constitutional Treaty’s current version is unlikely in the long-term, the primary vision should be to develop a “slimmer constitution” including only some basic provisions. All other important elements should be excluded and reassembled in a second, new document.³⁷² After having considered all member states’ positions, the roadmap of the German EU Presidency could promote a multi-stage procedure. Firstly, parts I and II could be adopted. Secondly, after all debates about the central elements of part III having been concluded, that part could be ratified in the framework of the mid-term financial review, which is planned for 2009.³⁷³

Other German actors concentrate on the importance of the Constitutional Treaty as well.

³⁶⁸ Cf. EU-25 Watch, No. 3, p. 35, available at: http://www.iep-berlin.de/publik/EU25-Watch/EU-25_Watch-No3.pdf [last access 27 November 2006].

³⁶⁹ Cf. Maurer, Andreas/ Schwarzer, Daniela: Alle Karten auf den Tisch! Ansätze zur Überwindung der konstitutionellen Malaise in der EU, in: SWP-Aktuell 28, June 2006.

³⁷⁰ Cf. *ibid.*

³⁷¹ Cf. Thalmaier, Bettina: Die Zukunft des Vertrages über eine Verfassung für Europa – Optionen & Positionen, Bertelsmann Forschungsgruppe Politik, München 2006.

³⁷² Cf. e.g. Emmanouilidis, Janis A./ Metz, Almut: Renewing the European Answer, in: EU-Reform spotlight, 2/2006; Weidenfeld, Werner: Deutschland in europäischer Führungsverantwortung, CAP position paper, 22 November 2006.

³⁷³ Cf. Janning, Josef: Bundesrepublik Deutschland, in: Weidenfeld, Werner/ Wessels, Wolfgang (eds.): Jahrbuch der Europäischen Integration 2006, pp. 313-320.

In that sense, the Federation of German Industries (BDI) opposes any forms of “cherry-picking”, but pleads for an early implementation of institutional reforms.³⁷⁴ The BDI expects the German Presidency to give new impetus to the Constitutional Treaty debate. The Confederation of German Employers’ Associations (BDA) underlines that the constitutional crisis could only be overcome if the political elite regains European citizens’ acceptance of new policy directions. Moreover, they stress that the “alignment of European policy on growth and jobs is a fundamental condition for solving the constitutional crisis.”³⁷⁵ The organisation of Young European Federalists developed a concrete three-step plan that concentrates on the European Parliament as well as on the method of deliberation: (1) The Commission and the European Council should agree on a roadmap delivered by the European Parliament; (2) A new convention could revise parts III and IV and then add to the constitution in the form of an annex; (3) In the scope of the 2009 European elections a referendum on the treaty could be held.³⁷⁶

The German media discusses possible scenarios for the future of the Constitutional Treaty much more critically than all other actors mentioned thus far. However, different tendencies between left and right wing newspapers can be noticed regarding a European constitution’s valuation. On the one hand, journalists of conservative newspapers mainly speak tartly of the recent version of the constitution and additionally point out that Europe “can do without a constitution”.³⁷⁷ EU leaders and the German EU Presidency should therefore focus on concrete projects and try to react to the citizens’ needs and fears.³⁷⁸ Furthermore, the Constitutional Treaty is considered too long.³⁷⁹ Some journalists

³⁷⁴ Cf. BDI: Europa machen! Für Wachstum. Für Beschäftigung. Deutsche Ratspräsidentschaft 2007. BDI-Empfehlungen zur Vorbereitung der Agenda. 24 July 2006.

³⁷⁵ Cf. BDA: Preparing Europe for the future – Recommendations to the German EU Council Presidency, 2006.

³⁷⁶ Cf. press release of Junge Europäische Föderalisten, Aufgeben der EU-Verfassung ist undemokratisch. Gemeinsame Erklärung der Vorsitzenden der JEF-Europa und JEF-Deutschland anlässlich des EU-Gipfels, Berlin 13 June 2006.

³⁷⁷ Cf. Schuster, Jacques: Kommentar: EU auf dem Holzweg, in: Die Welt, 16 June 2006; Schiltz, Christoph B.: Kommentar: Unwichtige Verfassung, in: Die Welt, 12 October 2006.

³⁷⁸ Cf. *ibid.*

³⁷⁹ Cf. Rehhäußer, Willi L.: Verpuschte Verfassung für Europa, in: Frankfurter Allgemeine Zeitung, 30 October 2006, p. 8.

therefore think that it will not come into effect.³⁸⁰ Not a simple rewording of the text, but a new and shorter content would be necessary – if at all.³⁸¹ According to Frankenberger, much of the energy of the German government could be vainly invested in a text that might never meet with French and Dutch agreement.³⁸² On the other hand, the *Süddeutsche Zeitung*³⁸³ repeatedly underlines the importance of a constitutional treaty. The Merkel government is deemed capable of giving new impetus to the constitutional debate and developing a reasonable roadmap.³⁸⁴ In fact, only a European Constitution could create a more democratic, transparent and attractive EU.³⁸⁵ Some journalists of “left” newspapers consider the ratification of the Constitutional Treaty in its current form unrealistic. It is argued that “Merkel cannot rescue the EU Constitution”³⁸⁶ and that “the project of a European Constitution is effete”³⁸⁷. An alternative text with a stronger focus on democratic participation should be negotiated.³⁸⁸

Last but not least, it is noteworthy that 45 per cent of **German survey respondents** believe that a European Constitution will be in effect by 2020.³⁸⁹ Even today, a clear majority of 56 per cent would vote in favour of a European Constitution, according to recent opinion polls.³⁹⁰ A substantial 37 per cent, however,

does not know whether to support or oppose a European Constitution. Accordingly, a great necessity to effectively communicate the document still remains.

Greece

The scenario of continuation of the Draft Constitution ratifications keeps surfacing in public debate in Greece, mainly from federalist circles in academia and the media (without even the mention of protocols bringing about a “correction of course” that might overcome the negative reflexes of nay-sayers throughout Europe). Cherry-picking or a mini-Treaty, in the way that Mr. Sarkozy has been advocating, has started gaining support in Greece, but no clear political positions have been taken officially.

Hungary

Many scenarios/options regarding the future of the constitutional process have already emerged, but none of them enjoys consensus so far³⁹¹. Moreover, even if there was consensus at a high political level, there might be again resistance/rejection at the citizens’ level (in case of national referenda). The known scenarios range from the minimalist approach of Nicolas Sarkozy, who proposes a “mini treaty” containing only a few uncontested issues, through the interim solution of Jo Leinen that leaves Part III of the Constitutional Treaty out of the ratification process (except for its few new articles), up to the maximalist approach of Angela Merkel, which aims at even adding further elements on “social Europe” into the Constitution. Apparently the final solution to the present deadlock will be somewhere in between these – and possibly other forthcoming – options, and will result in a kind of mixture of the emerging ideas. Nevertheless, Hungary does not expect this final solution before 2008, but during the German Presidency a clear timetable and the main negotiating guidelines could be set.

Until then three aspects must be highlighted, according to Budapest: 1) The present 16, and with the accession of Bulgaria and Romania,

³⁸⁰ Cf. Frankfurter Allgemeine Zeitung: Kunststück, 12 October 2006 p.10.

³⁸¹ Cf. Frankfurter Allgemeine Zeitung: Begriffsverwirrung, 7 November 2006, p. 10.

³⁸² Cf. Frankenberger, Klaus-Dieter: Allzu viele Erwartungen. Bringt die deutsche Doppelpräsidentschaft nur einen halben Erfolg?, in: Frankfurter Allgemeine Zeitung, 5 October 2006, p. 12.

³⁸³ Cf. e. g. Oswald, Bernd: Gefordert und fordernd, in: Süddeutsche Zeitung, 11 October 2006; Schwennicke, Christoph: Kanzlerin in Europa, in: Süddeutsche Zeitung, 12 October 2006.

³⁸⁴ Cf. *ibid.*

³⁸⁵ Cf. Riegger, Daniel: Kommentare, Europas Potenziale, in: Frankfurter Rundschau, 25 October 2006, p. 3.

³⁸⁶ Cf. Weingärtner, Daniela: Brüsseler Luftblasen. Auch Angela Merkel kann die EU-Verfassung nicht mehr retten, in: die tageszeitung, 17 June 2006, p. 10.

³⁸⁷ Cf. Richter, Emanuel: Gutes Regieren mit bescheidener Reichweite, Das Projekt einer Europäischen Verfassung ist verbraucht, in: Frankfurter Rundschau, 7 November 2006.

³⁸⁸ Cf. *ibid.*

³⁸⁹ Cf. Bertelsmann Stiftung: EU 2020 – the View of the Europeans. Results of a representative survey in selected member states of the European Union, 20 September 2006, available at: http://www.bertelsmann-stiftung.de/bst/en/media/xcms_bst_dms_18555_18556_2.pdf [last access 27 November 2006].

³⁹⁰ Cf. Bundesverband deutscher Banken: Europa als Chance begreifen, Ergebnisse einer repräsentativen Bevölkerungsumfrage im Auftrages des Bundesverbandes deutscher Banken, November 2006, available at: <http://www.bankenverband.de/pic/artikelpic/112006/20061>

[117_Umfrage_Europa.pdf](#) [last access 27 November 2006].

³⁹¹ The answers are based on interviews with diplomats of the Department for European Policy of the Hungarian Ministry of Foreign Affairs completed with information from Bruxinfo, the first Hungarian electronic EU news agency (<http://www.bruxinfo.hu>).

18, (and adding the European Parliament's act 19) positive ratifications must be given recognition, and Hungary would like to preserve the probability of the Constitutional Treaty's entry into force even in its present form. 2) The elaboration of a completely new constitutional text is not a realistic scenario. In this case a new Convention should necessarily be convened, since this forum proved to be a highly valuable and democratic one. Therefore, one cannot engage in a new constitutional venture without it any more. But the time before the 2009 EP elections is too short for a new Convention to be followed by a new IGC, so all this would threaten to devalue the whole initiative. 3) When negotiating on future institutional reforms (e.g. following the "Nice plus" approach focussing on the main institutional aspects) it must be born in mind that this is a highly sensitive issue and for some member states it would mean opening a Pandora's box. At the same time this is not an eye-catching subject for the ordinary citizens at all. So, this would entail endless debates again on the voting system at the EU level, accompanied by increasing disappointment at the citizens' level.

Ireland

The official position of the Irish government appears to be in favour of a continuation of the ratification process following an examination of the specific obstacles in the two member states which have refused to ratify the ECT and in those yet to ratify.

The Irish Prime Minister has reiterated on several occasions his commitment to retaining the current ECT as it stands and does not favour cherry picking.

There is another view which favours a mini-treaty drawn from the ECT and limiting action to the necessary institutional changes and a more clearly and tightly drawn formulation of the Charter of Fundamental Rights, accepting that the process is likely to require a new set of negotiations. There would, however, be legal and constitutional difficulties for Ireland if such a path were pursued.

It seems to emerge from discussions so far that a Convention would not be the most effective way to approach the negotiations. However, an IGC is likely. Finally, the tranche by tranche ratification over a longer period would seem to be impractical since it suggests

more than one Treaty change, which would require ratification according to the constitutional requirements of each Member State.

Italy

The Italian government's preferred option was to recover the entire Constitutional Treaty without any change. In April 2006, President Prodi said he still wanted to recover the Treaty, adding that he would agree to renegotiate it only if it were clearly impossible to recover it³⁹². In the end, even Prodi, who was afraid that another endless round of negotiations would jeopardise the reforms already agreed, had to recognise the need for changes in the Constitutional Treaty.

In case of renegotiation of the Treaty, the Italian government stated that it would have a very clear goal: to save the most important reforms already agreed, and add to them the reforms deemed necessary after the failure of the French and Dutch referendums. Italian Foreign Minister D'Alema listed, in an article in the daily *La Repubblica*³⁹³, some reforms he considers acquired and no longer negotiable: a European Foreign Minister who presides over the Council and who is also a member of the Commission, a stable European Council president, extension of qualified majority vote on the basis of the double majority principle, clearer competences and repartition of sources of law, legally binding force for the Charter of Fundamental Rights. The goal is not to save merely a "mini treaty", as French Interior Minister Sarkozy suggested, but a "core treaty". What's more, D'Alema also said Europe has to fix its geographical limits, its frontiers. In addition to Bulgaria and Romania, all the Balkan states and Turkey have the requisites to ask for EU membership. Ukraine, Russia, former Soviet countries and southern Mediterranean countries do not.

Not all political forces in the government coalition support new negotiations on the Constitutional Treaty. Radical leftist forces have strong doubts about the Constitutional Treaty. The Refounded Communist Party, which actually voted against ratification of the Treaty, considers it illegitimate and destined

³⁹² See interview with Romano Prodi, "*Le grandi scelte per un governo di centrosinistra*", *Italianeuropei*, Jan/Feb 2006, pp. 9-21.

³⁹³ Massimo D'Alema, "*La seconda occasione dell'Europa*", in *La Repubblica*, October 27, 2006

never to come into force. It would be much better to start again with a brand new European constituent assembly, in the tradition of Altiero Spinelli. The proposal of a constituent assembly is also shared by the Minister of European Policies, Emma Bonino³⁹⁴, former EU Commissioner and Radical Party member, but by few others.

D'Alema's declaration, however, did not spark as much political debate as one would have expected. Even in the public opinion, the lively debate on the future of Europe which developed the day after the French and Dutch referendums seems to have calmed down at the moment. A few authoritative pro-European personalities, such as former Italian President Carlo Azeglio Ciampi and current President Giorgio Napolitano, along with some members of the government, have striven to keep the debate going. But it seems to have returned to being confined mainly to academia. Majority and opposition political forces have concentrated in the last months on other issues, especially on negotiating the annual budget. Passing the budget is always a delicate moment, and this year the majority's tight margin and fragility made it even more delicate.

Opinions on the right way to manage the constitutional crisis are varied. Some experts, including former European Policies Minister Giorgio La Malfa³⁹⁵, believe it is impossible to ratify any Constitution at all, at least for the moment. They recognise the need for reforms but they are very sceptical of a Constitutional Treaty. Their suggestion is to implement some of the reforms already agreed simply modifying the Nice Treaty. This is the so-called "cherry picking strategy", meaning bringing into force some selected provisions of the Constitutional Treaty. But this option has been ruled out by the government because cherry picking could be misunderstood by some European governments as an alternative to the coming into force of the Treaty.

Another option is a new intergovernmental conference that would negotiate a new treaty, taking the reforms on which there is consensus as a basis. The problem with this option, however, is that new negotiations would probably take too much time to produce

results, while Europe cannot afford to wait too long for the needed reforms. Moreover, it is at best uncertain if a new conference would be able to negotiate a better treaty.

On the opposite end of the spectrum, federalists such as Guido Montani, the president of the European Federalist Movement, believe a new constituent conference should be established, which would discuss the unresolved issues but would keep the reforms already acquired by the Constitutional Treaty³⁹⁶. The conference, elected by the people, would have wider democratic legitimacy.

Some more or less broadly shared points of view do exist. First of all, as D'Alema wrote, the Constitution and in particular some of its provisions must be saved, especially the ones related to institutional reform, strengthened cooperation, the Charter of Fundamental Rights and foreign policy. Second, it should not be forgotten that the Treaty has already been ratified by 18 member states, if we include Romania and Bulgaria. Those people's will must not be ignored, but rather respected. Ratifications must be continued, as politically dangerous as this may be. It is worth the risk. This is the position expressed by President Napolitano and various members of government³⁹⁷.

Latvia

The Latvian government believes that a new impetus should be provided for the continuation of the ratification process of the Constitutional Treaty. Latvia has not offered any specific suggestions as to how to proceed pending the initiatives of the German presidency and fresh proposals that might come from France and the Netherlands, whose rejection of the Constitutional Treaty led to the current dilemma. In Riga the idea of adopting a "mini-treaty" does not seem to be considered as a viable solution or an appropriate alternative.

³⁹⁴ Giovanna Casadio, "Una Costituente per la Ue, D'Alema si muova subito", in La Repubblica, May 22, 2006

³⁹⁵ Giorgio La Malfa and Marco De Andreis, "Treating Europe's ills: Diagnosis and Prescriptions", in Europe's World, n.3, Summer 2006

³⁹⁶ Guido Montani, "Un piano italiano per la Federazione Europea", in Affari Esteri, n. 152 Autumn 2006, pp. 799-806.

³⁹⁷ Rocco Cangelosi, "Il futuro dell'Europa: riflessioni sulla pausa di riflessione", in La Comunità Internazionale, n.2, 2006

Lithuania

In a meeting with the Deputy Chairwoman of the German Bundestag, Susanne Kastner, the Lithuanian Prime Minister Gediminas Kirkilas declared that Lithuania favours the idea of a continuation of the ratification process of the Treaty establishing a Constitution for Europe³⁹⁸. As the Secretary of the Lithuanian Foreign Affairs Ministry, Žygimantas Pavilionis, said, "Lithuania was the first EU member state to ratify the Constitutional Treaty and has consistently favoured its preservation. Therefore, the further ratification of the Treaty and its entry into force would match the Lithuanian interest best". According to him, the Constitutional Treaty is the best compromise that could have been reached. As the Secretary noted, Lithuania would consider the possibility of adding additional protocols or declarations to the Constitutional Treaty if that would help to solve the problems of the countries which have rejected the treaty. Žygimantas Pavilionis emphasized, „It is most important for us that the essence of the Constitutional Treaty be preserved“³⁹⁹.

Speaking at a conference about the future of the Constitution for Europe, a lecturer of the Institute of International Relations and Political Science of Vilnius University, Arūnas Gražulis, stated that although the Constitution for Europe has shortcomings, it is a big step forward. It would take too much time to reach a consensus on a new document, therefore the ratification process of the Constitution for Europe should be continued, and the implementation of this compromise is the only way forward⁴⁰⁰.

A public opinion survey on the Lithuanian population conducted by the German Bertelsmann foundation demonstrates that, although Lithuania was the first EU member

³⁹⁸ Ministras Pirmininkas su vizitu vieši Berlyne [Prime Minister is visiting Berlin], Lithuanian Government press release, 22 September 2006, http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=3859

³⁹⁹ Tęsiamos konsultacijos dėl ES konstitucinės sutarties [The consultations on the EU Constitutional Treaty are continued], Lithuanian Foreign Affairs Ministry press release, 14 November 2006,

<http://www.urm.lt/index.php?1596837579>

⁴⁰⁰ Europos Parlamento nariai su Lietuvos jaunimu diskutavo apie Sutartį dėl Konstitucijos Europai [European Parliament members have discussed the Treaty establishing a Constitution for Europe with the Lithuanian youth], European Information Centre of the Committee on European Affairs of Lithuanian Parliament press release, 10 October 2006, <http://www.eic.lrs.lt/index.php?-1450422194>

state to ratify the Constitution for Europe, only 30 % of Lithuanians believe that this document will be ratified in the next 15 years⁴⁰¹. 11 % of the population believe the EU will be guided by the treaties, which are valid now, although 32 % say that these treaties will be reformed (27 % of the population did not express any opinion)⁴⁰².

Luxembourg

Luxembourg had a very large debate on the European constitution before the 10 July referendum in 2005. The virulent campaign of protagonists and detractors of the constitutional treaty was able to raise the public's interest. In fact, the "no" votes in France and in the Netherlands nearly caused the defeat of the "yes" vote, which was taken for granted before April 2005. The threat to resign, expressed by the popular Prime Minister Jean-Claude Juncker, prevented many Luxembourg citizens from voting "no" and assured a narrow victory of a 56.52% "yes" to a 43.48% "no". Since July 2005, however, the debate on the European constitution has almost disappeared from public interest. Many Luxembourg citizens consider that the referendum was held in vain.⁴⁰³ Some political leaders like Nicolas Schmit, Ben Fayot, Jacques-Yves Henkes, Lydie Polfer and Jean-Claude Juncker, keep exposing their ideas and positions in the ongoing ratification process.

Jean-Claude Juncker declared in a speech, delivered at Luxembourg University on 11 December 2006, that he was not amused that some member states who had not even started the ratification processes, such as the United Kingdom, Portugal and Sweden, now feel free to give lessons to the member states having accepted and ratified the treaty. "They are not entitled to adopt this provocative attitude until they have done their homework".⁴⁰⁴

⁴⁰¹ Tik trečdalis lietuvių tikisi bendros Europos konstitucijos [Only a third of Lithuanians expect that there will be a common European Constitution], News agency Baltic News Service, September 20, 2006

⁴⁰² Tik 30 proc. lietuvių mano, kad bus priimta bendra ES konstitucija [Only 30 % of Lithuanians think that a common European Constitution will be adopted], 20 September 2006

<http://www.delfi.lt/archive/article.php?id=10740934&categoryID=2045412&ndate=1158699600>

⁴⁰³ Discours de Nicolas Schmit [Vice-Minister of Foreign Affairs] » le referendum du 10 juillet 2005 : un vote pour rien ? 10.7.2006 www.gouvernement.lu

⁴⁰⁴ Université de Luxembourg 11.12.2006 Le Premier ministre Jean-Claude Juncker dans le cadre de « Forum

Apart from the populist ADR faction, all other political parties represented in the Luxembourg Parliament still cling to the constitutional treaty. According to the ADR foreign affairs spokesman, Jacques-Yves Henkes, “*the treaty is dead - stone dead*”. From his point of view there is no use continuing the debate⁴⁰⁵. The ADR defended an unclear position during the referendum campaign and ended up supporting the “no” vote. But the ADR voted “yes” to the treaty after the parliament’s ratification debate in order to “respect the will of a majority of the Luxembourg population expressed in a democratic referendum”.⁴⁰⁶

Ben Fayot, the parliamentary leader of the Luxembourg Socialist Party and a former member of the European Parliament and Constitution convention, affirms that the French “*non*” not only jammed Europe’s dynamism, but also seriously damaged the central role of France in the European integration process⁴⁰⁷. Fayot quotes the potential French presidential candidate, Nicolas Sarkozy, who proposes to the German presidency to elaborate a kind of “mini treaty” with the most urgent institutional reforms. Sarkozy believes that this light version could be ratified before the end of the French presidency in the second term of 2008: it would be a parliamentary ratification, nothing more. After the European Parliament elections of 2009 a new convention could elaborate a new treaty or a fundamental law which a newly elected French president could submit to yet another referendum. Fayot deems this approach highly problematic in many respects. Firstly, he raises the question about how states like Spain and Luxembourg should proceed, which affirm with conviction that they will definitely not present a new text to their voters. Secondly, and even more important is the question if the French voters and the French political forces can unite to support the new “*fundamental law*”. Fayot argues that French

Minister Nicolas Sarkozy is trying to make the public believe that it is easy to elaborate such a “mini treaty” within a short time. It is well-known that institutional questions are very complicated since power distribution is a very sensitive matter. A new convention could produce a new text, and nobody knows what the new text would be like. “French political parties, especially the French Socialist Party, have dealt the constitution a mortal blow”, affirms Luxembourg’s socialist leader and former teacher of French literature, Ben Fayot. The UMP doesn’t stand back. President Chirac did not really take his political responsibility to fight for a text he had contributed to elaborate. A future French president must shoulder his political responsibility. It must be clear that he is determined to resign if the text is rejected. The announced resignation of Jean-Claude Juncker after a negative issue of the referendum was a major argument for the “yes” partisans in the July 2005 referendum in Luxembourg.

Nicolas Schmit, Luxembourg’s Minister of Foreign Affairs, who urges the German presidency to find a way out of the constitutional crisis faces a dilemma. On the one hand he continues seeing in the constitutional treaty as a way of allowing the European Union to meet the major challenges in the near future, such as playing a more active role on the international scale, improving European technology, promoting lasting development, fighting international crime and terrorism and managing migration influx in a better way. On the other hand he is aware that the constitutional treaty text as rejected in France and in the Netherlands has very little chance of becoming effective in the short term.

This dilemma situation risks lasting for a longer time, as there is no immediate way out. Those who have already ratified the text affirm that they will not present a new text to their electorate. And those who have been responsible for the failure of the ratification process argue that they cannot submit the same text a second time. Those who have not ratified the text so far tend to remain in this let’s-wait-and-see position, which appears to last for an unforeseeable time.

Nicolas Schmit seems pleased with the proposal made by the President of the Constitutional Commission of the European Parliament to stick to a more reduced and simplified constitutional text. Yet, even if this hypothesis presents a major handicap, it would

Europe – Histoire et Actualité », a donné une conférence sur le thème « L’Europe dans tous ses états » www.uni.lu

⁴⁰⁵ *Chambre des députés* débat sur la déclaration du ministre des Affaires étrangères 21.11.2006

⁴⁰⁶ *Chambre des députés* débat sur la ratification du traité constitutionnel. La loi spéciale portant sur l’organisation du référendum a été adoptée par la Chambre des Députés le 12 avril 2005. La Chambre des Députés a adopté la loi portant approbation du Traité constitutionnel le 28 juin, à l’unanimité, en première lecture. La Chambre des Députés a adopté le Traité en deuxième lecture le 26 octobre 2005 avec 57 voix contre 1.

⁴⁰⁷ *TAGEBLATT* 14.9.2006. L’Europe à l’ombre de l’élection présidentielle française

Ben Fayot was a member of the Luxembourg delegation to the European Convention that elaborated the constitutional treaty.

nevertheless force several states to organize a referendum regarding the constitutional nature of this text⁴⁰⁸.

In this context it appears much easier from a political standpoint to reform the Nice treaty by including the elements of the first part of the constitutional treaty. Nicolas Schmit (who is, like Ben Fayot, a member of the Luxembourg Socialist Party and in no way an adept of the political ideas of the French Minister of Interior Affairs), proposes to approve Sarkozy's approach, which the latter recently advocated in a speech in Brussels to get the European Union out of the awfully bad situation it happens to be in right now.

Jean-Claude Juncker however doesn't like the idea of splitting the treaty. Concessions one country made in the first part may be counterbalanced by advantages obtained in the third part. In this sense the treaty has to be considered as one piece. Take it or leave it.

The Luxembourg Democratic Party (liberal), which is - since the last elections in 2004 - the leading parliamentary opposition group, strongly opposes Sarkozy's proposals. Lydie Polfer, former Luxembourg Minister of Foreign Affairs and now a member of the EP, compares the Sarkozy proposals to a "copy / paste" of the UN Security Council organization. Only the larger member states would have a permanent seat in the commission, and the medium and the smaller states must be satisfied with a seat attributed in turns. This is unacceptable for Luxembourg. Only a Europe based on equal rights and obligations for all member states can lead to success.⁴⁰⁹

Malta

The most likely scenario that is talked about is that of a watered down treaty that focuses on the most important provisions and is easier to comprehend. It is hoped that serious debate on this matter will commence in earnest in 2007 during the German Presidency so that a re-drafted treaty can go through a process of ratification and be adopted by 2009 at the latest.

As Malta had already unanimously ratified the treaty in parliament in the summer of 2005, this is not seen as a national political issue but more of a necessity to allow the EU to function more effectively and also prepare the EU to admit more member states in the years to come.

Netherlands

In its policy document concerning European Affairs, the 'State of the European Union', which is annually presented to parliament at the start of the new season, the government agrees that in the short-term the focus should be on concrete European policy issues to restore trust among European citizens. In this respect the government is pleased with the European Council of June, which followed this Dutch position by addressing the contents of concrete European policy and by refraining from statements regarding the Constitutional Treaty. And it also welcomed the Commission's communication, "A citizen's agenda: Delivering results for Europe", of 10 May 2006, which is considered as support for the Dutch approach as well.⁴¹⁰ In their opinion, enhancing the democratic legitimacy of European policy-making can be realised with the existing Treaty of Nice.

However, in the long-term treaty, changes are seen as inevitable to keep the enlarged Union manageable, more democratic and transparent in order to cope with future policy challenges and to come to a better division of competences between the Union and its member states. However, the government stated that it does not intend to resubmit the Constitutional Treaty for ratification to parliament, because there is not enough political and public support in Dutch society. In the process of institutional reforms The Netherlands will focus on those treaty changes that follow the concrete European policy agenda and enhance the democratic legitimacy of the European Union. For the next year special attention will be devoted to the implementation of concrete European policy agreements following the informal Heads of State and Government meeting in Hampton Court and the strengthening of public support for Europe in The Netherlands. For the government, the ultimate priority lies in bringing the process of European integration more in line with the wishes and expectations of the people of

⁴⁰⁸ Nicolas Schmit : "Pour la constitution ... quelle voie de sortie?" Contribution écrite du ministre délégué aux Affaires étrangères 28.9.2006 www.gouvernement.lu

⁴⁰⁹ DP-Pressekonferenz zum Fortschritt in der EU-Verfassungsdebatte: Handlungswille gefragt. 14.11.2006

⁴¹⁰ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 11.

Europe. Therefore they welcome the concrete and realistic character of the Finnish presidency's agenda.⁴¹¹

In the position of the government one thing is clear: they practise delaying tactics to buy more time, and as a matter of fact avoid any concrete statements concerning the future direction of the negotiations on the Constitutional Treaty. Given the fact that the 22 November parliamentary elections will take place in The Netherlands, it is obvious that they are carefully avoiding the issue, because of the still existing resistance to the Constitutional Treaty in society and among popular opposition parties, like the socialist party (SP). In his article on the constitutional crisis after the June European Council, Professor Jan Rood refers to the Council's conclusions as 'an agreement to disagree'. He criticizes the fact that both member states in favour of and opposed to the continuation of the ratification process are being pleased in the text. The Dutch government, for example, highly appreciated that in the final document the words institutional and constitutional are not mentioned when talking about the reform process. In his opinion, the Dutch approach of focussing on the concrete results of European integration to create public support, and eventually support for a treaty change, is feeding the suspicion in other member states. They fear that when this approach is combined with cherry picking The Netherlands will use this 'Europe of projects' as an argument that the Union can function without a new constitution. As in his view it is highly unlikely that the same Constitutional treaty will be ratified in a second attempt in France and the Netherlands, the current issue is not the Constitutional treaty itself, but how new a new treaty will actually be. In this respect it seems to him that The Netherlands favours a limited institutional reform that merely modifies the Nice Treaty, rather than a new treaty mainly based on the constitutional treaty. Also, keeping in mind that this approach will help the government to avoid another referendum.⁴¹²

Only recently the government has given more clarity on its position concerning a future treaty in a speech by the Foreign Minister Bernard Bot. He reconfirmed that the constitutional

treaty is unacceptable in its current form and that The Netherlands will look for a slimmed down version of this treaty. In his opinion it is crucial to avoid calling it a constitution, because it was precisely the fear for a European super-state linked with this term that made people reject the constitutional treaty. In the same line of reasoning he suggested to erase the reference to the European flag and anthem in part I and to delete part II on fundamental rights as well. Since there is already a Charter on Fundamental Rights this seems not essential, rather the EU should become a party to the European Convention of Human Rights. Although Bot was advocating a slimmed down version of the Constitutional Treaty he distanced himself from the Sarkozy proposal of a "mini treaty", arguing that it focuses solely on institutional matters, whereas policy issues will be postponed to a next phase of treaty change after 2009. In line with the Dutch approach of concrete European policy results, he deems it necessary to do justice to the people and address issues like energy security, fighting organised crime, promoting peace and democracy in the world, environmental protection and a better guided enlargement process. Concerning the latter he proposed to include the Copenhagen Criteria in a new treaty. In his opinion, such a slimmed down treaty is substantially different and better than the current constitutional treaty.⁴¹³

Poland

The option of renegotiation is certainly favoured by the Polish government, which is not happy with certain aspects of the treaty (mostly the issue of vote distribution in the Council, but also because of the lack of the *invocatio Dei*). It would be especially difficult for Warsaw to concede that the institutional package is a done deal that should not be tinkered with. However, it cannot be completely ruled out that the Polish government would be willing to discuss the most conscientious issues and consider certain policy innovations, especially given that the Law and Justice Government advocates strengthening certain EU policies, such as energy policy.

The government and the president have recently changed their tone concerning the future of the Constitutional treaty. Whereas before the June Council Prime Minister

⁴¹¹ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 7.

⁴¹² Jan Rood, 'De grondwettelijke crisis na de Europese Raad: 'an agreement to disagree'', Clingendael Institute, July 2006. (online publication: <http://www.clingendael.nl/cesp/publications/?id=6286>)

⁴¹³ Speech by Bernard Bot, Minister of Foreign Affairs, 'Hoe gaan we verder?', Harvard Club of The Netherlands, Amsterdam, 09/11/06.

Jarosław Kaczyński was of the opinion that the treaty was dead, he now recognizes that it should be considered a point of reference for future discussions. On the occasion of Jose Manuel Barroso's visit to Warsaw in October President Lech Kaczyński announced that Poland would take an active part in the process of finding a solution to the constitutional imbroglio.⁴¹⁴ However, it is clear that Warsaw would wait for the German Presidency to present its report on the issue.

In the context of Poland's position on the future of the Constitutional treaty one should note the changing rhetoric of Law and Justice party when it comes to the subject of the future of European integration. For years, the Kaczyński brothers were considered as rather lukewarm supporters of further integration. Recently, however, both of them agree with the general idea of deepening, at least in certain areas. Both the President (Lech Kaczyński) and the Prime Minister (Jarosław Kaczyński) claim that they do not oppose political integration as such.⁴¹⁵ The Prime Minister became one of the most ardent supporters of the creation of the European army (although the exact institutional set-up he favours is unclear). Such a stance is supported by very active Polish involvement in ESDP operations and is symptomatic of a more open attitude towards the idea of deepened European integration.

As it concerns the public attitudes to the future of the Constitutional treaty, it is clear that most Poles favour a highly integrated EU, equipped with strong institutions and close co-operation with other Member States (69%)⁴¹⁶. This support is combined with positive attitudes towards: common EU government, common armed forces and the office of a minister for common foreign policy. 68% of respondents support the idea of having the European Constitution⁴¹⁷. Majority positive opinion (59%) is given to the Constitutional treaty itself. Respondents consider this treaty necessary to make the EU more efficient and more mature. 49% are convinced that the Constitutional treaty will serve the ordinary citizen well.

⁴¹⁴ See: Dziennik, 16.10.2006, PAP, 14.10.2006.

⁴¹⁵ See for example – Lech Kaczyński's interview for Dziennik in May 2006, or Jarosław Kaczyński's famous interview for the European Voice (edition 30 July- 6 September).

⁴¹⁶ Polish public opinion on the European Union and the Constitutional Treaty, The Institute of Public Affairs, Warsaw, May 2006, p.2.

⁴¹⁷ The precise question was: "Do you believe that European Union needs a constitution?"

As it concerns the Poles' opinion on future scenarios, the conviction that the new treaty should be drafted prevails (44% of respondents)⁴¹⁸. 22% think the ratification efforts should be continued despite the negative results in France and The Netherlands. Not more than 13% state that the Constitutional treaty should be abandoned.

Portugal

The most sought-after scenario (leaving the CT as is) is gradually being abandoned on the grounds of its unfeasibility, although political statements still insist on the indivisibility of the TC and it being the best possible compromise. The foremost concern, in any case, is keeping the balance between institutional reform and EU policies, among which social cohesion continues to feature prominently. Dropping Part III, it is thought in some circles, would make it easier to downgrade those policies. The mini-CT along UMP leader and presidential hopeful Nicolas Sarkozy's proposal is thought to be a short-cut leading directly to the abhorred *directoire* model, particularly in government circles. Part III is seen as guaranteeing internal solidarity and cohesion, which remains perhaps the highest concern, shared by government and opposition circles alike, hence the resistance to leaving it out. Reopening the whole process up again is thought to lead nowhere. The second most favoured option, on the grounds especially that it is now judged feasible, is therefore the continuation of the CT's ratification process, with possible 'subtractions' in the form of derogations and opt-out protocols for example, with a second IGC (the grounds for which, ideally, would be laid by the Portuguese Presidency) tasked with 'clarifications' heeding to the underlying reasons of the French and to some extent the Dutch 'No' votes.

Romania

The latest developments of the discussions that took place at the European level within the "reflection period" have failed to significantly impact the interests and topics of the Romanian public debates. The official positions expressed in the last six months are not fundamentally distinct from the not very elaborated political statements of the previous semester, which basically conveyed support

⁴¹⁸ See ref. 14.

for the constitutional reform process and the need to overcome the deadlock in the Constitutional Treaty ratification process.

Generally, the need for a “constitutional jump”, contributing to an increased institutional effectiveness of a 27-member Union and to the clarification of the direction of its political project, has been accepted. That idea is still connected by the public opinion to a plan confronted with one of the most resounding failures in the history of the European project, a project whose aim is being reassessed after the emphatic diagnosis of a generalized drift. Neither the acceptance of the “constitutional jump” idea, nor the political pressure to proactively assume the new EU member status of Romania have led to the official expression of a fundamental preference towards one of the main scenarios for the continuation of that process.

The issue of the European Constitution has been introduced in the academic debate agendas in Romania among the current key challenges of the Union, however without being ranked as an analytical priority. A common feature in approaching that topic at the political level or in various relatively specialized contexts is the acknowledgement of high expectations for the manner in which the German Presidency would manage the constitutional reform issue. Also, moments which would probably bring some changes on the French and Dutch political scenes are expected in 2007. The impact of such changes at the European level might lead to an official political support of those two countries for a certain scenario, and to the reinforcement of the chances to reinvigorate the French-German partnership.

Among the latest opinions regarding the possibilities to solve the constitutional deadlock, the future EU Commissioner Leonard Orban expressed an obvious “no” against the “cherry-picking” scenario during the hearings in the European Parliament: “I am against a *cherry-picking*. We have to adopt the whole document in order to prevent any imbalance”⁴¹⁹. He also stated that the Commission’s contribution during the “reflection period” is a “solid basis which will allow us to get out of this institutional crisis”.

There are also opinions crediting to a larger extent the alternative of preparing a “mini-

⁴¹⁹ Leonard Orban, 28th of November 2006, European Parliament hearings.

treaty”. Although anticipating the possible restart and continuation of the ratification process, perhaps after adding declarations and protocols dissipating the distrust and fears of the citizens in certain countries, Mircea Vasilescu considers “that such process would be lengthy and would have a small chance of success, because the interruption of the ratification process remained in the public conscience as a failure, and it would be difficult for the politicians and European institutions to convincingly “sell” the renewed ratification. Against that background, a “mini-treaty” based on the already negotiated constitutional treaty could be provided as a simpler and clearer “new product”, which could be easier to communicate to and be received by the public”⁴²⁰.

The “mini-treaty” solution has been also mentioned by Dragoş Negrescu as the most realistic: “A continuation of the ratification process (with the addition of declarations and protocols) is the least satisfactory option in terms of democratic credentials and of inducing a significant variability of rights and obligations among an already diverse collection of Members. A new process of negotiations would risk giving away the few compromises arrived at. This leaves a ‘mini-treaty’ as the best solution.”⁴²¹

The former Romanian Chief Negotiator with the EU, Aurel Ciobanu-Dordea, considers that the perspective to go on with the ratifications and rescue the text through a miraculous formula is utopian: “Therefore, it is more likely and in particular more feasible that any solution be a *fundamentally new* solution (not based on the failed treaty, but on the needs of the current treaties) and also a *minimalist* one (implementing only changes manifestly or arguably necessary for the smooth operation of the Union and for an increased legitimacy in the eyes of the Union’s citizens). Starting from the existing text would also import, besides the solutions, the credibility deficit. Should a new comprehensive and complex text be produced, negotiations would become more difficult and the risk of drift would increase, besides the fact that a complicated text, full of elaborated subtleties, would lead to an increased difficulty for the political leaders to explain and justify it,

⁴²⁰ Interview with Mircea Vasilescu, Executive Editor, *Dilema Veche*.

⁴²¹ Interview with Dragoş Negrescu, Professor at the Academy of Economic Studies, Economic Adviser within the EC Delegation in Romania.

meaning that the scenario of the failed Constitutional Treaty would repeat itself⁴²².

No matter whether the unofficial death of the Constitutional Treaty is accepted or not and whether more elaborated opinions have been outlined as regards the possibility to rescue – fully or partially – the contents of the document, the need to insert the most important innovations negotiated and included in the treaty is apparent. These elements regard in particular the institutional reform component and the innovations related to the CFSP/ESDP development, as they are the most significant reform areas that might reinforce the EU's position as a stronger actor on the international stage.

Slovakia

Slovakia's coalition government headed by Prime Minister Robert Fico stated in its program manifesto that "Slovakia will support the continuation of the ratification process of the Treaty on the Constitution for Europe. In the interest of reaching an agreement it will not avoid further discussion on simplification of the European legal system, on clearer delineation of competencies between the EU and member states and on creation of an effective system of decision-making of the enlarged Union."⁴²³

There is no open public discussion on alternatives to the EU Constitution, though a recent discussion paper of the Ministry of Foreign Affairs outlined various possible scenarios of how to proceed further with the reform of EU institutions. The Foreign Ministry outlined three possible ways of salvaging the EU Constitution: through select opt-outs, through new elements in the text – such as some form of a social declaration and through a pan-European referendum. Other alternatives also mentioned in a paper by the Foreign Ministry include already talked about "Nice plus" and "mini treaty" scenarios as well as the possible incorporation of parts of the EU Constitution in Croatia's future accession treaty.⁴²⁴

⁴²² Aurel Ciobanu-Dordea, The future of the constitutional process within the European Union, *European Institute of Romania*, November 2006.

⁴²³ Author's translation from *Programové vyhlásenie vlády Slovenskej republiky*, August 2006.

⁴²⁴ See *Discussion Paper – Zmluva o Ústave pre Európu*, presented by the Ministry of Foreign Affairs of the Slovak Republic during a conference "Ako ďalej s inštitucionálnou reformou EU" held in Bratislava on 28 November 2006.

During the latest European Council meeting that also opened the issue of the EU Constitution, Prime Minister Robert Fico said that "...it is about the will of some states to ratify this constitutional treaty." Fico added that Slovakia "expressed its view in parliament and we belong to countries that actively support this process."⁴²⁵

Slovenia

As to the scenarios for the continuation of the constitutionalisation process, Slovenia's official politics is silent concerning the form of any future document or its content. Slovenia's government is completely concentrated on the issue of the Presidency and the responsibilities it will take over at that time in the first half of 2008. In this respect, Prime Minister Janez Janša's comment in the middle of June this year summarises the Slovenian position (which is also likely to continue up to March 2007 or even up to 2008): "Slovenia is aware of the responsibility it will hold in the time of its Presidency. At the time some concrete proposals will probably be on the table, submitted mostly in the time of the German Presidency."⁴²⁶ Slovenia is preparing for the task, but waiting for the proposals on the table and withholding its own with a view to act in its mediating capacity as the Presidency (of a small state with no specific national interest in respect to the outcome) on the issue.

Spain

Having ratified the Constitutional Treaty (CT) after the referendum on 20 February 2005, and being convinced that the CT is a good solution to the problems of Europe, rather than a problem in itself, the Spanish government would want to see the document ratified by all member states and entered into force as soon as possible. Therefore, it is up to those who have encountered problems in the ratification process or those who have suspended the ratification process to formulate concrete proposals as to how to proceed. The Spanish government is willing to be flexible and help countries out of their problems, but this requires first that the countries themselves show their willingness to overcome the current stalemate. Therefore, the government is in favour of a "wait and see policy" until the

⁴²⁵ "Pokračuje zasadnutie európskych lídrov v Bruseli", *SME*, 15 December 2006.

⁴²⁶ TV Slovenija 1 (16 June 2006) *Dnevnik* [News].

presidential elections in France produce a president with the authority to commit France to the CT or to renegotiate it in part or in whole. The first preference of the Spanish government is then to have the CT enter into force with modifications to improve it or enhance, something which would not require re-ratification. The second preference would be to keep the core of the Constitution (Part I and II, probably the innovations of Part III concerning JHA policies, energy, co-decision, etc), but possibly under a new name. Thirdly, the government would very reluctantly accept negotiations on a "Nice plus" Treaty or a mini-constitution dealing only with institutional reforms and including no moves on substantive policy issues, to which Spain attaches great importance.⁴²⁷

Sweden

The new government has stated that it will not propose any decision on Swedish ratification of the Constitutional Treaty during its four-year term.⁴²⁸ This has also been accepted by the Left Party, which is negative to the constitution and has been the strongest proponent for a Swedish referendum on the constitutional issue.⁴²⁹ At the same time, however, the government has lent its support to the idea of a constitutional treaty in general and the timetable for a new treaty being in place by the fall of 2009.⁴³⁰ EU Minister Cecilia Malmström recently declared that the Swedish government is eager to keep as much of the constitutional treaty text as possible, as it reflects a delicate balance of different EU interests.⁴³¹

Turkey

As is the case for most of the issues surveyed in this EU-25 Watch, the terms of the debate

on the 'constitutional future' of the European Union is almost exclusively set by the ebb-and-flow of the relationship between Turkey and the EU.⁴³² The time period that is covered by this issue of EU-25 Watch coincides with the launching of the actual negotiations between Turkey and the EU that had started in June 2006. Thus, the Turkish press has been increasingly closely following the debates on the future strategies during the Austrian and Finnish Presidencies. The Turkish government seems to adopt a 'wait and see' position on the Constitution until the upcoming German and French Presidencies of 2007 and 2008 respectively and the French elections in 2007.⁴³³

Although press coverage on the issue -albeit limited- mainly focuses on various positions of leaders from different member states on the issue, there is wide consensus on the view that scenarios excluding Turkish membership would lead to very different outcomes for Europe's future than ones envisaging an enlarged Europe incorporating Turkey.⁴³⁴ In this context, the general feeling among the opinion-makers in Turkey is that the answer to the question whether Turkey anchors itself within the European unification project would depend on the answer to the question whether the original idea of 'unity within diversity' finds affirmation amongst the member states. Therefore, once again, all domestic discussions on the future of the EU center on the "credibility" of the EU's commitment to Turkish membership⁴³⁵, and the mood is growing gloomier day by day. This is reflected in the recent rise in the opinion polls in which negative responses to the question, "Do you think the European Union is treating Turkey in a fair and genuine manner?" rose from 55 per cent in December 2004 to 81 per cent in November 2006.⁴³⁶

From another standpoint, and perhaps more fundamentally, another common perception is that the French 'non' and the Dutch 'nee' have not only resulted in a malaise for the future of Europe, but they also radically altered the general enlargement strategy of the Union. Keen observers following the integration process draw the public's attention to the fact

⁴²⁷ For a Spanish reading of the current crisis and the possible ways out of see, e.g. "El futuro de la Constitución Europea: opciones para España / *The future of the European Constitution: options for Spain*". Informe Elcano / Elcano Report 8/2007, available at <http://www.realinstitutoelcano.org> The Report identifies four scenarios and ranks them according to Spanish interests.

⁴²⁸ "Regeringsförhandlingar utan besked", Svenska Dagbladet 2006-09-25, www.svd.se.

⁴²⁹ "V kan kompromissa om EU-konstitution", Svenska Dagbladet 2006-08-14, www.svd.se.

⁴³⁰ Speech by Cecilia Malmström at the Swedish Institute for European Policy Studies, 2006-11-16, www.regeringen.se; "EU kvar i tankepaus", Svenska Dagbladet 2006-12-16, www.svd.se.

⁴³¹ Speech by Cecilia Malmström, "Tal på Utrikespolitiska Föreningen i Uppsala" 2006-12-04, www.regeringen.se.

⁴³² See *EU-25 Watch*, No. 3, July 2006, p. 59-60.

⁴³³ *Dunya*, 10 July 2006.

⁴³⁴ See *Radikal*, 17 October 2006.

⁴³⁵ Cf. *Radikal*, 31 October 2006.

⁴³⁶ See, for example, answers to questionnaire item 2 in the *European Union Perception Survey* recently conducted by the International Strategic Research Organization, 6 November 2006.

that this was reflected in the Commission's Strategy Paper published in November. Thus, given the lacklustre public opinion in Turkey on both the prospects for Turkish membership to the EU in the foreseeable future⁴³⁷ and the credibility of the EU's commitments, the Turkish debate on the strategies for the 'constitutional future' of Europe is very likely to remain extremely limited.

United Kingdom

There is very little long-term strategic thinking currently going on either among the British government and Conservative opposition with regards to the future of the Constitutional treaty. It is, however, recognised that after next year's French elections serious efforts will be needed to revive the Constitutional process. This will probably be a matter of greater concern to Prime Minister-in-waiting Gordon Brown than for the current Blair government. So far, Downing Street has been able to argue that it is up to the French and Dutch governments to put forward proposals to resume the ratification process. But pressure will be upon Mr. Brown's shoulders next year to be clearer about British intentions.⁴³⁸

In this light, the most desirable scenario for the next UK government would be an outcome that

would produce a limited series of amendments to the Treaty. The recent proposals of French Interior Minister Nicolas Sarkozy for a "mini-treaty" drawn from the Constitutional treaty would probably go too far for Mr. Brown's government to be able to accept them. The most that Mr. Brown would be likely to accept would be something between a "mini-treaty" and the British preferred option of simple amendments to the treaty.

Even though it has been hinted in the media that German Chancellor Merkel and European Commission President Barroso could try to entice Mr. Brown to sign up the Constitutional treaty in exchange for a deal to reform the EU budget and the Common Agricultural Policy, this outcome is very unlikely. Mr. Brown would wish to avoid holding a referendum on the Constitutional treaty since he knows it will be extremely difficult to win at home. Mr. Brown might show sympathy for the proposal of a treaty package that would include minor changes, such as more majority voting in the Council, more coordination in foreign policy, greater involvement of national parliaments, reforms that would not raise much controversy in Britain and would not be needed to be submitted to a referendum. A new overall process of comprehensive negotiations "Nice plus" is very unlikely to commend itself to the British government.

⁴³⁷ The Turkish public is growing increasingly pessimistic about future membership to the EU; in fact only 8% of the respondents in a recent survey reported that Turkish membership is possible in the next 10 years. See the answers to questionnaire item 3 in the *European Union Perception Survey* conducted by the International Strategic Research Organization, 6 November 2006.

⁴³⁸ Brendan Donnelly, "Mr. Brown Comes to Brussels", *Federal Trust Newsletter*, Autumn 2006

4

Absorption capacity

In the run-up to the December European Council, the European Commission will publish a report on the EU's capacity to absorb new member states.

- **What are the reactions in your country?**
- **Which points are considered as most important?**
- **What are the implications for the future of EU enlargement?**

Austria

A public discourse on the absorption capacity as a new instrument and criterion for membership hardly took place. The debate was largely eclipsed by an intense public debate on the possible EU-membership of Turkey, which is viewed with great scepticism by the majority of the Austrian population.

This scepticism is also one of the reasons for the very positive attitude towards this new instrument among all political actors and pressure groups on a national and EU level, the creation of which has been strongly based on the Austrian initiative. Especially the government and the Ministry of Foreign Affairs emphasise the role of an assessment of the integration capacity of each and every possible future member country as an operational indicator and a political argument to combat citizens' concerns about enlargement. The development of the absorption capacity into an effective and efficient operational tool is therefore an important concern of the Austrian government, as "(T)he content (of the report, B.R.) however seems a bit theoretical and not sufficiently hands-on".⁴³⁹

For the biggest opposition party, the Green party, the impact assessment on the integration capacity of new member states also bears an important democratising and legitimising aspect. The creation of this new indicator is considered an important part of the ongoing institutional reform process that shall enable the European Union to become an effective, efficient, legitimate and democratic decision-making body despite possible further enlargements.

The creation of a new institutional framework as an important pre-condition for a future enlargement is also emphasised by pressure groups from the economic domain and the Austrian union of trade unions/chamber of labour. They however, also insist on a review of the costs of future enlargements both as regards budget and finance and social and economic consequences. Both institutions mention three core components that need to be assessed in terms of integration capacity: (1) social cohesion within the EU (GDP, unemployment rate, poverty rate, income gap, etc.), (2) reform of the budgetary household, including a re-allocation of budgetary means from the agricultural sector towards the Lisbon-

initiative (labour market policy, research and development, education, etc.) and more transparency as regards the costs of accession, (3) functioning institutions and decision-making processes.

Especially the Austrian trade unions emphasise the social and economic stability of the EU, which is currently far from satisfactory, as an important pre-condition for future enlargements: *"Only if the socio-economic reform process geared towards growth AND employment has taken root and unemployment and poverty within the EU have been significantly reduced shall new enlargements be considered."*⁴⁴⁰

Despite all the scepticism, a further enlargement of the EU is however, considered positive and necessary. Especially the integration of the Western Balkans is perceived as indispensable for a politically and economically stable and peaceful Europe. While for the Green party and the government the aspect of security and stability provides major momentum for the accession of the Western Balkans to the European Union, the Austrian Federal Economic Chamber and its representatives welcome the Austrian initiative for the Western Balkans and the accession of Romania and Bulgaria on 1 January 2007 as an important and highly positive contribution to economic growth.

Belgium

Despite Prime Minister Verhofstadt's will to continue enlargement negotiations with new countries such as Ukraine, the general opinion about the Union's capacity to absorb new members is that it would be very dangerous for the Union to have new members entering without having previously reformed the institutions, in particular the majority rule and the budgetary dispositions⁴⁴¹.

Contrary to Mr Verhofstadt's vision of different paces of integration for new members⁴⁴², Herman Van Rompuy⁴⁴³ calls for a unified Europe that has its strict boundaries, and warns not to pursue the enlargement procedure quicker than the citizen is willing to support.

⁴⁴⁰ Questionnaire, Austrian Union of Trade Unions, 2006

⁴⁴¹ *De Morgen*, 16-06-2006

⁴⁴² *L'écho*, 06-09-2006

⁴⁴³ *Advice Committee for European Matters of the Chamber of Representatives*, 20-06-2006

⁴³⁹ Questionnaire Ministry of Foreign Affairs 2006.

Bulgaria

In an interview for EurActive, the European People's Party MEP, Alexander Stubb, describes EU "absorption capacity" as a term composed of three aspects: "My argument is that the Union needs to be ready for each enlargement on three accounts: institutions, budget and policies. If it passes the litmus test on all of these, then the Union is ready to enlarge. It is important to stress that integration capacity is the responsibility of the current member states, not the applicant countries."⁴⁴⁴

The EU's "absorption capacity" has been broadly debated by the media in the EU member states during the second half of 2006, usually being interpreted as an additional obstacle to future Turkish EU membership – a "softer" tool than a referendum.

If we pay attention to the state of the enlargement debate in Bulgaria, two important aspects can be outlined.

First, Bulgarian politicians support future steps in the process of strengthening the Union.⁴⁴⁵ For example, in a recent interview, Ms. Meglena Kuneva, Minister of European Affairs, restated the institutional aspect of absorption capacity, which in her view is closely linked to the perspectives of future enlargement⁴⁴⁶. According to Ms. Kuneva, if the Union is more institutionally stable and "stronger inside"⁴⁴⁷, this will facilitate future enlargements and will provide for stronger support among EU citizens.

Second, and most importantly, willingness for a stronger Union goes hand in hand with the need for the EU to continue the enlargement process that has already been launched. "In

the past, the EU used to be linked with the idea of benefit. Today, it is perceived above all as a threat. Yet most of the things that make the European peoples feel insecure, for example unemployment, are not connected with enlargement. It is rather due to the fact that Europe has to face a lot of challenges in a world where competition is getting fiercer. Therefore, the only way for Europe to become strong is to enlarge. We should realize that enlargement offers a lot of opportunities."⁴⁴⁸

Therefore, it is necessary to outline that leading Bulgarian politicians (President, Prime Minister and Minister of European Affairs) support the widening of the Union, focusing particularly on Western Balkan countries⁴⁴⁹. According to a commonly shared belief, the guarantee of a clear EU perspective to the Western Balkan states will contribute to peace, stability and prosperity not only for the Balkan region but for the European continent as a whole.

In the case of Turkey, the Bulgarian position can be summarized by the words of the Bulgarian Minister of European Affairs: "We support an entry of the country. We provide all the necessary changes in the country, which will bring the country to another stage, to the possibility to perform as a good negotiator and to succeed in this process. So, of course, as a neighbour, we really support the changes and the modernization of the country."⁴⁵⁰ At the same time, Bulgarian politicians have always emphasized that Turkish entry into EU has to be based on the fulfillment of all economic and political criteria set up by EU member states: "Since Turkey is a neighbouring country, of

⁴⁴⁴ European People's Party MEP, Alexander Stubb, interview with EurActive.com; 20.10.2006; available at: <http://www.euractiv.com/en/enlargement/interview-eu-integration-capacity/article-158959>; accessed on 28.10.2006.

⁴⁴⁵ It is necessary to point out that the majority of leading Bulgarian politicians has not taken a substantial part in the EU policy making process and lack sufficient institutional experience. Therefore, it is difficult to estimate whether their political opinions about the EU's institutional setting are the result of their own observations or are influenced by those of their more experienced colleagues coming from EU member states. – note by Dragomir Stoyanov.

⁴⁴⁶ An interview of Bulgarian Minister of European Affairs, Ms. Meglena Kuneva, with Bulgarian National Radio (BNR); Horizont; "Nedelja 150" ("Sunday 150") program; 09.10.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 27.10.2006.

⁴⁴⁷ Ibidem.

⁴⁴⁸ Interview of Bulgarian Prime Minister, Mr. Sergei Stanishev, with "La Croix"; "Old and New Europe Should Not Stand in Opposition"; 18.10.2006. available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 05.11.2006.

⁴⁴⁹ Interview of Bulgarian President, Mr. Georgi Parvanov, with Euronews; 24.09.2006; available at: <http://www.president.bg/> (the official web site of the President of Bulgaria); accessed on 05.11.2006. Press-conference of Bulgarian Prime Minister, Mr. Sergei Stanishev, and the Prime Minister of Denmark, Mr. Andres Fogh Rasmussen; 31.08.2006; available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 27.10.2006. Interview of Minister of European Affairs, Ms. Meglena Kuneva, for "Alpbach News"; 29.08.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 05.11.2006.

⁴⁵⁰ Interview of Minister of European Affairs, Ms. Meglena Kuneva, for "Alpbach News"; 29.08.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 05.11.2006.

course we have an interest in seeing Turkey go along the European road and eventually, in the future, become a member. I hasten to add however that to achieve that, Turkey needs, as has been the case with all other countries aspiring for membership, to take the concrete and difficult steps necessary to meet all the economic, political and other criteria required by the EU.”⁴⁵¹

Croatia

Croatian politicians, academics, media and experts consider the absorption, i.e. integration, capacity of the EU to accept new members a deciding issue for an EU enlargement policy. They perceive the future accession of Croatia into the EU as directly linked to it and many media and expert reactions in Croatia are highly dedicated to this issue. An overview of the spectrum of the debates shows that this issue was heavily debated in Croatia in the last few months.

The debates on absorption capacity were even stronger before, rather than after adopting the EU document. The general public and media were eagerly awaiting the Commission Enlargement Strategy, which was due on 8 November 2006, as it would bring a vision of the medium to long term-strategy of the enlargement and have as an integral part a special report on the EU absorption capacity's limits to accept the new members. The Croatian general public has been expecting that this strategy would definitely clear up some of the ambiguous statements coming up not long ago from the highly ranked EC officers, including Jose Barroso on Croatia's immediate accession prospects.⁴⁵² Namely, Mr. Barroso's statement at the end of September was that Croatia might have to wait until the problem with new Constitutional Treaty is solved, and that new members could not be accepted after the Nice Treaty expires. Later on however, following a diplomatic offensive by Prime Minister Sanader, several high EU administration officers⁴⁵³ have had

more optimistic prognoses for Croatian accession to the EU.

The National Committee for Monitoring EU Negotiations⁴⁵⁴ is also very closely following this issue and is pleading for an active role of the Croatian Government to ensure that this situation does not slow down or even block Croatian prospects for accession to the EU as a full member in the near future.

The absorption capacity issue that emerged in the EU was seen among Croatian political parties as twofold: a) as an outcome of the strong euroscepticism in some of the member states and, b) as a more difficult (although not unexpected) situation for Croatia, keeping in mind that it is not only the question of Croatian preparations to become an EU member, but also the EU readiness to absorb a new member, as well as the lack of an institutional framework to integrate the 28th member⁴⁵⁵.

Some of the parties expressed the view that it was important to insist on an individual approach during negotiations and to split the parallel negotiations of Croatia and Turkey⁴⁵⁶.

The academic debates⁴⁵⁷ prior to the release of the strategy were also closely concerned with the issue of enlargement *fatigue* and EU absorption capacity limits for new members and analysed different possible scenarios and their impact on the future Croatian membership. Dr. Damir Grubisa, Professor of Political Science, is of the opinion that the new Enlargement Strategy will have the strongest impact primarily on Croatia as it is the first among candidate countries on the waiting list for accession. He argues that hasty enlargement to include countries that were not completely ready as they did not completely

2006. It is also interesting to note that EC President Barroso later on softened his view on the need of adoption of the Constitution prior to any further enlargement.

(<http://ec.europa.eu/enlargement>)

⁴⁵⁴ *Jutarnji list*, 18th October 2006, p.2.

⁴⁵⁵ Tonino Picula, MP, the former minister of foreign affairs, in *Poslovni dnevnik*, September 27, 2006.

⁴⁵⁶ Tonči Tadić, MP, Croatian Party of the Right (HSP), quoted in business daily *Poslovni dnevnik*, September 27, 2006.

⁴⁵⁷ In expectation of the EU Strategy for Enlargement there is quite a spectrum of different academic opinions and analyses on limits of EU absorption capacities published also in the daily press. See for instance Dr Damir Grubisa column in daily *Novi List*, 7th November 2006; Dr Nenad Zakosek, Dr Ivan Siber and Dr Andjelko Milardovic op-ed articles in *Vjesnik*, 6th November 2006, Dr. Igor Vidacac in *Novi List* on 7th November, p. 3 etc.

The future enlargement capacity of the European Union was also extensively debated at the annual meeting of the Croatian Association of Political Sciences at the Conference “*European Union, National States and Future of Democracy*”, organized in cooperation with the Hans Seidel Stiftung in Zagreb, on 27 and 28 October, 2006.

⁴⁵¹ Interview of Bulgarian President, Mr. Georgi Parvanov, with Euronews; 24.09.2006; available at:

<http://www.president.bg/> (the official web site of the President of Bulgaria); accessed on 05.11.2006.

⁴⁵² *Poslovni dnevnik*, 27th September, 2006 quoted Mr. Barroso's statement in the European Parliament in Strasbourg. French President Jacques Chirac was also very sceptical on that matter. See *Poslovni dnevnik*, 2nd October, 2006.

⁴⁵³ See Oli Rehn's statement on the occasion of presentation of his new book on future borders of Europe, 10 October in Brussels, quoted in *Vecernji list*, 12 October

finalise these reforms is now threatening a slow-down in enlargement⁴⁵⁸.

Dr. Nenad Zakosek, Professor of Political Science, considers that the prolonged period of accession might have an additional negative impact on the public support of Croatian citizens for the EU accession, which might further sharply fall. The trend of falling domestic support for the EU accession is noticeable in the last three years and was confirmed lately by a September 2006 opinion poll. This might endanger the positive outcome of the national referendum on accession, which is obligatory according to the Croatian Constitution, and this should be taken into account⁴⁵⁹.

On a more positive side, the Croatian media reported on Romano Prodi's statement in the *Financial Times*⁴⁶⁰, who took a clear pro-enlargement stand. He said that the EU must not halt the accession talks with Croatia and Macedonia, as this would send a negative message on the dialogue with Turkey, which is already a very complex case, and also might endanger the entire enlargement process agenda.⁴⁶¹

The political reactions to the Enlargement Strategy and the Progress Report on Croatia, after it was publicly presented on 8 November by the Delegation of the EU in Zagreb, have been mainly positive. Prime Minister Sanader stated that the principles that are highlighted in the future strategy (consolidation, conditionality and communication) are in order and that Croatia will do its best to comply with the more rigorous conditions set to ready the country to take on obligations of membership. In his opinion, the Strategy of Enlargement makes it possible for Croatia to become a full member in the medium term, as planned, and also sends the right messages to Turkey and clear prospects for the other Western Balkan countries that want to join the process. He is also very content with the European Commission's Progress Report on Croatia, which shows good progress and that the political criteria are fully met. President Mesic

also shares the opinion that some critical tones in the Progress Report on Croatia on several issues, including the fight against corruption, judiciary reform, law enforcement and administrative capacity, would not slow down the accession process, but will rather lead Croatia to deal with them more effectively.⁴⁶²

The main opposition party leader, Ivica Racan, was more critical when assessing the Progress Report on Croatia and stated that the Government should take into serious consideration the issues of corruption and judiciary reform, where progress is critically assessed⁴⁶³.

Cyprus

The general reasoning and sentiment among the political classes in the Republic of Cyprus holds that, after the accession of Bulgaria and Romania, any future enlargement should be evaluated in terms of the ability of each state to adopt the Copenhagen criteria and the Union's capacity to absorb new member states. Simultaneously, Cypriot diplomats widely believe that EU enlargement has turned out to be the Union's most effective foreign policy tool. Using the case of the Western Balkans as a paradigm, they argue that the prospects of a future accession have helped these countries to implement successfully programmes aiming at further democratization.⁴⁶⁴

As we demonstrated in EU-25 Watch No. 3, "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% of the population who

⁴⁵⁸ Damir Grubisa, in *Europa*, Supplement on European integration, No 43, November 7, 2006.

⁴⁵⁹ The opinion polls in September 2006 done by agency PULS for the American International Republican Institute (IRI) show the support of only 48% of Croatian citizens, while 46% are against the EU accession. (quoted in *Novi list*, 28th September, 2006). The support for joining NATO is even lower at 37%.

⁴⁶⁰ *Financial Times*, 6th November 2006.

⁴⁶¹ *Poslovni dnevnik*, 8th November, 2006, p.11.

⁴⁶² *Poslovni dnevnik* (business daily), 9th November 2006, p.11.

⁴⁶³ Mr. Ivica Racan on the occasion of the presentation of the Progress Report at the National EU Monitoring Council, quoted in *daily Vecernji list*, 10th November 2006, p. 8.

⁴⁶⁴ Interviews conducted by Nicoleta Athanasiadou and Christos Xenophonotos, Cyprus Foreign Ministry, 16 October 2006.

are not in favour of accession, as well as for Turkey's, which reaches 80%".⁴⁶⁵

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.⁴⁶⁶

Now, although the Nicosia Government is on record as favouring 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 economic and structural ability of the EU to absorb new Member States without jeopardizing its normal functioning. They also point out that, given that the Nice Treaty covers a Union of 27 Members only, it is imperative, before any further enlargement, to develop the appropriate institutional reforms that would permit the Union to function efficiently with any additional Member States. In other words, our interlocutors share the perception that it would be unwise to proceed to any further widening before achieving sufficient structural institutional reforms.⁴⁶⁷ After all, the Commission itself plans to make an assessment of the impact of enlargement on EU institutions as part of its opinions on any future membership application.

We now turn to the two MPs we chose as spokespersons for Cyprus' two larger political parties. Mr Andros Kyprianou, of the left-wing AKEL, noted: "We do not object to the Union's further enlargement. What we emphasize, however, is that, in order for candidate countries to attain full membership, they should satisfy fully the very criteria that the other Member States have satisfied. And this applies equally to Turkey, which has undertaken a series of obligations towards the EU that derive, *inter alia*, from the Negotiating Framework and the EU's "Counter-declaration" of 21 September 2005".⁴⁶⁸

Mr. Tassos Mitsopoulos of the centre-right DISY (which belongs to the EPP), submitted

the following observations: "It is evident that the EU's absorption capacity cannot be used as a new criterion, beyond the Copenhagen ones, for the accession either of Bulgaria and Romania or of Croatia and Turkey. On the other hand, reality demonstrates that the EU has reached its limits. Therefore, it would make little sense to go on with new waves of enlargements without taking into account the already visible possibility of the collapse of the Union's structures. Consequently, what is urgently required is the assumption of dynamic action to confront the EU's institutional and democratic deficits, through the only existing and integrated proposal for the constitutional future of Europe. And in order for this to happen, what is required is vision and political will".⁴⁶⁹

Finally, one of our principal interviewees at the Cypriot Ministry of Foreign Affairs responded as follows: "The question of the Union's absorptive capacity has acquired a new dimension in view of Turkey's potential accession. Member States such as France, Austria and other countries support the idea that the EU should study very seriously its absorption capacity and especially how it can absorb a country like Turkey—with a Muslim population of nearly 75 million. To this end, there is already a wide discussion, including the discussion among MEPs, with a proposal which will go to the European Parliament in December. This proposal essentially covers the issues just mentioned and equates "absorption capacity" with "integration capacity", which is basically the same thing using a different terminology. As for Cyprus' position, we do believe that the Union should pursue a very serious political discussion both about the capacity to absorb new states and concerning the future of enlargement more generally. Therefore, we share the position of France, Austria and the rest of an important group of Member States, to the effect that we should discuss these very crucial political matters not only concerning Turkey but also regarding the limits of the European Union and its absorption capacity, because the consequences of enlargement are not immediately visible: they refer to the medium- and the long-term. And they involve the cohesion funds, the viability of CAP, the CFSP,

⁴⁶⁵ See Standard Eurobarometer 64, Opinion & Social, December 2005.

⁴⁶⁶ See Special Eurobarometer 251, *The Future of Europe*. May 2006.

⁴⁶⁷ As in note 1 above.

⁴⁶⁸ Interview conducted by Annita Demetriou, Nicosia, 17 November 2006.

⁴⁶⁹ Interview conducted by Annita Demetriou, Larnaka, 16 November 2006.

and the entire nexus of very important EU policies".⁴⁷⁰

Czech Republic

Although most issues related to European integration are contested in the Czech political debate, further enlargement of the European Union is one of the few exceptions. Leading politicians of all colours favour further enlargement and there is a shared scepticism towards using the EU's absorption capacity as a condition for further enlargement.

Both the outgoing Foreign Minister Cyril Svoboda (Christian Democrat) and President Václav Klaus have criticised the references to the Union's absorption capacity as unnecessary and as something that could be misused. In their shared opinion there is a risk that politicians would refer to the EU's lack of absorption capacity when the real problem is that some politicians have problems in convincing their domestic populace about the advantages of enlargement.⁴⁷¹

This is interesting since the two politicians represent different views regarding what model of integration they would like to see in Europe. Whereas the former governing coalition, which Svoboda represented, profiled itself as a pro-European coalition in favour of deeper integration, President Klaus is a supporter of a more intergovernmental EU. Thus, Klaus advocates a model of integration in which the Union would have fewer competences and simultaneously be open to new members.⁴⁷² Svoboda on the other hand does not see this contradiction between enlargement and deeper integration.⁴⁷³

⁴⁷⁰ Interview conducted by Annita Demetriou with Mr Andreas Iliades, Attaché, Cypriot Foreign Ministry, 13 November 2006.

⁴⁷¹ Svoboda nechce podmiňovat rozšíření EU její absorpční schopností (Svoboda does not want to condition EU enlargement with its absorption capacity) Czech News Agency, 16 June 2006, For Klaus's opinion see EU bude více dbát na vlastní schopnost přijímat nové členy (The EU will be more concerned with its capacity to accept new members) Czech News Agency, 16 June 2006

⁴⁷² [http://ihned.cz/index.php?p=000000_d&article\[id\]=18710280](http://ihned.cz/index.php?p=000000_d&article[id]=18710280)

⁴⁷³ Ministři EU se dohadovali o dalším rozšiřování unie (Ministers agreed to a further enlargement of the Union) Czech News Agency, 12 June, 2006

The civic democratic-led minority government that came to power in September supports the accession process of Bulgaria, Romania, Croatia, and Turkey and in the future a European prospect for the Western Balkan countries. The government states that it would not be beneficial to set geographic borders for further enlargement of the EU.⁴⁷⁴

Yet, the limits of the EU's further enlargement are contested in the Czech political debate, most strongly between the Civic Democrats and the Christian Democrats. The Civic Democratic members of the European Parliament did not support the September report on Turkish EU accession, since they argued that the demands on Turkey were incomparably higher than those on other candidate countries.⁴⁷⁵ The Christian Democrats on the other hand are against Turkish EU accession because that would in their view not be compatible with their definition of the Union as a value-based community.⁴⁷⁶

According to opinion polls, the Czech population shares the views of the political elite regarding enlargement. The figures of Eurobarometer show that 58 percent of the Czech population is in favour of further enlargement compared to the EU average of 45 percent. On the other hand, the Czech population is more sceptical regarding Turkey and Albania. In the case of Turkey 61 percent are against membership while the figure for Albania is 62 percent. The most popular candidate country is Croatia, with 80 percent of the Czech population welcoming its membership.⁴⁷⁷

⁴⁷⁴ Postoj ČR k prioritám finského předsednictví v Radě EU a další důležité otázky pro ČR (Stance of the Czech Republic to the priorities of the Finnish presidency in the Council of the EU and other questions important for the Czech Republic). Ministry of Foreign Affairs, <http://www.mzv.cz/servis/soubor.asp?id=19645>

⁴⁷⁵ See Ke Zprávě o pokroku Turecka při přistoupení k EU Europoslanecký klub ODS (Regarding the Report on the progress of Turkey for EU accession – Civic Democratic Party Fraction in the EP) Press Release 27 September, 2007 <http://www.ods.cz/eu/zprava.php?ID=3874&page=31>

⁴⁷⁶ Volební program KDU-ČSL 2006-2010 (Election Programme of KDU-ČSL 2006-2010) http://www.kdu.cz/default.asp?page=51&IDR=10371&id_rok/

⁴⁷⁷ Standard Eurobarometer 65 First Results, http://ec.europa.eu/public_opinion/archives/eb/eb65/eb65_first_en.pdf, See also Eurobarometr: Občané EU proti vstupu Turecka a Albánie (Eurobarometer: the Citizens of the EU against the accession of Turkey and Albania) Czech News Agency 28 July, 2006.

Denmark

The coverage of the European Commission's report 'Enlargement Strategy and Main Challenges 2006-2007' in the Danish media had a clear focus on the statements about Turkey. In both the written media and television news the focus was on discussions about the so-called warnings to Turkey from the Commission to fulfil the Ankara Protocol and take steps regarding the relationship with Cyprus. The part of the report that discusses the EU's absorption or integration capacity was debated in public seminars in Copenhagen. Absorption capacity was also discussed in newspaper articles, with an article in *Jyllandsposten* stressed that amongst others, Prime Minister Fogh Rasmussen had made himself spokesman for drawing a line on the number and size of states that the EU can absorb.⁴⁷⁸

In his speech to the opening of the Danish Parliament, the Prime Minister stated that 'we must deal with the issue of the size and borders of the EU'.⁴⁷⁹ He said that it is his 'hope that Croatia can show the way for the other countries in the Western Balkans' and that 'it is of great importance that the other countries in the Balkans develop into stable societies that are able to measure up to our common European standards and values. Therefore, it is important that they have a long-term EU membership perspective'. However he stated, 'it is also important that we do not relax the conditions. There are no short-cuts to EU membership. That applies also to Turkey, which must fully live up to her commitments in relation to the EU'.⁴⁸⁰ Minister of Foreign Affairs Per Stig Møller commented on the Commission report saying that the EU will keep Turkey under surveillance in order to ensure it lives up to up to its commitments, 'but a lot can happen before the end of the year. Therefore it is too early to give any exact comments on the consequences for Turkey's accession negotiations'.⁴⁸¹

⁴⁷⁸ Jette Elbæk Maressa and Jesper Kongstad, 'Kraftig advarsel til Tyrkiet', *Jyllandsposten*, 9 November 2006.

⁴⁷⁹ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (The Danish Parliament) on Tuesday 3 October 2006.

⁴⁸⁰ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (The Danish Parliament) on Tuesday 3 October 2006.

⁴⁸¹ 'Foreign Minister Per Stig Møller on EU Commission's 'Enlargementpackage'<http://www.um.dk/en/servicemenu/News/FrontPageNews/ForeignMinisterPerStigMoellerOnEUCommissionsEnlargementPackage.htm>

The Director for the Confederation of Danish Industry, Hans Skov Christensen, recommended in a feature article in *Berlingske Tidende* that the 'EU should keep the perspective on the possibility for Turkey and the countries of the Western Balkans to join the EU. But only when they are ready. And when EU is ready'.⁴⁸² Absorption capacity is and has always been a key-factor in relation to enlargement, Skov Christensen maintains it should be made very clear to the EU's citizens that the Union only accepts new member states if this also benefits the existing members of the EU – and it will stay that way. According to *Jyllandsposten*, the former Minister for Foreign Affairs, Uffe Ellemann-Jensen (Liberal Party) warned strongly against discussions on borders for the EU.⁴⁸³

Estonia

The Estonian government continues to be very supportive of further enlargement. In general, the Commission's communication on the EU strategy for enlargement was well received. The government finds that the document gives an "objective assessment of the current state of the EU's enlargement process and sets out precise goals for the successful continuation of the process."⁴⁸⁴ The government emphasizes the importance of keeping the promises made to potential accession countries, as well as the need for greater transparency and better public communication in order to achieve broad public support for enlargement (in Estonia, public opinion tends to favour further enlargement: according to a poll conducted by EMOR in October 2006, 50% of the population supports enlargement and 32% is against it). Speeches and statements by key officials continue to affirm Estonia's support to Turkey, Croatia and other South-East European countries in their endeavours to become EU members once they are ready and have fulfilled the Copenhagen criteria.⁴⁸⁵

Estonia agrees that the capacity of the Union to integrate new members must be ensured

⁴⁸² Hans Skov Christensen, 'Kronik: Hold fast i Tyrkiet som nyt EU-medlem', *Berlingske Tidende*, 8 November 2006.

⁴⁸³ Jette Elbæk Maressa and Jesper Kongstad, 'Kraftig advarsel til Tyrkiet', *Jyllandsposten*, 9 November 2006.

⁴⁸⁴ Ministry of Foreign Affairs Press Release „European Commission publishes report on enlargement strategy and main challenges 2006-2007,“ 9 November 2006.

www.vm.ee

⁴⁸⁵ Speech by Minister for Foreign Affairs of Estonia Urmas Paet "Europe, thinking forward" in the Institute of European Affairs in Dublin, 31 October 2006. www.vm.ee

and recognizes the need for further institutional reforms. However, Estonia remains wary of the term “absorption capacity” because of the possibility that it could become a stumbling block to further enlargement and a *de facto* new criterion for membership. While Estonia supports the strict application of accession conditionality, it claims that the EU’s enlargement strategy should be integral and consistent. This means, *inter alia*, that the EU should not invent new criteria, such as absorption capacity but should stick to the same membership criteria that were used in the previous rounds. “While it is true that the capacity of the Union to accept new members is an important consideration when it comes to further enlargement, it is not a separate criterion for assessing the progress of candidate states,” noted Foreign Minister Urmas Paet.⁴⁸⁶

Finland

The Finnish government has no official stance on absorption capacity; a stance will be formed after the publication of the Commission report. Finland views the December European Council as an opportunity to increase understanding on the continuation of the enlargement process in member countries.⁴⁸⁷

The discussion on the concept of absorption capacity is – in the few official commentaries on the topic - mainly regarded as designed to cool down EU enlargement. Finnish political leadership endorses enlargement and has stressed repeatedly and clearly that no new EU membership criteria should be imposed on candidate countries. In his speech to the European Parliament on 5 July 2006, the Finnish PM Matti Vanhanen (Centre Party) touched upon the European Council’s discussion on absorption capacity. Mr. Vanhanen said he was pleased that absorption capacity was not inscribed as a new membership criterion.

A column in Finland’s biggest daily, Helsingin Sanomat, in October, remains so far the only media intervention addressing the semantic dimensions of the debate on absorption capacity. The columnist viewed the discussion on the concept as a rhetoric game aiming to

rein in enlargement. He also listed reactions of prominent Finnish politicians to the debate. For instance, the EU’s Enlargement Commissioner Olli Rehn would rather speak of action capacity of the Union so as to take the rhetorical focus off enlargement.⁴⁸⁸ Media and civil society commentary on EU enlargement in general is relatively unemotional and analytical and without undertones of negativity towards new and aspiring member countries.

France

The French are among the less favourable to further enlargement of the Union. Only 31% support new accessions in the years to come (average EU25, 45%)⁴⁸⁹. This figure has been declining steadily over the past years. Similarly, about 70% of the French, depending of the polls, are opposed to Turkish membership. This is why the announcement of the slowing down of the enlargement process has been greeted with great satisfaction in France. Some columnists even publicly regretted that this cautious attitude was not extended to the accession of Bulgaria and Romania⁴⁹⁰.

The notion of “absorption capacity” has been present in the debate about Europe for some time in France. Many politicians and intellectuals pointed out that this was one of the Copenhagen criteria, although European institutions seemed to ignore it⁴⁹¹. In November, the report of the European Commission on the EU’s capacity to absorb new member states was welcomed, but most commentators found it came too late. Interviewed mid-November, Jean-Louis Bourlanges, member of the European Parliament since 1989 and expert on Union matters, seemed to sum up the French perception of these issues. “It is clear that a pause is a necessity. The Union must be given time to ‘digest’ the latest enlargement. [...] Today, we must answer three questions: ‘Which countries are destined to become members?’, ‘To do what?’ and ‘what is the institutional setting suitable to do that?’ For the time being, we are living a dream and a lie.”⁴⁹²

⁴⁸⁶ Ministry of Foreign Affairs Press Release „Paet: European Union Neighbourhood Policy’s eastern dimension needs work”, 31 October 2006, www.vm.ee

⁴⁸⁷ Personal interview with EU expert of the Prime Minister’s Office, November 2006.

⁴⁸⁸ Petteri Tuohinen, Helsingin Sanomat, 22.10.2006.

⁴⁸⁹ Eurobarometer 65, spring 2006.

⁴⁹⁰ Jean-Michel Demetz, « The uncalled-for enlargement », *L’Express*, 14 December 2006.

⁴⁹¹ See for instance, Laurent Fabius, *Une certaine idée de l’Europe*, Paris, Plon, 2004.

⁴⁹² *Le Telegramme*, 10 November 2006.

Catherine Colonna, the Minister for European Affairs, was more diplomatic but equally clear in her call for more caution in the handling of future enlargements. "Europe widens, but in parallel grows the uncertainty about its borders, its identity and its policies. The fear of an unlimited extension of the Union has awakened new concerns about the dilution of national identities, particularly at a time when our societies have a strong need for roots. It is, thus, necessary that the debate on the identity, the limits, the actions and the policies of Europe continues and intensifies between our countries. [...] The political control of the enlargement process needs to be reinforced and our reflection on the absorption capacity of the Union must be clarified. The issue of the speed of the process is central"⁴⁹³.

Germany

While there was little immediate reference to the Commission report on the absorption capacity,⁴⁹⁴ the issue itself is frequently addressed in relation to the future of enlargement and the fate of the TCE.

In its *coalition agreement* the German government envisaged "a circumspect enlargement policy which does not overtax the European Union's capacity to absorb new members"⁴⁹⁵.

The sentence already reflects the new post-enlargement realism. Generally the belief that deepening and widening are two sides of the

same coin was shattered in the course of the crisis of the ratification of the TCE. Therefore, rescuing the political substance of the TCE is widely understood across political parties as a pre-condition for any further enlargement. Points considered as most important are provisions on the institutions and decision-making which are seen as crucial for the EU's capacity to act and for its efficiency and legitimacy as well. Challenges of further enlargement, notably the accession of Turkey, for the budget and the policies of the EU are looming but not dealt with explicitly for the time being. Moreover, at the level of parties, the CDU and the CSU but also the grand coalition itself take up the question of the borders of the EU, a point on which the Commission is very cautious. In a joint statement on the German Presidency the CDU/CSU/SPD government declared: "The external contours of the EU need to be defined more sharply. A political entity without borders is not viable. We must not take on more than we can handle in completing the process of unifying the continent; our responsibility for the identity of Europe requires this. At the same time, a new 'iron curtain' must not be established on the EU's external borders. A form of good-neighbourly relations, based on shared values, should be developed that would help guarantee security and prosperity for countries that cannot be admitted as full members."⁴⁹⁶ At the party congress held in Dresden at the end of November the CDU confirmed that "for reasons of identity of the EU and its capacity to act it is necessary that the EU defines its limits"⁴⁹⁷. It represents the line of thinking that Chancellor Merkel consistently put forward in her key speeches and interviews on EU policy.⁴⁹⁸ Foreign Minister Steinmeier is less straightforward on the border question. However, early on he had declared the

⁴⁹³ *La Croix*, 27 October 2006.

⁴⁹⁴ „Grundsätzlich sei die Aufnahmefähigkeit der EU von großer Bedeutung“ [In principle, the absorption capacity of the EU is of vital importance]. Press Statement by Chancellor Merkel on the European Council, Brussels, 15.12.2006, <http://www.bundesregierung.de/Content/DE/Artikel/2006/12/2006-12-15-gute-voraussetzungen-fuer-deutsche-eu-praesidentschaft.html> (last access: 4.1.2007). Noteworthy is that the issue is also discussed in the German „Länder“ and EU-focused non-governmental organisations; cf. „Umlaufbeschluss der Europakonferenz Anliegen der Länder im Rahmen der deutschen Ratspräsidentschaft 2007“, 7.6.2006, Punkt 2, http://www.europaminister.de/medien/allgemein/Sachsen-Anhalt/EMK_Beschluss.pdf (last access: 5.1.2007); see also Europa Union Deutschland: „Die europäische Einigung voranbringen“, 8 Forderungen der Europa-Union Deutschland an die deutsche Ratspräsidentschaft 2007, Berlin, 6.11.2006, Punkt 6, http://www.europa-union.de/fileadmin/files_eud/PDF-Dateien_EUD/Allg_Dokumente/EUD_Forderungen_Deutsche_Ratspraesidentschaft.pdf (last access: 5.1.2007).

⁴⁹⁵ „Working together for Germany – With courage and compassion“, Coalition Agreement between the CDU, CSU and SPD, Berlin, 11.11.2005, p. 123.

⁴⁹⁶ Cabinet statement on German EU Presidency, Berlin, 5.11.2006, http://www.bundesregierung.de/Content/EN/Pressemitteilungen/BPA/2006/11/2006-11-05-eu-ratspraesidentschaft_en.html (last access: 5.1.2007).

⁴⁹⁷ Resolution of the 20th party convention of the CDU Germany "Deutschlands Verantwortung und Interessen in Deutschland und der Welt wahrnehmen.", Dresden, 27./28.11.2006, p. 4, (translation by author).

⁴⁹⁸ Cf. speech by Chancellor Merkel on the International Bertelsmann Forum "Die Zukunft der Europäischen Union", Berlin, 22.9.2006, p. 2, http://www.bundeskanzlerin.de/nn_5296/Content/DE/Rede/2006/09/2006-09-23-bertelsmann.html; „Für die Türkei kann eine sehr, sehr ernste Situation entstehen“, Interview with Chancellor Merkel in Sueddeutsche Zeitung, 5.11.2006, p. 3, <http://www.sueddeutsche.de/deutschland/artikel/700/90610/> (last access: 5.1.2007), see also question 3 on scenarios.

ratification of the TCE as a minimum condition for any further enlargement.⁴⁹⁹ At the same time he warns not to understand the consideration or criterion of absorption as a mathematic formula but as a political concept that tries to accommodate vital interests and concerns of current and future members.⁵⁰⁰ Interestingly, the CDU views Croatia as the exception from the rule that there should be no further enlargement beyond 27 unless institutional reforms as foreseen in the TCE come into effect.⁵⁰¹ With a view to the role in its presidency the German government hopes that the European Council of December 2006 will hold an intensive exchange of views among the heads of state and government so that the topic will not figure high on the agenda of its EU presidency. Making progress on the TCE would be Germany's central ambition and contribution to improved integration and absorption capacity of the EU.

As far as the future of enlargement is concerned enlargement fatigue is spreading in Germany, where 60% disapprove of further enlargement, which is 24 points above the EU average (42% oppose and 46% are in favour).⁵⁰² Further attempts are necessary to better communicate the benefits of the previous enlargement. However, the government confirms its commitment to enlargement, but support is increasingly more qualified and overall a slowing down of enlargement processes is recommended. Germany will preside over an EU of 27 and will welcome Romania and Bulgaria as new members, although there is a general feeling that these two countries join the EU with a substandard record as far as crucial areas of the *acquis* are concerned. The attitude towards Croatia is more open-minded and positive overall as far as public opinion (44 approve, 48 disapprove) is concerned.⁵⁰³ Croatia is often referred to as probably the last candidate who is on the safe side.⁵⁰⁴ As Turkey failed to meet

the obligations of the Ankara protocol on opening its sea- and airports to Cyprus, it will become a reality to detach Croatia's negotiations from negotiations with Turkey under the German Presidency. On Turkey the well known diverging views inside the German government continue.⁵⁰⁵ The conflict was only papered over in the coalition agreement, which stated that the negotiation process with Turkey is an "open-ended process which does not imply any inevitability and whose outcome cannot be guaranteed from the outset"⁵⁰⁶. The coalition agreement is clear on a controversial point: "Should the EU not have the capacity to absorb Turkey, or should Turkey not be able to comply completely and in full with all commitments which membership entails, Turkey must be linked to the European structures as closely as possible in a way that further develops its privileged relationship with the EU"⁵⁰⁷. Conflicting views are personified in Chancellor Merkel. As head of the government she accepts membership negotiations as agreed upon among the EU-25. As leader of the CDU she favours to re-direct negotiations towards the not clearly defined goal of "privileged partnership" as the right solution.⁵⁰⁸ Thus Chancellor Merkel (CDU) supported a strong reaction on behalf of the EU with regard to Ankara's failure to open its sea- and airports to Cypriot planes and vessels. Foreign Minister Steinmeier (SPD) preferred milder language and emphasised that despite the suspension of opening of some relevant chapters negotiations with Turkey will go on.⁵⁰⁹ Support for Turkish EU membership remains mainly elite-driven (including the business community) while 69% of the German public are opposed

⁴⁹⁹ Cf. "Rethinking Europe", speech by Foreign Minister Frank-Walter Steinmeier at the 35th Anniversary of the Heinz Schwarzkopf Foundation, Berlin, 30.8.2006, p. 3-4, <http://www.auswaertiges-amt.de/diplo/en/Infoservice/Presse/Rede/2006/060830-Europa-Schwarzkopf.html> (last access: 5.1.2007).

⁵⁰⁰ *Ibid.*, p. 3.

⁵⁰¹ Cf. Resolution of the 20th party convention of the CDU Germany, p. 4.

⁵⁰² Cf. European Commission: Eurobarometer Nr. 66, First Results (September – October 2006), Autumn 2006, p. 27.

⁵⁰³ Cf. European Commission: Eurobarometer 66. Nationaler Bericht: Deutschland, autumn 2006, p. 26.

⁵⁰⁴ Cf. speech by Foreign Minister Steinmeier on the conference of the SPD-Bundestagsfraktion "Zwischen Reflexionsphase und deutscher Ratspräsidentschaft –

Sozialdemokratische Perspektiven für Europa", Berlin, 25.9.2006, p. 6.

⁵⁰⁵ Cf. "Streit in der Regierung über Türkei-Politik", in: Frankfurter Allgemeine Zeitung, Nr. 288, 11.12.2006, p. 1.

⁵⁰⁶ Coalition Agreement between the CDU, CSU and SPD, Berlin, 11.11.2005, p. 124.

⁵⁰⁷ Cf. European Commission: Eurobarometer 66.

Nationaler Bericht: Deutschland, autumn 2006, p. 24.

⁵⁰⁸ Cf. speech by Chancellor Merkel, chairwoman of the CDU Germany, on the CDU Party Convention, Dresden, 27.11.2006, p. 20.

⁵⁰⁹ Cf. Jens Schneider/Martin Winter: Nach Streit um EU-Beitrittsverhandlungen. Union und SPD streiten über die Türkei-Politik, *sueddeutsche.de*, 10.12.2006, <http://www.sueddeutsche.de/tt412/deutschland/artikel/347/94253/> (last access: 5.1.2007); see also Frankfurter Allgemeine Zeitung, interview with Foreign Minister Steinmeier, „Wir sollten Rußland unumkehrbar an Europa binden“, [questions 1-4], Friday, 10.11.2006, http://www.bundesregierung.de/nr_1500/Content/DE/Interview/2006/11/2006-11-10-interview-steinmeier-faz.html (last access: 5.1.2007).

to Turkey's accession (27% are in favour).⁵¹⁰ In its new draft party programme the SPD explicitly refers to the case of Turkey and insists on keeping promises and negotiating with Turkey according to the accession criteria. This is declared to be a test case for Germany's credibility in foreign policy.⁵¹¹

Moreover, the German government makes a strong statement on the European perspective for the other states of the Western Balkans as agreed in Thessaloniki and Salzburg.⁵¹² The Federal Foreign Office sees the EU in a key role after the process of disintegration on the Balkans is nearing its end and the reconstruction and re-integration will start. Special emphasis is put on Serbia, which is perceived as the centrepiece of new stable development in the region. The German government wants to avoid fast track and group-membership for countries of the Western Balkans and insists on the gradual approach (roadmap) with clearly defined steps and commitments. However, there are strong reasons in terms of security to send a signal to Serbia at an early stage about the prospect of gaining status as a candidate for membership.⁵¹³ Stabilisation and Association Agreements shall be completed with Serbia, Montenegro and Bosnia-Herzegovina during the German presidency.

Greece

The reservations that have been surfacing in Greece about the overall wisdom of enlargement – although Greece has been an

insistent champion of enlargement to Bulgaria and Romania and remains positive about the Western Balkans' progress towards Europe – are mainly Turkey-related. Thus, the "absorption capacity" concept used in order to delay further enlargement has been gaining in favor, although its effective content is not really clear.

Hungary

The Hungarian terminology does not use the term "absorption capacity" of the EU, because Hungary believes every European country can join the Union⁵¹⁴. Hungary is especially interested in the accession of all its neighbours due to the numerous Hungarian minorities living in these countries. At the same time Hungary stresses the importance of preparedness of the candidate states along the established criteria. According to Budapest further enlargement must go hand in hand with further deepening. However, it is also clear that the next enlargement must be preceded by institutional reforms – preferably within the constitutional context. This aspect points to the EU's integration capacity (the term used by the European Commission too, instead of absorption capacity). Actually, the Union's integration capacity comprises four elements at present: the institutional framework, the Community policies, the budget and the public opinion. The EU must work on these aspects internally, while it must continue to assess the candidates individually based on their degree of preparedness.

Of course, the next challenging task for the EU will be to integrate the countries of the Western Balkan region. It poses many open questions (e.g. the complex institutional aspect of the numerous small new states' representation in the Union institutions). The whole process might last a long time (another decade perhaps), similar to the Visegrad countries, which were able to join the EU 13 years after having signed the Association (Europe) Agreements. In this process the major task of the EU and the member states will be to prepare the ground in institutional, budgetary and common policy terms, as well as preparing the national public by emphasizing the importance and the historic opportunity of

⁵¹⁰ Cf. European Commission: Special Eurobarometer Nr. 255, Attitudes Towards European Union Enlargement, Brussels, July 2006, p. 72.

⁵¹¹ Cf. draft version of the new SPD party programme, p. 28, http://www.programmdebatte.spd.de/servlet/PB/show/1698750/301106_GSP_Entwurf.pdf (last access: 5.1.2007).

⁵¹² Cf. Federal Government [Bundesregierung]: „Europa gelingt gemeinsam“, Programme of the German EU Presidency, p. 22; "Rethinking Europe", speech by Foreign Minister Frank-Walter Steinmeier at the 35th Anniversary of the Heinz Schwarzkopf Foundation, Berlin, 30.8.2006, p. 4.

⁵¹³ Cf. statements by Political Director Schäfer on the IEP Presidency Conference „Moving the EU forward: Priorities for the German EU-Presidency“, 30.11./01.12.2006, Federal Foreign Office, Berlin; Speech by Foreign Minister Steinmeier "Zwischen Reflexionsphase und deutscher Ratspräsidentschaft – Sozialdemokratische Perspektiven für Europa", Conference of the SPD-Bundestagsfraktion, Berlin, 25.9.2006, p. 6-7; „Für die Türkei kann eine sehr, sehr ernste Situation entstehen“, Sueddeutsche Zeitung, interview with Chancellor Merkel, 5.11.2006, p. 3; see also Federal Government [Bundesregierung]: „Europa gelingt gemeinsam“, Programme of the German EU Presidency, p. 22.

⁵¹⁴ The answers are based on interviews with diplomats of the Department for European Policy of the Hungarian Ministry of Foreign Affairs completed with information from Bruxinfo, the first Hungarian electronic EU news agency (<http://www.bruxinfo.hu>).

European unification – as initially hoped for by the founding fathers of Europe.

Ireland

The Irish view is that the country reports were fair, useful and practical and the government would hope that the comments would be taken on board in a positive way, especially by Turkey. The Irish government is keen to stress the seriousness of the failure of Turkey to comply with the Ankara Protocol. At the same time, it is considered important that the Turks do not feel isolated.

The Strategy paper is deemed "valuable and useful" and it is hoped that the discussion at the December Council will be about the whole issue of enlargement and not solely focused on Turkey. The government agrees with the emphasis on "rigorous conditionality" and is of the view that it is essential that the EU maintains its own focus on deepening. Traditionally the EU debate has been divided between those who favour widening and those who favour deepening. The Irish view is that the momentum for both processes should be maintained. The gap between now and the next enlargement will give the EU time to show it has the capacity for absorption. Doubts were expressed with regard to the phrase "integration capacity", which was introduced in the report. The view in Ireland is that while it is important to look at the EU's capacity, this should not involve putting new obstacles in the way of candidates - especially obstacles arising from internal EU political developments, about which they are unable to do anything. It is clear that the Union will have to get its own house in order and pay attention to public opinion. At present Irish public opinion is favourable towards enlargement but support is waning slightly. There is a general feeling that the pause before the next enlargement may correct this decline.

Italy

The publication of the Commission's report did not stir up a debate. The publication coincided with the mid-term elections in the US, which largely obscured it. However, some attention was given to the assessment of Turkey's progress. Turkey's accession is a controversial issue. Most political leaders, both from the governing centre-left coalition and the opposing centre-right, are explicitly in favour of

the accession. But doubts about the possibility of Turkey's integration are growing. As underlined by Michele Comelli in an article on EU enlargement, opposition to Turkey's membership is shared by minorities in both political coalitions, and different groups of the Italian society strongly oppose it. Newspaper articles stressed the Commission's critical remarks about respect of human rights in Turkey, the troubled relations between the government and the military, respect for religious freedom, women and workers rights, and so on.

The government, even before the publication of the report, expressed its willingness to start a serious reflection on the EU's absorption capacity. Undersecretary for Foreign Affairs Famiano Crucianelli expressed this view at the European Policies Committee of the Chamber,⁵¹⁵ but stressed that such a discussion should be begun only after reaching a comprehensive agreement on issues such as the institutional reforms and the EU's budget. The debate on the absorption capacity, in fact, could easily remain sterile and be used to relaunch the anti-enlargement platform. In fact, the government expressed its will to push for keeping the European perspective open for all the Western Balkan countries and for Turkey.

Undersecretary Crucianelli stated plainly that delaying Bulgaria and Romania's accession would be a mistake⁵¹⁶. At the same time, the government is aware that enlargement must not jeopardize the deepening of integration. Foreign Affairs Minister D'Alema put forward his views in a newspaper article⁵¹⁷, writing that it is necessary for the EU to define its geographical frontiers clearly. For D'Alema, the EU should fix its borders to include Bulgaria, Romania, all of the Western Balkans countries and Turkey. Russia, the former Soviet eastern neighbours, as well as the southern Mediterranean countries should stay out of the EU.

⁵¹⁵ Hearing of Undersecretary for Foreign Affairs Famiano Crucianelli at the Italian Chamber European Union Policies Committee, July 5, 2006

⁵¹⁶ Hearing of Undersecretary for Foreign Affairs Famiano Crucianelli at the Italian Chamber Foreign Affairs Committee, July 25, 2006.

<http://www.camera.it/chiosco.asp?cp=2&source=http%3A//www.camera.it/organiparlamentarism/242/4409/4500/documentotesto.asp&position=Organi%20Parlamentari%20/%20Commissioni%20Permanenti&content=/dati/leg15/lavori/stencomm/03/audiz2/2006/0725/s000r.htm>

⁵¹⁷ Massimo D'Alema, "La seconda occasione dell'Europa", in *La Repubblica*, October 27, 2006

Many centre-right political leaders and experts have frequently argued, on the contrary, that the limits of European absorption capacity have already been reached. Some members of parliament from Berlusconi's Forza Italia party, as well as members of the Northern League (a populist party), recently expressed doubts about Romania and Bulgaria's accession. While recognizing the progress those countries have made, they argued that Romania and Bulgaria's economic and financial systems are still far from meeting European standards.

Latvia

Latvia values the efforts of the Finnish presidency regarding these questions and believes that the European Union should not simply stop its plans to enlarge either as a matter of short-, medium- or long-term policy or as a reaction to "enlargement fatigue" that stems from inability to meet as quickly as hoped for all the anticipated and unforeseen challenges of a voluntary enlargement. At the same time, Latvia recognises the necessity of prioritising and settling the unresolved issues that emanate from the 2004 enlargement. Whatever the successes or shortcomings of the current enlargement process, the problems related to the Union's absorption capacity should be considered from a pragmatic, can-do perspective, rather than from the vantage point of a "besieged fortress Europe" mentality. How fast and how well the EU can deal with integrating new members is an internal EU problem which, as such, should not be turned into an issue of external relations. Furthermore, the EU must not backtrack from its earlier commitments and thus jeopardise its credibility and the trust that it enjoys not only among the membership candidate countries, but also among the countries both in its closer and more distant neighbourhood.

Lithuania

For the meantime, the report on the EU's integration capacity prepared by the European Commission has not yet been commented on by the Lithuanian politicians and society. The Committee on European Affairs of the Lithuanian Parliament has already discussed the European Commission strategy for the EU's enlargement policy, and the discussion about the report on the EU's integration capacity will be held in one of the forthcoming committee meetings.

Luxembourg

In the eyes of the Luxembourg government territorial expansion should not become Europe's paramount goal. The reinforcement of its absorption capacity on the political, financial and institutional level must be a preliminary condition to any new expansion. Nicolas Schmit thinks that electoral schedules do not facilitate the process of taking decisions, but they must not oppose progress in general⁵¹⁸. The popularity of the European integration process is fading away in many countries, even including the Grand-Duchy of Luxembourg, which had been one of the strongest supporters of the European unification idea. Only 19% of Luxembourg citizens are currently supporting the EU membership of Turkey, compared to an EU average of 21 %.⁵¹⁹

Malta

Malta is firmly in favour of a continuing process of EU enlargement to those accession states that meet the Copenhagen criteria, including Turkey. In fact, Malta has been promoting the accession of Croatia in the short term through regular diplomatic contacts between the two countries. Malta's Foreign minister has also frequently stipulated that the integration of Turkey into the EU would enhance stability in this part of Europe but has made it perfectly clear that Turkey must first meet accession obligations.

Netherlands

In general the government advocates a policy of caution concerning enlargement, with special attention to the absorption capacity of the European Union, the quality of enlargement and strict adherence to the accession criteria. With reference to the negative outcome of the referendum on the constitutional treaty, the government wants to focus on maintaining enough public support for enlargement and is welcoming the initiative of the Finnish presidency to put the debate on the quality of enlargement high on the agenda.⁵²⁰ The government supports in principle a

⁵¹⁸ *Le jeudi* 5.10.2006. Pour la constitution européenne ... Quelle voie de sortie ?

⁵¹⁹ La perception des politiques de l'UE et de ses institutions. L'opinion de Luxembourgeois Luxembourg janv.2006

⁵²⁰ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 6.

continuation of the enlargement process with current and potential candidate member states on the condition that accession criteria be strictly applied. The government is aware that the European Union needs to slow down the process of enlargement in order to guarantee its quality and therefore will not support any new commitments concerning EU membership to neighbouring states. All efforts should be directed at finishing the current enlargement process successfully and smoothing the future enlargement process of Western Balkan countries. At the European Council in June, The Netherlands urged for a thorough discussion among member states on future enlargement to ensure clear rules, guidelines and implementation to safeguard the process.⁵²¹

In its response to the Commission's document, "The Enlargement Strategy and its main Challenges 2006-2007" of 8 November, the government expresses its appreciation and endorses in general the conclusions and recommendations. Next to the already mentioned criteria for future enlargements, the government lists: the importance of defining benchmarks to measure adherence to accession criteria and refraining from giving accession dates to candidate countries in advance. Benchmarks are especially needed on politically sensitive dossiers, such as human rights and minority rights. The government will support the adoption of both Commission documents, "The Enlargement Strategy and its main Challenges 2006-2007" and "The Enlargement Strategy Paper 2005" at the forthcoming European Council as framework for new enlargements. They will strive to have the essential elements of the documents, especially the annex concerning absorption capacity, reflected in the Council's Conclusions. The government prefers the usage of the original term, absorption capacity instead of the newly introduced, 'integration capacity', because it better describes the actual issue of the capacity of the EU to absorb new member states. In their opinion, the term 'absorption capacity' also offers a better framework for evaluation and is more clear in the communication to European citizens.

The government supports the Commission's opinion that public opinion will be a crucial element in future enlargements, but for states to gain public support, there will need to be more than just better communication. It is

⁵²¹ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 12.

essential to guide and monitor the enlargement process better and to safeguard the manageability of an enlarged Union. Finally, the government agrees that a new institutional agreement is preferable before future new members can join the Union.⁵²²

Poland

In the context of last year's December Summit of the European Union, which was followed by the European Commission report on the EU capacity to absorb new member states, several statements constituting the Polish position vis-à-vis future enlargements can be noted in Poland, though they did not raise any new wave of debate in the second part of this year. Thus, the main lines of the Polish policy towards enlargement remain the same.

As regards Turkish aspirations to EU membership, former Minister of Foreign Affairs, Stefan Meller, said during his visit to Ankara in April 2006 that Poland provided its approval for Turkey's entry into the EU. The position of the Polish Ministry of Foreign Affairs is that Turkey should join EU on the same conditions as all countries joining EU in the previous period had to fulfil. By the same token, the position of the Polish Government is that, before joining the EU, Turkey must unconditionally fulfil all membership criteria .

With reference to the Polish position on the future membership of Bulgaria and Romania, all political parties represented in the Sejm (Lower House of the Polish Parliament), as well as the Polish Government, give their full approval for the signing of the Accession Treaty by President Lech Kaczyński. In March of this year, during the parliamentary debate on the Treaty, the *Polish Parliament approved* the Treaty with only one vote against the ratification. Among political groups within the *Sejm* there were several positive statements regarding the future Bulgarian and Romanian accession to the EU. *Prawo i Sprawiedliwość* [Law and Justice] (ruling party): "closing the EU door for new member states is against the interests of EU itself"; *Platforma Obywatelska* [Civic Platform]: "there is a community of history shared by Poland, Bulgaria and Romania, meaning living in the 'space beyond the normality'"; *Samoobrona* [Self-defence]

⁵²² 'Kamerbrief inzake EU-uitbreiding', Letter to Parliament, Ministry of Foreign Affairs, 28/11/06. (<http://www.minbuza.nl/nl/actueel/brievenparlement.2006/1/1/Kamerbrief-inzake-EU-uitbreiding.html>)

(coalition party): “enlarging the EU means new opportunities for the Polish economy”; *Sojusz Lewicy Demokratycznej* [Left Democratic Alliance]: “enlarging the EU creates a wider and deeper area of political and economic stabilization”.

Polish President Lech Kaczyński said in March 2006 during his visit to Berlin that further EU enlargements would be a test of European solidarity. He underlined that there are more European countries “standing in line to the European Union” and mentioned with special attention Ukraine and Georgia, two countries with complicated histories and economic difficulties. It is additionally noteworthy that, in Lech Kaczyński’s opinion, even if “the Polish piece of the European cake” shrinks after enlargement, Poland will assist Ukraine on its way to the European Union.

The Polish Government also approves of Ukrainian aspirations as to the EU membership and in this context insists on the European Union’s continuing enlargement policy towards the East. As Minister Meller said, “Brussels finally should elaborate its policy of relations with eastern countries. Today this policy is run in the framework of the “neighbourhood policy”. But this policy does not formulate clear perspectives with the scope of EU membership. Poland is able not only to share its experiences on the way to the EU but also can play an active role as promoter”.

As regards public opinion on the future enlargement, in May 2006 *Gazeta Wyborcza* published an opinion poll presenting a picture of Polish citizens’ preferences regarding countries and nations waiting at the European Union’s door⁵²³. Polish people would prefer Ukraine and Croatia rather than Bulgaria and Romania to be the countries of the next enlargement. That is most probably because Poles feel in a close neighbourhood with Ukraine (especially after the “orange revolution”) and there is a great number of Polish tourists visiting Croatia.

As regards choice between Bulgaria and Romania, public opinion is more favourable to Bulgarian membership (also a tourist destination) - ca. 30% of people prefer Bulgaria rather than better prepared Romania. Poles are less favourable as regards Turkey’s membership. In general, Polish citizens present a rather favourable position vis-à-vis

Union’s enlargements. The rate of those who oppose future enlargements ranges between 9 and 15% (depending on the country). However, there are differences of opinion among age groups: people 20 years and older are against Romanian and Turkish membership in significant numbers (37%). Probably they perceive these countries’ citizens as potential competitors on the European labour market. More sceptical are well educated people, who are more apt to understand the difficulties concerning future enlargements. The most open to the next enlargement round is the group of people with elementary education, but they are also afraid of quick Turkish membership due to religious reasons.

Portugal

Absorption capacity has clearly become shorthand for ‘stalling Turkey’s accession’ by adding a hidden criterion to those publicly stated, which should apply equally to all EU candidates and hopefuls, and one to which furthermore the latter are powerless to comply. Although the Commission’s assessment on Turkey published ahead of the December European Council was generally depicted in the press as a blanket recommendation for a temporary halt to negotiations, Portugal remains largely and in political circles extremely favourable to Turkey’s accession, not only on geo-strategic considerations and on the fact that is viewed as an important asset for EU Mediterranean policy, but also on the experience of Portugal’s own accession process, and its impact on the consolidation of democracy.⁵²⁴

It is of interest to note that all-out support for Turkey’s membership in the European Union is not necessarily a sign of faith in Europe’s constitutional future. Turkey is viewed by some commentators from the no-Constitution camp as a necessary member and a welcome addition to a ‘minimalist’, market-oriented Europe which should stay clear of deeper integration, and guard itself from embarking on such grand fantasies as the Lisbon Strategy.⁵²⁵

⁵²⁴ See for example former President of the Republic Jorge Sampaio’s opening address to EuroMeSCo’s Annual Conference in Istanbul, 5-7 October 2006, available at www.euromesco.net

⁵²⁵ This is notably the position of former MEP J.M. Pacheco Pereira. See for example “Em defesa da Turquia”, *Público*, 28 September 2006.

⁵²³ *Gazeta Wyborcza*, May 23 2006.

The view recently expressed by the President of the Commission to the effect that not even the Balkan front-runners should be allowed into the EU ahead of adequate institutional reform, interpreted by some as a timely re-statement of the provisions specified in the current TEU, is in essence the Portuguese view, meant however in official circles as pro-Constitutional Treaty leverage.

Romania

The “absorption capacity” of the European Union is a phrase not widely used in the current standard language of the Romanian debates concerning the future of the EU enlargement process. The enlargement topic has always been considered a challenge to the European agenda, having a very substantial impact on Romania in all stages of the negotiation process with the European Union, as Romania’s accession was a component defining the actual directions of the enlargement process. “The EU’s ability to integrate new Member States” has been associated in the perception of public opinion with the historical idea of a success story, that of the European integration project based on the security and stability of the continent and exporting the model of European democracy to less stable areas neighbouring the Union.

Although there are no elaborated official opinions suggesting possible priority issues to be included in the future report of the European Commission, strictly independent of the contents and implications of such a document, the idea to go on with the EU’s enlargement is regarded with enough openness in the Romanian political circles. At the level of public opinion, the implications of continuing enlargement on the European project’s future are not very clear, because the technical elements involved by the launch and carrying on of a negotiation process with the European Union are not included in the overall view of how common people connect to the issues concerning the relations between a candidate country and the EU. Moreover, the “absorption capacity concept” is associated in Romania with the structural funds’ “absorption capacity” in the post-accession period, the subject of frequent debates at the moment. There were however some echoes in the Romanian mass-media, which provided snapshots of the European *enlargement fatigue* topic, emphasizing the reluctance of political leaders and the reservations of

Member States’ citizens towards continuing enlargement of the Union, in particular after the deadlock of the institutional and constitutional reform process.

According to the official statements, the future of the EU enlargement process should not be separated from the perspective of keeping the EU doors open to the Western Balkans, the Republic of Moldova and even Turkey, and the primary argument is the reinforcement of European security: “The EU has to foresee the future. We cannot imagine a European Union of peace and security without thinking about solutions for the Western Balkans and Moldova and, in general, for the Black Sea region. As regards Turkey, here we all have to know we are facing an option that may also be considered from a security viewpoint, as Turkey is a very important regional actor in the field of security. Turkey has two options: a Turkey outside the EU that can become the standard-bearer of the Islamic world, or a Turkey inside the EU that can bring a major contribution to security. Personally, I believe that Turkey should not be cast aside from the integration process and when it is ready and meets the required standards, a positive decision could be reached, but we should not forget that the EU has adopted the solution of starting negotiations with Turkey anyway. Turkey is a country that has started the accession negotiations.”⁵²⁶

The idea of a possible Romanian support for a potential accession of Moldova to the European Union was also taken into consideration by Prof. Negrescu: “As any outsider who has just barely made it, Romania would probably not welcome the early extension of the same prize to other willing third countries. Moldova is the only would-be candidate that Romanian authorities are openly supporting, though based on the implicit assumption that this accession would occur through Romania’s *filter*”.⁵²⁷

The initiative of the European Commission to prepare a report on the “absorption capacity” of the EU may also be analyzed from the realist viewpoint of clarifying some myths built upon the idea of the original integration project as some sort of missionary approach, which may

⁵²⁶ Interview of the Romanian President Traian Băsescu to the *Deutsche Welle* (22nd of September, 2006), the Department for Public Communication of the Presidential Administration.

⁵²⁷ Interview with Dragos Negrescu, Professor at the Academy of Economic Studies, Economic Adviser within the EC Delegation in Romania.

generate confusion as regards the borders of the Union, on the one side, and the geopolitical scene of the European continent, on the other side. The absorption capacity of the European Union must be assessed not only in relation to the classical accession criteria, but also from the perspective of the structural, psychological and civilisational compatibility between the Member States: "I think it is vital that we evaluate it sincerely now, after the issue has been brought forth, together with its possible answer, and put an end to a series of past errors. In concrete terms, it should be clearly stated that the EU has no unlimited absorption capacity and that the limits of the European continent, themselves subject to debate, should not necessarily be the borders of the Union, but extend beyond the latter. It should be clearly said, after learning from older and more recent experience, that the Union may only accept members structurally and psychologically similar to the current members and only members able to bring an effective contribution to the EU's consolidation and the effective accomplishment of its objectives. That requirement is based on the very nature of Union's objectives. The cultural and religious differences are not an impediment, however civilisational differences are an impediment as long as, structurally and from the bottom-up, a society and an economy are not compatible – typologically and not necessarily from the performance viewpoint – with the typology of the current Member States"⁵²⁸.

The controversies generated by the "absorption capacity" idea on the occasion of the European Summit in June 2006, and the subsequent debates linked to the "frontiers of Europe" have created an ambiguous conceptual landscape, therefore the official definition of that phrase does not seem to be sufficiently concrete and detailed. The Commission's report has to clarify in the first place the meaning of the phrase and to assess in a more detailed manner the impact of the EU enlargement at the institutional, budgetary and Community policy levels. If the "absorption capacity" idea is partially synonymous with the "functional capacity" of the Union – from a prevalently institutionalist angle – then it is apparent that the Commission's report should also include an assessment of the current stage of the institutional reform process. The chances for continued enlargement depend upon overcoming the institutional deadlock, as

the current arrangements at this level are deficient and cannot realistically support the scenario of a continued enlargement. A vague concept of "absorption capacity", together with the *sui generis* character of the previous experiences of the enlargement waves, would lead to a reinforced general perception of an "EU enlargement fatigue". Besides the institutional component and the impact on the Community policies, the ability of the societies to absorb the potential immigrant flows should be investigated more deeply and objectively.

Slovakia

The issue of absorption – or integration - capacity has not received much public attention in Slovakia following the Commission's publication of its *Enlargement Strategy* on 8 November 2006. Slovakia's new governmental representative expressed their attitude to future EU enlargement most clearly in the run-up to and during the European Council meeting on 14 – 15 December 2006.

On 11 December during his presentation in the parliamentary Committee on European Affairs, Prime Minister Robert Fico stated "Slovakia supports the entry of Turkey into the European Union. This will be beneficial for both the EU and Turkey from economic, political and strategic standpoints."⁵²⁹ The Prime Minister also added that we should not discriminate Turkey in the accession process only because its dominant religion differs from that within the EU. Yet, Slovakia's government is internally divided in its support of Turkey's EU membership. Rafael Rafaj, the head of the Slovak National Party (SNS)'s parliamentary group, said that "the entry of Turkey into the EU is unacceptable." According to Rafaj from the SNS, one of the three parties in Fico's governing coalition (the third member of the coalition is the Vladimír Mečiar-led Movement for a Democratic Slovakia – HZDS), Turkey does not fulfill the basic political and human rights criteria and represents a threat for the 'Islamization' of the EU.⁵³⁰

Slovakia's officials subscribe to the continued support of EU enlargement to countries of the Western Balkans, in particular to Serbia, which was declared one of Slovakia's foreign policy priorities since Bratislava's entry into the

⁵²⁸ Interview with Aurel Ciobanu-Dordea, Assistant-Professor at the Faculty of Law (University of Bucharest), former Romanian Chief-Negotiator with the EU.

⁵²⁹ "Fico potvrdil podporu Slovenska tureckému členstvu v EÚ", *ČTK*, 11 December 2006.

⁵³⁰ See also "Fico potvrdil podporu Slovenska tureckému členstvu v EÚ", *ČTK*, 11 December 2006.

European Union. Following the latest European Council meeting in December 2006, Prime Minister Robert Fico declared that “EU enlargement is the export of stability”. Robert Fico expressed support for the Italian plan to renew negotiations on the stabilization association agreement with Serbia.⁵³¹ Foreign Minister Ján Kubiš added, “We have to show clearly that if Serbia’s new government (After elections in January 2007) is going to be ready to fulfill its obligations [vis-à-vis the ICTY], we shall categorically support the opening of negotiations on a stabilization and association agreement with Serbia in order to get Serbia and its citizens closer to the EU. Despite the complicated discussion on the integration capacity or institutional reform, we wanted to offer a clear signal to Serbia and its democratic forces already today.”⁵³²

Slovenia

The generally accepted opinion in Slovenia is that the absorption capacity should not become an enlargement criterion. Prime Minister Janez Janša and Foreign Minister Dimitrij Rupel have both clearly stated that the absorption capacity should not be included amongst the conditions for EU membership.⁵³³ The Prime Minister has stressed that even in the case of not including absorption capacity amongst the criteria, the problem remains. The real problem, however, as voiced in the media, is the sceptical public opinion in some member states.⁵³⁴ Supporting the general view of the Slovenian government, the State Secretary for European Affairs warned that the EU has to be careful when using the term absorption capacity, especially with regards to the countries in the Western Balkans. He notes that the absorption capacity has already been mentioned in Copenhagen in 1993, but nowadays some EU member states demand that the term get a fixed definition.⁵³⁵

Although the opinion of different actors in Slovenia seems to be relatively clear-cut, the ‘feeling’ of modest scepticism in relation to

further enlargement is rising as portrayed by the correspondent of Slovenia’s national television in Brussels on the day when the decision was reached that Romania and Bulgaria will join the EU on 1 January 2007. The correspondent singled out the most negative elements of Romania and Bulgaria in relation to their readiness to join the EU. She stressed that they reach only one third of the average EU income and that they have not yet developed the institutions needed for the successful implementation of all EU policies. She abstractly concluded that certain restrictions are needed.⁵³⁶ However, that is not supported by public opinion, since almost three quarters of Slovenians support EU enlargement (the average support in the EU is only 45%).⁵³⁷

Enlargement Commissioner Olli Rehn and Slovenian Commissioner Janez Potočnik have contributed to the debate on the issue with a guest commentary in the biggest national daily newspaper *Delo*.⁵³⁸ According to the commissioners, the enlargement on 1 May 2004 was a tremendous success for new and old member states alike. The fears of its negative impacts have not materialised, so there is no reason why further enlargement(s) should not take place. When listing the criteria for enlargement, absorption capacity was not included.

At the June meeting of EU foreign ministers, the Slovenian foreign minister identified one more reason why absorption capacity should not become an enlargement criterion. Namely, absorption capacity is an internal issue of the EU and, as such, cannot serve as a criterion for accession of new countries to the EU. “The only possible criterion is the candidate country’s readiness for membership.”⁵³⁹

Spain

Blaming enlargement for all EU ills may help the EU feel better in the short-term, but it will

⁵³¹ “Slovensko podporuje ďalšie rozširovanie EÚ”, *SITA*, 15 December 2006.

⁵³² “Summit EÚ sa skončil bez zásadných rozhodnutí”, *TASR*, 15 December 2006.

⁵³³ TV Slovenija 1 (12 June 2006) *Dnevnik* [News] and Tino Mamič (2006) *EU: Kako naprej?* [EU: How to go on?], *Primorske novice*, p. 3, 15 June 2006.

⁵³⁴ TV Slovenija 1 (15 June 2006) *Dnevnik* [News].

⁵³⁵ Saša Vidmajer (2006) *Brez Francije Evropa ne more naprej* [Without France Europe cannot go further on], *Delo* – Sobotna priloga [Saturday Supplement], p. 17, 3 June 2006.

⁵³⁶ TV Slovenija 1 (26 September 2006) *Odmevi* [Echoes].

⁵³⁷ Zoran Potič (2006) *Strahovi pred EU se razblinjajo* [Fears of EU are disappearing], *Večer*, p. 2, 18 July 2006.

⁵³⁸ Janez Potočnik, Olli Rehn (2006) *EU kot realna možnost za države Zahodnega Balkana* [EU as a real option for the Western Balkans countries], *Delo*, p. 5, 22 July 2006.

⁵³⁹ Press release of the Slovenian Foreign Ministry, *Lively EU Foreign Ministers’ Council*, 3 July 2006, [http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11183&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11183&tx_ttnews[backPid]=141) (7 November 2006).

not cure it in the long-term.⁵⁴⁰ The debate on the “absorption capacity” is seen as political debate, not as an objective / scientific one. The political, economic and social transformation undergone by Spain as a consequence of its accession to the EU twenty years ago is proof that “deepening” and “widening” can go hand in hand and support each other.⁵⁴¹ Spain has both benefited from membership and actively contributed to the integration process with policies and leadership. Therefore, it believes and seeks that the same virtuous circle may be enjoyed by the EU and the new members and that member states should continue making all the efforts to make deepening and widening compatible. That is why the Constitutional Treaty (CT) is so important: the CT’s logic is to make sure that the 2004 enlargement would contribute to strengthening the European Union; without the CT the EU will be weaker and enlargement would not be properly assimilated. Therefore, the CT is not only a means to make future enlargement possible (that is why the Spanish government supports the position that there should not be any new accessions before the CT enters into force), but to make the 2004 enlargement have a positive impact on the integration process.

A different matter is Turkey and future enlargements. The Spanish government supports Turkey’s right to be treated fairly, as much as it demands that Turkey meet the same criteria as other members. As it has been said: Turkey represents an extraordinary candidacy that has to be processed with ordinary procedures:⁵⁴² only in that way will both parties gain. We cannot predetermine at this stage what will happen in ten years time, so neither the EU nor Turkey would benefit at this stage from a definitive “no”. Concerning the “final frontiers” of Europe, the idea of drawing borders is considered counterproductive: the EU is about diluting borders and sovereignty, nor about creating or re-creating them at different levels. Within the limits dictated by geography and common sense, the borders of Europe have changed historically and will continue doing so. “Final

frontiers” may thus help some people feel better, but once set up, the new dividing lines will have to be managed. The example of the recent US decision to build a wall to isolate itself from Mexico represents very well what the Union should not do.

Sweden

Judging by a number of speeches and articles by the Prime Minister, the Foreign Minister and the Minister for European Affairs, there is no mentioning of absorption capacity, hence this issue is not considered an important one and is certainly not seen as a problem. The same goes for the other political parties. One important exception is the new Foreign Minister, Carl Bildt, who in an article in the International Herald Tribune was quite explicit about absorption capacity being a misdirected debate: “Absorption capacity... is a flawed concept that ignores not only the truly historical transformation that Europe has been going through since 1989 but also the very nature of the process of integration”.⁵⁴³

Turkey

As noted in earlier reports, in Turkey the debate on the EU centres on the Turkish accession to the EU, rather than the dynamics of the EU economic and political integration. Major political debates are therefore marked by an explicit concern with Turkish membership and the enlargement process. In this context, the notion of ‘absorption capacity’ holds a central place in the current discussions as a key term in the wider debates about the Turkey-EU relationship, particularly since the June 2006 EU Summit. Although the attempt to make ‘absorption capacity’ a membership criterion did not succeed in the June Summit, the statement by the Austrian Prime Minister Wolfgang Schüssel, that absorption capacity constitutes a new dimension for the enlargement process, and that the Croatian membership with its population of 5 million did not constitute any serious problem for the EU, is interpreted by the Turkish public as actually targeting Turkey with the concept. It is widely held that ‘absorption capacity’ will become a critical issue which will drive the Turkish accession process, and that its inclusion in the Negotiating Framework implies that it will become the fundamental criterion to determine

⁵⁴⁰ „To enlarge or not to enlarge the Union: that is not the question“ José I. Torreblanca. Elcano Royal Institute. Analysis 67/2006. 4/7/2006. Available at:

<http://www.realinstitutoelcano.org/analisis/1009.asp>

⁵⁴¹ See the publication. „20 years of Spain’s integration in the EU (1986-2006)“; by Sonia Piedrafita, Federico Steinberg, and José Ignacio Torreblanca. Available at: http://www.realinstitutoelcano.org/publicaciones/libros/publicacion_20_europa.pdf

⁵⁴² José M. Areilza. „El caso turco“. Spanish Daily ABC, 3 October 2005. www.abc.es

⁵⁴³ Carl Bildt, “Open wide Europe’s doors”, International Herald Tribune, 2006-11-08, www.regeringen.se.

whether Turkey can become an EU member or not.

Within this framework, there is a clear differentiation between the views of the government and the opposition. The former maintains that 'absorption capacity' is nothing new, and that the EU has already started to absorb Turkey. This view emphasises that the concept has not been clearly defined yet, and thus it will not have serious implications for Turkish membership. The opposition, on the other hand, has a more pessimistic outlook and criticises the concept from various angles. The negative view on the 'absorption capacity' conceives the concept as real 'political dynamite', implying a new condition for Turkish membership in addition to the Copenhagen criteria. In this regard, 'absorption capacity' is defined as an 'escape clause', a 'safety valve' for the EU, which is added to those that already exist, including the national referenda to be held on the Turkish membership by France and several other EU member states.

The reference to the EU's capacity to absorb Turkey in the Negotiating Framework has generally been met with resentment, and interpreted as it is Turkey, which is being absorbed by the EU. The central issues arising from the debate point to the existence of an exceptional stance towards Turkey, which was not the case for other candidate countries. This would imply different conditions to be imposed on Turkey and, perhaps more crucially, that Turkey would never become a full EU member even though it successfully fulfils its obligations. In this regard, two main lines of argument gain prominence. (1) One sustaining that the real problem, in relation to the Turkish accession process, is not the – rather technical – process of harmonisation, but special conditions which were not required from previous candidate countries and new negotiation methods, including long transition periods, derogations, special arrangements or permanent exceptions. This line of argument maintains that the 'absorption capacity' goes together with heavy conditions imposed upon Turkey, including the necessity to fulfil its obligations emerging from the Added Protocol extending the Customs Union to ten new member states and the Partnership Agreement. (2) The question pertaining to the internal dynamics of Turkey, and the internalisation of the reform process, which is still considered to be an obligation for EU membership rather than a necessity to improve citizens' welfare. It is therefore argued that the

socio-economic and political factors that require extensive reforms are the outcome of internal dynamics, which should be dealt with regardless of EU aspirations. In both of these arguments, the issue of 'absorption' emerges as a two-way process whereby the capacity of Turkey to absorb the EU becomes more important than the EU's absorption capacity.

The indecisiveness of the EU in relation to the Turkish accession process is also underlined in the debates on the absorption capacity. Accordingly, it is argued that different points of view regarding the concept prevail amongst the member states: while some insist that the 'absorption capacity' be raised to the status of a membership criterion, the majority wants it to remain 'an important evaluation factor'. It is emphasised that the negotiation process, which is supposed to be technical, is still driven by political motives and indecisiveness, and that the 'absorption capacity' stands as a legal framework for the EU not to take a country as a full member even if it fulfils all the conditions. In this view, the essential problem lies in the inability of the EU to strategically foresee its future, and to insert Turkey in this picture. It is widely believed, however, that Turkey has a lot to offer to the EU, as the sixth biggest economy of Europe, which recorded a growth rate of 8 per cent in the last four years, while the growth in the Euro area has remained at around 2 per cent. In this context, there are increasing questions as to the readiness of the EU to absorb Turkey, with its problems about economic growth, global competition, institutional reform and political integration, as well as the willingness of Turkey to join an EU in this state, which goes together with the growing reluctance towards the EU amongst the Turkish public. It would be sufficient to mention the sharp decline in the public support in Turkey for the EU accession process, from around 70 per cent in 2004 to 30 per cent in October 2006⁵⁴⁴.

United Kingdom

The UK government holds the view that the current debate on the EU's absorption capacity might halt further enlargement in the EU and compromise one of the longstanding goals of British diplomacy. Yet, it has also been recognised by British commentators that the

⁵⁴⁴ Euractiv, 25 October 2006, 'Sharp Decline in Turkish EU Support', available at <http://www.euractiv.com/en/enlargement/sharp-decline-turkish-eu-support/article-159095>

debate on the Union's capacity to absorb new member states has become inevitable.

From the outset, the UK was strongly in support of the EU-10 enlargement. Poland's entry for instance was initially perceived as of great importance for the UK economy on the one hand, and for the strategic vision for Europe as means to halt further integration on the other. Yet, the unexpected rise of the numbers of Polish workers in the UK has had repercussions in the government's recent decision to restrict access of Bulgarian and Romanian workers in the UK.

None the less, the UK is and has always been very supportive of future EU enlargements. What really matters for Britain is that Turkey becomes a part of the Union. Turkish accession is of strategic importance for the transatlantic relationship with the US and also for the long-term development of the wider Europe. In the government's view, the question of Cyprus should not derail the accession talks. With regards to the Western Balkans, although its future is very uncertain, the UK is supportive of their membership in the longer term. In short, the UK holds the view that the European Union's capacity to absorb new member states is not exhausted.

5

European Energy Policy

Please outline the energy policy of your country: current energy mix, price level and prospects as well as the future policy strategy.

- **What are controversial points and aspects of energy policy?**
- **Is energy security a high salience issue?**
- **To what extent is energy policy discussed in a security context?**
- **What are expectations in this field with regard to the European Union?**
- **Since the 2006 spring council invited “the Commission and the Council to prepare a set of actions with a clear timetable enabling the adoption of a prioritised Action Plan by the European Council 2007 spring session”, which are the priorities and suggestions within your country?**

Austria

Energy mix

Austria's current energy mix is based on fossil energy sources, which amount to two thirds of the final energy consumption, followed by electricity, renewable energy sources and district heating. More than 60 % of electricity is produced in hydro power stations. Austria has no active nuclear power plants. Electricity prices are below EU average; the share of taxes in industrial electricity prices, however, is the highest throughout the EU. The energy dependency rate (net imports/consumption) is above 80 % (EU average: 56 %), largely due to oil and gas imports. In view of the dependence on foreign fossil fuels, energy efficiency and the promotion of renewable energy sources are of key importance for a secure energy supply. Energy efficiency, indeed, is a political priority not only as an instrument to stabilise energy demand but also to reduce CO₂ emissions.

Controversial and security issues of energy policy

Austria shares and supports the six priorities of the Commission Green Paper on Energy, including the development of a coherent external energy policy, the promotion of energy efficiency and sustainable energy, which are also considered important security issues. The EU energy policy should also extend to the supply and transit countries in order to ensure a diversification of the energy supply, such as is done with the Nabucco pipeline project.

However, the main responsibility for choosing the mix should remain with each member state. In this respect, the government confirms its anti-nuclear position as regards the use of atomic energy. Especially the Green party is highly critical of the EU attempts to promote nuclear energy as a means to reduce climate change. They are also very critical of the energy policy of both the Social Democratic Party and the Christian Democratic Party which, despite the refusal to use nuclear energy, has rather been counterproductive as regards the promotion of renewable energies and energy efficiency. The Green party has elaborated an alternative comprehensive energy policy framework based on three

pillars, including (1) an ecologically oriented tax reform program, (2) energy efficiency and (3) investment and promotion of research and development in the field of renewable energy. This policy mix would have a twin effect by increasing Austria's autonomy as regards energy supply while decreasing the impact on climate change. Finally, it would also contribute to the creation of new employment opportunities.

Similar positions are held by the trade unions. They argue, however, that such a policy would only be possible within the context of a largely publicly owned power supply system. In this respect, the trade unions are highly critical of the position of the EU commission for further liberalisation of the energy market. Public ownership would not only secure a stable and continuous energy supply, but also increase Austria's autonomy and thus, security. Furthermore, an efficient energy supply also helps Austria as a business location and favours the internal labour market. This would however only be feasible if Austria expands the technical capacity of its current power supply system. A further liberalisation of the European energy market as envisaged by the commission would, however, need to take care of the consumer and provide a framework for a transparent and competitive pricing policy. This would also have to include guaranteed access to the energy supply for the low income strata.⁵⁴⁵

As regards the realisation of the goals of a new energy policy, the Austrian Federal Economic Chamber takes quite the opposite stance. They perceive the liberalisation of the Austrian energy market as an important precondition for the increase in efficiency as regards energy production and supply. The chamber therefore welcomes the initiatives on EU level targeting existing savings potentials, e.g. in the building sector. Moreover, the functioning of the internal market for electricity and gas must be improved, in particular by removing obstacles to competition, increasing transparency and setting the right incentives for infrastructure investments. This also includes the creation of a regulator for energy on the European level. The harmonization of the competencies of the national regulators would provide the first step towards the creation of an integrated European energy network.⁵⁴⁶

⁵⁴⁵ Questionnaire Austrian union of Trade Unions, 2006.

⁵⁴⁶ Questionnaire, Austrian Federal Economic chamber, 2006.

Belgium

Total energy supply by source		Electricity generation by source	
Oil	42%	Oil	1%
Nuclear	21%	Nuclear	57%
Natural gas	24%	Natural gas	26%
Coal	10%	Coal	14%
Comb. & “renewables”	2%	Comb. & “renewables”	2%
Other	1%	Hydro - wind	<1%

Future policy strategy

Considering the future policy strategy, the EC 2030 asserts that Belgium must think entirely in European terms, and sets the objective as follows: *To offer energy services for a variety of applications based on an energy mix that guarantees a firm security of supply at an acceptable cost for our society and in an environmentally friendly way.*

It recommends that the Belgian energy policy focus on three major issues: **energy savings** that must be *advocated and implemented as much as techno-economically possible*; **energy price increases** must be fully passed to the customer; on the supply side, to reflect scarcity; a **diversity of primary energy sources and conversion technologies must be opted for, with an integration of renewable [sources of energy]**.

Bulgaria

In a speech delivered in July 2006, Bulgarian Minister of Economy and Energy Rumen Ovcharov declared that Bulgarian energy security has never been only a Bulgarian issue. He stressed that about 60% of Bulgarian energy consumption has been secured by foreign suppliers during the last 50-60 years⁵⁴⁷. Such a high degree (60%) of foreign energy supply dependency is well known in Bulgaria. During the communist era Bulgaria was not only politically but also economically dependent on the USSR, including in terms of

⁵⁴⁷ Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the conference “Bulgaria and Energy Security Policy”; organized by The Institute for Regional and International Studies (IRIS); 25.07.2006; Sofia; available at: <http://www.mi.government.bg/> (the official web site of the Bulgarian Ministry of Economy and Energy); accessed on 11.11.2006. Additional information about the expressed views at the Conference authors retrieved from the Conference minutes prepared by Mr. Plamen Ralchev, political analyst in IRIS.

energy supply. In the last ten years, economic and particularly energy relations between Bulgaria and Russia have received significant media attention in Bulgaria but have never become an integral part of a national security debate⁵⁴⁸. The security dimension of Bulgarian energy dependency has been very rarely debated within the Bulgarian public space. It has become a hot topic, though, after the start of the Ukraine-Russia gas war in January 2006, and the EU reaction to it. We could conclude, therefore, that the energy security debate was developed in Bulgaria as a result of the larger EU energy debate.

The Bulgarian Minister of Economy and Energy has expressed support for EU efforts for establishing of a common energy policy but has pointed out that, until now, these efforts have been fruitless, producing only declarations and statements with no real results⁵⁴⁹. As a result Russia is encircling Europe “step by step” on the basis of bilateral contracts and an “individual policy towards every single European state”⁵⁵⁰. Moreover, Minister Ovcharov has stressed that EU member states such as Hungary and the Czech Republic follow their own energy policy agendas by signing bilateral agreements with Russia without paying much attention to common EU efforts. As a result, Bulgaria has to decide its energy problems alone without the support of a common EU policy, which puts the country in a difficult situation in its negotiations with Russia⁵⁵¹.

Energy Security and Diversification

According to Minister Ovcharov, Bulgarian energy security has three important aspects: 1) Bulgaria as a future EU member state, 2) depolitization of the energy debate, 3) pragmatism⁵⁵². In the public debate in late 2006, doubts have been expressed with regard

⁵⁴⁸ One of the explanations for energy security low salience is the influence of Russian energy lobby in Bulgaria not only at political and economic level but in media as well. – note of Dragomir Stoyanov

⁵⁴⁹ Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the conference “Bulgaria and Energy Security...”

⁵⁵⁰ Interview of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, for newspaper “Duma”; 07.08.2006; available at: <http://www.mi.government.bg/> (the official web site of the Bulgarian Ministry of Economy and Energy); accessed on 11.11.2006.

⁵⁵¹ Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the conference “Bulgaria and Energy Security...”

⁵⁵² Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the conference “Bulgaria and Energy Security...”

to the practical realization of some of these aspects. In a commentary for Deutsche Welle Bulgarian journalist Georgi Papakochev indicated the lack of policy coherence in the energy sector, demonstrated by the Bulgarian government. As an example of this he has pointed out the divergence of positions of Bulgarian Prime Minister, Mr. Sergei Stanishev, who supported the NABUKO project, and the support expressed by the Bulgarian President about an alternative project named Burgas-Alexandroupolis⁵⁵³. In Papakochev's view, the latter project strengthens Russian positions on the Balkans. "With its almost full control on the future oil pipeline [Burgas-Alexandroupolis], the Kremlin will have the opportunity to influence directly the politics of two NATO states [Bulgaria and Greece], which after 1 January 2007 will be partners within the EU."⁵⁵⁴

The third aspect of Bulgarian energy security – "pragmatism" – is the usual key word used by Bulgarian politicians who are promoting the strengthening of Bulgarian government contacts with Russia. Using this "magic word" as one able to resolve existing problems between Bulgaria and Russia, some leading Bulgarian politicians insist that Bulgarian-Russian energy cooperation has only an economic dimension and not a political one. Such a "pragmatic" approach is criticized by some journalists and right wing politicians. Their concerns have been best expressed by Deputy Editor-in-Chief of Capital Weekly, Ms. Galina Alexandrova, who argued that by paying attention only to the economic dimension, some Bulgarian politicians forget the political price, which according to her is very "politically high" in the case of Bulgaria-Russia economic relations.⁵⁵⁵ Therefore, if we consider the fact that energy supply dependency of such neighbours of Russia as Ukraine and Georgia has been used by Moscow as a tool of strengthening Russian political positions in these countries, we could

⁵⁵³ This is a pipeline connecting the Bulgarian port of Burgas on the Black Sea and the Greek town of Alexandroupolis on the Aegean Sea, which is meant to be built jointly by Bulgaria, Greece and Russia. – note of Krassimir Nikolov.

⁵⁵⁴ Papakochev, Georgi, "Miastoto na Balgaria v energijnoto satrudnichestvo mejdu Evropa i Rusia" ("The place of Bulgaria within the Energy Partnership between Europe and Russia"); commentary for Deutsche Welle; 13.09.2006; available at: <http://www.europe.bg/> (a Bulgarian EU-related portal hosted by the European Institute); accessed on 28.10.2006.

⁵⁵⁵ Views expressed at the Conference "Bulgaria and Energy Security Policy"; 25.07.2006; Sofia. (conference minutes).

conclude that the political dimension of economic relations between Bulgaria and Russia is becoming increasingly important.

Minister Ovcharov has stated that Bulgaria is trying to diversify both energy suppliers and energy sources. The diversification of energy suppliers includes negotiations with countries such as Turkey, Egypt, Kazakhstan and Algeria, which are carried out by the Bulgarian government. But in Ovcharov's opinion the prices of supply will be higher than those proposed by Russia, and for Bulgaria it is difficult to afford this price-level⁵⁵⁶. In the case of the diversification of energy resources the Bulgarian government has three key priorities including efforts in three problematic areas within the Bulgarian energy sector: nuclear energy, local resources, energy efficiency⁵⁵⁷.

Several aspects of the Bulgarian government's energy policy have been criticized by right wing politicians. Mr. Ivan Ivanov, Bulgarian MP from the Democrats for Strong Bulgaria Party, emphasized on the complete lack of accountability and transparency in the decision making process in the energy sector. As a result, the Bulgarian energy sector has turned into a "state within the state" with its own particular interests and agenda. Mr. Ivanov also argued that the government decision to build the Belene Nuclear Power Plant with the technical support of Russia will deepen the existing problem of Bulgarian energy dependence on Russia.⁵⁵⁸ Mr. Milko Kovachev, former Minister of Energy⁵⁵⁹, underlined that energy diversification doesn't have the potential to replace supply from Russia but will make the Bulgarian negotiating position stronger⁵⁶⁰.

Belene Nuclear Power Plant

The Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, is well known for his strong support for the future development of Bulgarian nuclear energy

⁵⁵⁶ Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the conference "Bulgaria and the Energy Security..."

⁵⁵⁷ Ibidem.

⁵⁵⁸ Views expressed at the conference "Bulgaria and Energy Security..." (conference minutes).

⁵⁵⁹ Mr. Kovachev was Minister of Energy (2001-2005) and Minister of Economy (2005) in the government of the National Movement of Simeon II (NDSV). This liberal party is a coalition partner of the Bulgarian Socialist Party in a three party government since 2005. – note of Krassimir Nikolov.

⁵⁶⁰ Views expressed at the conference "Bulgaria and Energy Security..." (conference minutes).

sector. During the accession negotiations between Bulgaria and EU he was one of the most outspoken opposition politicians who strongly protested the shutdown of blocks 3 and 4 of Kozlodui Nuclear Power Plant. His current support for the building of a new Nuclear Power Plant in Belene (also on the Danube) is therefore not surprising. In his view – shared to a large extent by all politicians within the Bulgarian Socialist Party and other parties from the governing coalition – the building of the Belene Nuclear Power Plant is an opportunity for Bulgaria to play a leading role in the energy sector in the Balkans, to guarantee low prices for Bulgarian consumers and to limit the importance of the Bulgarian energy dependency problem.⁵⁶¹ Thus the construction company, responsible for building the Belene Nuclear Power Plant, has been announced early in November 2006, in the first days after the Bulgarian presidential elections won by current Bulgarian President, Mr. Georgi Parvanov (former leader of Bulgarian Socialist Party). This is the Gazprom-owned company, “Atomstroyexport”. This decision divided Bulgarian society and the political elite. It was strongly criticized by right wing politicians and journalists, and received the support of left wing parties and social circles pleading for close relations with Russia. The critics of the contract pointed out the complete lack of transparency during the tender procedure and potential negative effects (financial, political and ecological), which the decision could induce in Bulgaria. In a special issue of the weekly newspaper, “Kapital”, the Belene project was described by Bulgarian journalists, scholars and diplomats as a “political game [...] in the Russian interest”⁵⁶², a “risk for four billion euro”⁵⁶³, “a political weapon of Moscow”⁵⁶⁴, and “a way for ‘controlled’ membership in the EU and NATO”⁵⁶⁵. Supporters, on the other hand, outlined

⁵⁶¹ Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the South-East European Economic Forum; 01.11.2006; available at: <http://www.mi.government.bg/> (the official web site of the Bulgarian Ministry of Economy and Energy); accessed on 11.11.2006.

⁵⁶² Alexandrova, Galina; “Ruski vremena” (“Russian times”) in weekly newspaper “Kapital”; issue No 45; 11-17.11.2006; page 12.

⁵⁶³ Velinova, Sia; “Risk za 4 mlrd. Evro” (“Risk for Four Billion Euro”) in weekly newspaper “Kapital”; issue No 45; 11-17.11.2006; page 12.

⁵⁶⁴ Minchev, Ognyan; “Politicheskoto orujie na Moskva” (“The Political Weapon of Moscow”) in weekly newspaper “Kapital”; issue No 45; 11-17.11.2006; page 13.

⁵⁶⁵ Vassilev, Ilian; “Nachin za “upravljaemo” clenstvo v ES i NATO” (“A Way for ‘Controlled’ Membership in the EU and NATO”) in weekly newspaper “Kapital”; issue No 45; 11-17.11.2006; page 13.

expected benefits in terms of low energy prices and strengthening the role of Bulgaria in the region. The Belene project turned out to be one of the most debated topics in Bulgaria during the last months of 2006.

Energy Security – Regional Aspects

There is a broadly shared opinion among Bulgarian decision-makers that Bulgaria has to remain a country with a significant role in the Balkans energy sector. Thus, in an interview for Euronews Bulgarian President, Mr. Georgi Parvanov, argued “the fact is that Bulgaria definitely has ambitions in the area of energy and would like to retain its position as an energy hub for the region. This can be achieved in different ways. We want to develop our nuclear sector. We are building a new nuclear facility, which will meet all European and world standards in this field. Bulgaria is also working to achieve the status of a major transit hub for gas and oil from East to West. Given an efficient and flexible government policy, Bulgaria will be well placed to keep its position in the energy market”⁵⁶⁶.

According to the Bulgarian Minister of Economy and Energy, Bulgaria has the potential to be a regional energy actor by promoting the cooperation of Bulgarian companies with “key European and regional [energy] companies”⁵⁶⁷ or by consolidation of the whole Bulgarian energy sector, which on the basis of partnership with other “regional players” can turn into a supra-regional energy actor.⁵⁶⁸ This government ambition is also shared by the Bulgarian Minister of Foreign Affairs, who situates the Bulgarian energy ambitions into the European context. In his view, “Bulgaria considers itself as a potential European gateway for energy supplies from the Black Sea basin and the Caspian Sea, and we take part in the common efforts towards the construction of the trans-continental transport corridors.”⁵⁶⁹

⁵⁶⁶ Interview of Bulgarian President, Mr. Georgi Parvanov, for Euronews; 24.09.2006; available at: <http://www.president.bg/> (the official web site of the President of Bulgaria); accessed on 05.11.2006.

⁵⁶⁷ Speech of Bulgarian Minister of Economy and Energy, Mr. Rumen Ovcharov, at the conference “Bulgaria and Energy Security...”

⁵⁶⁸ Ibidem.

⁵⁶⁹ Statement by Bulgarian Deputy Prime Minister and Minister of Foreign Affairs, Mr. Ivailo Kalfin, at the Summit of the Black Sea Forum for Dialogue and Partnership; 05.06.2006; Bucharest; available at: <http://www.blackseforum.org/> (the official web site of the Black Sea Forum for Dialogue and Partnership); accessed on 11.11.2006.

Croatia

Energy policy and planning of the development of the energy sector in Croatia are outlined by the Energy Strategy, adopted in 2002 for a 10-year period.⁵⁷⁰ The Energy Strategy was designed as part of the overall Croatian development strategy and identified six main goals of energy policy: (i) increased energy efficiency, (ii) security of supply, (iii) diversification of sources, (iv) use of renewables, (v) introduction of market principles, including pricing policies and (vi) protection of the environment. The new development strategy, the Strategic Development Framework 2006-2013⁵⁷¹ reiterates the same goals and underlines the need to diversify the energy sources of natural gas, which makes up 25% of the sources of primary energy and about 10 % of total energy imports. Total primary energy supply in Croatia equals 412.04 peta-Joules (PJ), and half of it is imported. Almost 70% of supply comes from crude oil (43.6%) and natural gas (25.4%). Hydro power accounts for 16.8% of primary supply, coal and coke for 7.2%, fuel wood for 3.9% and electricity for 3.2%.⁵⁷²

Prices are being gradually liberalized, pursuant to the reform launched in 2001. One exception is the price of public services (i.e. transportation of gas, distribution of heat and some electricity-related activities: generation for tariff customers, transmission, distribution, organization of the market, supply to tariff customers and operation of the electricity system), which are regulated and set by the application of tariff systems.

The price of electricity has been stable since August 2005 when the new tariff system was adopted⁵⁷³. Average prices of electricity range from 54 €/MWh for industrial users to 77 €/MWh for commercial users, while the average household price is 74 €/MWh⁵⁷⁴.

The tariff system provides for the adjustment of gas prices four times per year, but the regulatory agency decided not to adjust prices

until the new tariff system was adopted⁵⁷⁵, so the prices are at the same level as at the beginning of 2006.⁵⁷⁶

Oil prices are changed weekly and they are based on the Mediterranean prices.⁵⁷⁷ Ministers can, however, define a price ceiling.⁵⁷⁸

The most recent change in prices was on 14 November, and retail prices of gas oil range from 0.53€/L to 0.95 €/l, while prices of gasoline range between 1.04-1.05 €/L⁵⁷⁹.

The electricity (HEP) and gas utilities (INA) have repeatedly requested for an increase in prices, which was refused by the regulatory agency due to formal reasons.⁵⁸⁰ Implementation of the EU acquis is also likely to increase the prices, and the measures to mitigate the social consequences of such a development are one of the controversial issues under discussion in the framework of the Energy Community.⁵⁸¹

The alignment with the EU acquis is the main short- to medium-term priority of Croatian energy policy. It also requires significant investment, for instance, into building adequate storage capacities for 90 days of compulsory stocks, which are to be created by 2011. Also, it is planned that 5.8% of energy will come from renewable sources by 2010.⁵⁸² Investments and related environmental issues are, together with policy reform and price issues, the most controversial points and aspects of energy policy on which positions of various stakeholders (government, opposition, civil society organization and industry) diverge. The current public debate is mostly focused on the major infrastructure projects, such as the

⁵⁷⁰ Official Gazette no. 38/2002

⁵⁷¹ "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>.

⁵⁷² Central Bureau of Statistics, Statistical information 2006. www.dzs.hr.

⁵⁷³ Official Gazette no 98/05.

⁵⁷⁴ Data available at <http://www.energy-community.org/pls/portal/docs/61831.PDF>.

⁵⁷⁵ *Opinion on the tariff for non-eligible customers for the last quarter of 2005*,

<http://www.hera.hr/hrvatski/dokumenti/hera/pdf/m1s102005h%20.pdf>

⁵⁷⁶ 6.88 €/GJ for industrial consumers and 8.17 €/GJ for households. Eurostat, *Statistics in focus*, Environment and energy, no10/2006.

⁵⁷⁷ CIF Mediteran Basis Genova/Lavera, Official Gazette/Narodne novine, no. 85/2006

⁵⁷⁸ Law on oil and oil derivatives, Official Gazette no.87/2006

⁵⁷⁹ <http://www.ina.hr/hrv/page.asp?p=81530>.

⁵⁸⁰ For more see the *Annual Report of the Regulatory Agency*, 2005,

http://www.sabor.hr/Download/2006/11/09/HERA_Izvjesje.pdf

⁵⁸¹ www.energy-community.org.

⁵⁸² Deputy Minister Ž. Tomšić, presenting screening results and negotiations on energy chapter and TENs, Zagreb, 8th November 2006.

construction of liquid natural gas (LNG) terminals or the Družba Adria oil pipeline project and underlines the difference among political parties, the President, and also civil society organizations (NGOs).⁵⁸³

Environmental organizations are against new constructions – regardless of whether those are new blocks in existing thermo power plants, hydro power plants (HPP), pipelines or LNG terminals.⁵⁸⁴

The recent examples relate to construction of new hydro power plants in Croatia and Bosnia and Herzegovina. Opposition parties, the Croatian Party of Right (HSP) and the Social Democratic Party (SDP), urged Prime Minister Sanader to insist on stopping construction of dams in Bosnia and Herzegovina for environmental reasons, since they decrease supply of water in Croatia and enable inflow of sea-water into the river Neretva.⁵⁸⁵ Concerning construction of the new hydro power plant Lešće, the Government underlines the importance of the very first HPP being built Croatian independence.

The media reactions on this issue were rather divided. Some independent electronic media outlets (e.g. Radio 101) reported on construction by underlying possible negative effects on the environment, while the daily, *Vjesnik*, focused on the same issues as the Government and stressed the importance of this power plant for industry.⁵⁸⁶ The importance for industry was also highlighted by the governing party (HDZ) in the parliamentary debate on ratification of the Energy Community Treaty in June 2006. Opposition parties argued that the interests are primarily of international investors (HSP) and highlighted fears of a (re)creation of Yugoslavia in the energy sector (HSP and Croatian Socio-Liberal Party - HSLS). Security issues were not mentioned either in political or in terms of security of supply.⁵⁸⁷ The security of supply is an issue

⁵⁸³ The former coalition government and President Mesić supported Družba Adria. The HDZ government decided to put it on hold. Environmental organizations are strongly opposing the project.

⁵⁸⁴ Environmental association 'Eko Kvarner' is strongly opposed to mentioned construction – some positions are available at <http://www.energetika.net.hr/ekologija/index.php?id=1473>.

⁵⁸⁵ Business daily *Poslovni dnevnik*, 14th November 2006.

⁵⁸⁶ For Government position – see Minister Vukelić statement as reported at <http://www.energetika.net.hr/index.php?id=1744>, Radio 101 news, 14th November 2006 and daily *Vjesnik*, 14th November 2006.

⁵⁸⁷ Izvješća Hrvatskog Sabora/Croatian Parliament Reports, No. 450, 10th October, 2006

that is being discussed in the context of blackouts, such as that on 5 November 2006 due to troubles of the transmission system in Germany, while the security context emerges as an issue in the EU negotiations.⁵⁸⁸

In general, the current EU-related energy issues are rather focused on the progress of negotiations for the EU membership and the relationship between the Energy Community and EU membership. However, it is not yet expected that Croatia will prepare either an indicative set of actions or a timetable in line with the obligations of the EU member states.

Cyprus

According to a recent study by the Energy Service of the Cypriot Ministry of Commerce, Industry and Tourism,⁵⁸⁹ the 2004 Energy Balance for Cyprus appeared as follows: solar, 3.5%; coal and pet-coke, 7.5%; and oil, 89.0%. As regards the distribution of oil products, heavy fuel oil (HFO) represented 45%, followed by diesel (23%), petrol (14%), kerosene (13%), and light fuel oil (LFO) (2%). Finally, the Cypriot Energy Demand is reflected in these figures: Transport, 54%; Industry, 20%; Residential, 14%; Commercial, 9%; and Agriculture, 3%.

Mr Kassinis' study emphasizes the five strategic goals of the Cypriot Energy Service: (1) to maintain security of energy supply; (2) to promote efficient use of energy and energy conservation; (3) to promote the use of Renewable Energy Sources (RES); (4) to decouple economic growth from energy use; and (5) to protect the environment.

The Energy Service's policy is being pursued through the Vasilikos Energy Centre, through Renewable Energy Sources and Rational Use of Energy (RUE), and through Hydrocarbon Exploration. The Energy Centre will include, first, facilities for the country's "operational petroleum products storage needs" (p.5); second, facilities for "the petroleum products strategic storage requirements"; and third, a terminal for the reception, storage and

⁵⁸⁸ Deputy Minister Z. Tomšić, presentation of screening results and negotiations on energy chapter and TENS, Zagreb, 8th November 2006.

⁵⁸⁹ *Energy in Cyprus: Policy Goals and Objectives* (Nicosia, October 2006), written by the Director of the Ministry's Energy Service, Mr Solon Kassinis. We are grateful to Mr Kassinis for making available to us this important study and for his interview with Costas Melakopides.

vaporization of Liquefied Natural Gas (LNG). It should be noted that, by 1 January 2008, the petroleum storage facilities are expected to contain stock for 90 days. As regards the Energy Centre's construction schedule, it is noted that while the awarding of the BOT (Build, Operate, Transfer) will be finalized in the third quarter of 2007, the commissioning of the Energy Centre is calculated to take place by the end of 2010 or the beginning of 2011. The estimated capital cost has reached \$700 million US (p.15).

The Cypriot Ministry's Energy Service has also activated a twin rational programme of energy conservation and of renewable energy sources. "Indicative targets" (p.18) include: the reduction of the total energy consumption by 1% per year; the increase of electricity production from RES to 6% of the total electricity production by 2010; and the effort to see the share of RES in total consumption reach 9 percent by 2010. (ibid.) Based on *current oil prices*, Mr Kassinis' study calculates that the reduction of the total energy consumption by 1% per year will mean the reduction of Cypriot oil imports by 28,000 tones of oil, which will amount to savings of about 3.5 million Cyprus Pounds (CYP) per annum. And as regards the RES target (i.e. reaching 9% of the total energy consumption by 2010), this will amount to a reduction of oil imports of 280,000 tones of oil, representing savings of about 35 million CYP per annum. Moreover, regarding electricity generation, and assuming that the goal of 6% of the total from RES would be achieved by 2010, the reduction of oil imports by 85,000 tones of oil equivalent will be worth an additional 11 million CYP per year (always calculated at current oil prices)(p.20).

A number of measures and actions at the national level associated with RES and Energy Saving should now be presented. *Inter alia*, the Ministry has estimated that the special RES and energy conservation fund will yield an income of approximately 44 million CYP by 2010. In addition, an Action Plan for the period 2006-2010 will address hybrid/dual propulsion cars, biofuels for transport, and household insulation in high altitude (above 600m) areas. Other actions include the incorporation into Cyprus Law of EU directive 2002/91 on energy performance of buildings and the parallel incorporation of EU legislation on energy labeling, together with the provision of information on energy consumption of household appliances and free trade of goods carrying the CE marking (p.21).

After a series of examples of "remarkable energy saving projects" (p.24-25), which have substantial illustrative and even pedagogical significance, the Study turns to measures taken and/or contemplated by the Energy Service for the utilization of biomass and biofuels. Meanwhile, the Republic of Cyprus' participation in European Programmes extends to "Intelligent Energy for Europe", "INTERREG", the "6th Framework Programme", and "LIFE". As for proposed programmes to be funded by EU Structural Funds, three are singled out: the creation of a theme park, a solar thermal station for electricity generation, and the installation of solar systems for heating and cooling in hotels and hospitals (p.26).

The "pedagogical" ecological role of the Cypriot Ministry of Commerce, Industry and Tourism has envisaged a number of additional actions and measures (pp.29-31). Thus, it intends to organise a "SAVEnergy" exhibition, public hearings and RES information days as well as presentations in schools to promote "energy awareness". Other measures include the introduction of more rational bureaucratic procedures for the submission and evaluation of applications, broadening the spectrum of eligible applicants for thermal insulation, the provision of benefits to low-energy owners - such as free parking and "charging stations" for electric vehicles-, the purchase of clean vehicles for the civil service, the promotion of legislation towards the use of liquefied petroleum gas (LPG) and compressed natural gas in the transport sector, and a large-scale information campaign in 2006 to promote the use of Renewable Energy Sources and to encourage conservation.

Meanwhile, the Hydrocarbon Exploration in Cyprus' exclusive economic zone is continuing unabated. Among other actions, a prospecting license has been granted for a year; an exploration license has been given to three oil companies for three years (with the possibility of renewals); and while seismic interpretation of 2D data is under way, licensing for the identification of areas for a subsequent 3D survey will be granted in December 2006 (pp.34-37).

Finally, it may come to some as a surprise that "Cyprus is the world leader in solar water heating with 90% of households and 53% of hotels having installed solar water heaters. According to the EU study, *Sun in Action*, Cyprus has the highest installed solar collector per capita with almost 1 square meter of solar

collector per person” (p.32). Thus, the Republic’s first major international recognition in this area came by way of the “World Renewable Energy Congress Trophy”. Chosen by the International Energy Agency (IEA) and the World Renewable Energy Network (WREN) as the winner, the trophy was handed to Cyprus by the President of Iceland and will stay in the Republic of Cyprus until July 2008 (p. 33).

Mr Tassos Mitsopoulos was critical of the absence, as yet, of systematic exploitation of solar energy in Cyprus (beyond its use in households) and the near absence of exploitation of wind-energy. But after welcoming the fact that some private companies have begun pursuing the production of biofuels, he added: “Energy policy should be very high on the EU agenda. An EU-Russia agreement on energy is of vital importance both for the Union and the individual Member States. Similarly important for the energy future of both the Union and the planet itself is the promotion of the European initiative for the production of energy through fusion. For, as opposed to nuclear energy, this development may generate energy that is non-toxic and friendly to the environment”.⁵⁹⁰

Finally, the left-wing AKEL’s spokesperson, Mr Andros Kyprianou, observed the following: “We support multilateral cooperation that aims at transporting petroleum more inexpensively to our region. We are not at all opposed to the collaboration Russia is developing with Bulgaria, Turkey, and other countries in our area. It is true that we have serious energy problems. The almost exclusive reliance on oil as the basic source of energy causes economic difficulties to us, given the instability of oil prices and the fact that we are dependent on the decisions of powerful states which use oil to promote their economic and political goals. The EU should promote alternative energy sources. To be sure, the Union is recently treating the matter as a priority; but we have not enjoyed any substantial results to date”.

Czech Republic

The current energy mix of the Czech Republic is characterised by a relatively high share of coal-based sources which make up almost one half of all sources of energy. Other traditional

⁵⁹⁰ Interview conducted by Annita Demetriou. Cyprus Foreign Ministry, 16 October 2006.

sources such as gas and oil take up the second and third rank (around 18 percent each). However, while these sources’ shares are more or less stable, the production of nuclear energy has almost doubled since 2000 and it covers 17 percent of the overall energy consumption today. Renewable sources of energy provide for 3.3 percent of the total, and, although their production is on the rise, their share will remain relatively small for the foreseeable future.⁵⁹¹

Although following the Russian-Ukrainian gas crisis, there has naturally been a surge in attention towards the political and security aspects of the Czech and EU energy policy, compared to other EU countries, the discussions almost never spill over from debates in technical and business circles to the general public. Also, a clear link between security, energy dependence and a common EU energy policy has never been officially articulated. There are several reasons for this reserved approach: First, unlike in Poland and in other countries in Central and Eastern Europe, Russia is not perceived as such a threat. As a result, the energy dependence on the Union’s eastern neighbour is not seen as something that must be avoided at all costs. Secondly, proposals on a common energy policy are usually seen from the perspective of the still-not-forgotten tussle between the Czech Republic and Austria about nuclear energy (related particularly to the Temelín nuclear plant).

These two emphases are almost omnipresent in comments by Czech officials – for instance, after the June Council of Ministers for Energy, the then Deputy Minister for Industry and Trade Jiří Bis repeated that priority must be given to good relations with Russia and that diversification of sources is needed, including nuclear energy.⁵⁹² Given this general mood, it remains doubtful whether clear support for the common energy policy by Polish President Kaczynski, who is widely perceived as a Eurosceptic, is taken seriously by Czech

⁵⁹¹ Vyhodnocování naplňování cílů a sociálních dopadů realizace Státní energetické koncepce (The assessment of fulfilment of aims and social impacts of the State Energy Conception). 2 January 2006, Ministry of Industry and Trade, <http://www.mpo.cz/dokument1699.html>. Another source claims, however, that renewable energy sources make up almost 4,5 percent (see <http://www.euractiv.cz/cl/23/3065/Odbornici-jaderna-energie-ma-v-energetickem-mixu-CR-pevne-misto>).

⁵⁹² EU se shodla na potřebě energetického partnerství s Ruskem (The EU agreed on the need for an energy partnership with Russia). Czech News Agency, 8 June 2006

diplomacy. The same applies to Kaczynski's proposals for the Visegrad Countries to cooperate in pushing through the policy on the EU level.⁵⁹³ This scepticism is supported by another official Czech political statement which, after an expression of general agreement with the energy policy, goes on to underline that, "Nevertheless, Member States' sovereignty over different energy sources and the creation of a general structure of its energy supply must be preserved. Likewise, local conditions of different Member States should be fully respected."⁵⁹⁴

As for the priorities and the role of the EU in forging the policy, the official information does not provide any specifications either: "It is essential to continue the debate about the European Strategy for Sustainable, Competitive and Secure Energy. In this respect, attention must be also given to relations with third countries, which would be a firm foundation for a possible diversification of sources and reduction of dependence on a single supplier."⁵⁹⁵

Yet energy has been also discussed in more concrete terms: In recent months, several conferences dedicated to energy took place in the country: In early October, a conference entitled "Energy Policy of the Czech Republic in the European Context" was held in the Senate. However, it focused mainly on the policy's economic aspects and while most of the speakers agreed that liberalisation is needed, many feared that, in fact, the process might lead to the creation of monopolies and indeed lead to a reversal of the liberalisation carried out in the country in recent years.⁵⁹⁶ In the same month, a more policy-oriented conference, Energy Forum, was organised in

Prague by Radio Free Europe/Radio Liberty and by the Polish Economic Forum, and while its results are not known at the time of writing, its focus was more on strategic issues like energy security in Eastern Europe, the Iranian Crisis, etc.

Denmark

In his opening speech to the Danish Parliament, Prime Minister Anders Fogh Rasmussen underlined concerns about energy supply as one of the big challenges for Denmark. Energy is thus high on the Danish political agenda.⁵⁹⁷ The mix of the energy consumption in Denmark in 2005 was 42% from oil, 23% from natural gas, 19% from coal and coke and 16% from renewable energy sources.⁵⁹⁸ The energy consumption in 2005 was 824 Peta Joules. This is a small decline of 1.8% since 2004 is primarily related to a change from a net export of electricity to a net import. However, it is also the case that Denmark (alongside Austria, Belgium, Ireland, Italy, Portugal and Spain) is likely to miss its national emissions ceiling as agreed in the EU burden-sharing agreement.⁵⁹⁹ Denmark has implemented the electricity and gas directives to the fullest and has gone on to separate the ownership of the grid and production. However, the assumption that full liberalisation would lead to a decline in prices may not be tenable.⁶⁰⁰ The price of electricity has been rising from 24.9 dkøre/kWh in the second quarter of 2005 to 45.5 dkøre/kWh in the second quarter of 2006.⁶⁰¹

The energy debate in Denmark is currently focused on discussions of a future European energy policy. The Danish government's declared wish is to get an ambitious, coherent European energy policy, where energy efficiency is a central element. The future policy strategy on energy will focus on

⁵⁹³ Lech Kaczynski: Záleží mi na těch nejlepších vztazích s Českou republikou (Lech Kaczynski: I care about the best relations with the Czech Republic). Czech Radio, 16 February 2006,

<http://www.rozhlas.cz/izurnal/cesko/zprava/225113>

⁵⁹⁴ The Czech Republic's Initial Contribution to the Austrian Presidency Note on the New Energy Policy for Europe (As per document no. 5401/06 ENER 7 of 16 January 2006). Ministry of Industry and Trade, 15 February 2006, <http://www.mpo.cz/dokument10185.html>

⁵⁹⁵ Klíčové priority MPO vycházející z priorit finského předsednictví v Radě EU (Key priorities of the Ministry of Industry and Trade based on the priorities of the Finnish presidency in the Council of the EU). Ministry of Industry and Trade, 21 July 2006, <http://www.mpo.cz/dokument19946.html>

⁵⁹⁶ Odborníci: Jaderná energie má v energetickém mixu ČR pevné místo (Experts: Nuclear energy has a firm place in the energetic mix of the Czech Republic). 5 October 2006, <http://www.euractiv.cz/cl/23/3065/Odbornici-jaderna-energie-ma-v-energetickem-mixu-CR-pevne-misto>

⁵⁹⁷ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (the Danish Parliament) on Tuesday 3 October 2006.

⁵⁹⁸ Figures from Danish Energy Authority for 2005. http://www.ens.dk/graphics/Energi_i_tal_og_kort/statistik/arsstatistik/Hovedtal_forelobig_energistatistik2005.pdf (Located 30 October 2006)

⁵⁹⁹ Agence Europe Report, EU/Climate Change, Bulletin No. 9296, 28 October 2006, p. 7-8.

⁶⁰⁰ 'Statement regarding the Commission's green paper on European energy strategy – KOM (2006) 105', See http://www.eu-oplysningen.dk/upload/application/pdf/200608/105_3.pdf (located 13 November 2006)

⁶⁰¹ Energitilsynet: "Elstatistik 2. kvartal 2006". See <http://www.energitilsynet.dk/information/00/elprisstatistik-2-kvartal-2006/> (Located 30 October 2006)

substantially increasing the use of renewable energy and setting ambitious goals for utilising energy more efficiently and effectively. It seeks to substantially enhance efforts to foster research, and development within the energy field in order to develop both existing and new renewable energy sources. There is a strong focus on developing bio-fuel for cars. The strategy will combine political regulation and market mechanisms, in order to ensure that investments are made in areas where we get maximum energy and environmental value for our money.⁶⁰²

With the exception of the Danish People's Party and the Unity List, the parties in the Danish Parliament adopted a joint statement regarding the European Commission's green paper on a European energy strategy. The statement set out the Danish priorities for the action plan on a European energy strategy on 22 September 2006. The statement said:

'In our opinion, it is extremely important to work on the preparation of a unified, ambitious, and well-founded joint energy policy based on in-depth analysis and an open discussion of the major challenges we will be faced with at the Community and national level in the coming decades: greater dependence on imported fuels, the reduction of greenhouse gas emissions, support for innovation, job creation, and economic growth.'⁶⁰³

In relation to energy efficiency, the goal of a 20 per cent reduction before 2020 is modest in relation to the potential, judged on the basis of the experience in Denmark. There could, according to Danish estimates (government figures), be a potential savings of 42 per cent in homes and buildings during the next ten years, although the greatest potential lies in the existing housing stock, which the directive makes very little of. With reference to sustainable energy, the Commission is called upon to prepare an energy action plan for building big off-shore wind-turbine parks. On transport there should be a commitment to the development and use of second generation bio-fuels in particular and the introduction of other fuels. It is seen as important for the

⁶⁰² Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (The Danish Parliament) on Tuesday 3. October 2006. See <http://www.stm.dk/Index/dokumenter.asp?o=6&n=0&h=6&t=14&d=2692&s=2> (located 13 November 2006)

⁶⁰³ 'Statement regarding the Commission's green paper on European energy strategy – KOM (2006) 105', See http://www.eu-oplysningen.dk/upload/application/pdf/20cb8056/105_3.pdf

Commission to introduce proposals that will provide the automotive industry with a strong incentive to use the best available technologies and commit to their further development.⁶⁰⁴

The fact that the Commission's green paper takes no concrete stance on the EU's increasing dependence on imported oil gives the Danish Parliament cause for concern. The emission of greenhouse gases from oil products is growing rapidly and is now cancelling out the reductions being made in other areas, and oil is that resource which, to all appearances, we will run out of first. This makes it important to carry out a thorough analysis of the EU's growing dependency on oil and to prepare an ambitious strategy regarding ways to move away from this dependency. It is recommended that national allocation plans (NAP) in relation to the EU's CO₂ quota-trading system (2008-12) should be tightened up considerably with the aim of further tightening after 2012, and that the quota directive should be adjusted with the aim of reducing environmental impact.⁶⁰⁵

Energy is furthermore discussed in a security context – it is seen as very important to avoid a situation where states or regions can put Europe in an unfortunate position because of Europe's growing energy dependency and the general pressure on the energy market, which could be used as political pressure on the EU.⁶⁰⁶ In this context, the Prime Minister has specifically stressed that 'energy is also about security policy.'⁶⁰⁷

Estonia

Estonia is the only country in the world where oil shale is the primary source of energy. Oil shale has been mined in Estonia since 1918 (production levels peaked during the Soviet

⁶⁰⁴ 'Statement regarding the Commission's green paper on European energy strategy – KOM (2006) 105', See http://www.eu-oplysningen.dk/upload/application/pdf/20cb8056/105_3.pdf

⁶⁰⁵ 'Statement regarding the Commission's green paper on European energy strategy – KOM (2006) 105', See http://www.eu-oplysningen.dk/upload/application/pdf/20cb8056/105_3.pdf

⁶⁰⁶ Per Stig Møller, Foreign Affairs Minister (C), Flemming Hansen, Minister for Transport and Energy (C) and Connie Hedegaard, Minister for Environment (C): 'Kronik: Vi skal vise rettidigt omhu med Europas Energi', *Jyllandsposten*, 23 March 2006.

⁶⁰⁷ Prime Minister Anders Fogh Rasmussen's Opening Address to the Folketing (The Danish Parliament) on 3 October 2006. See <http://www.stm.dk/Index/dokumenter.asp?o=6&n=0&h=6&t=14&d=2692&s=2>

period), and the large deposits in the northeast of the country are estimated to last another 50 years. Oil shale is produced by the majority state-owned Eesti Põlevkivi (Estonian Oil Shale) and is consumed for power generation (about 95% of electricity consumed in Estonia is produced from oil shale) and for shale-to-oil processing.

Thus, in terms of energy supply, the country is relatively independent: it has a reliable energy supply, which is only slightly sensitive to world market prices. About 70 per cent of primary energy is of domestic origin (primarily oil shale, but also wood and peat; solar and wind energy are also used to a small extent). However, the Estonian energy sector is dependent on foreign providers in the following ways:⁶⁰⁸

- almost all liquid fuels are imported (mostly from Russia);
- all of the natural gas is imported from a monopolistic provider (Gazprom). Natural gas accounts for roughly 15 % of the current energy mix;
- for historical reasons, the electric power grid is interconnected with the power systems of the neighbouring states (other Baltic states, Russia, Belarus); the stability of the grid depends on the power systems of the neighbours;
- the functioning of Estonia's electric power stations depends on the water level of the Narva reservoir, which is controlled by a neighbouring state (Russia).

Problems in any of the above-mentioned areas could cause significant economic losses. Because of the poor state of relations with Russia, political risks should not be underestimated, especially in light of Russia's proclivity to use energy as an instrument for political pressure. (Despite repeated threats by Russian politicians, Russia has cut off energy supplies to Estonia only once – in winter 1992/93).

In addition, due to economic as well as environmental reasons, the national energy development strategy foresees cutting oil shale's share of primary energy production from 62% to 47–50% in 2010. There are several scenarios for alternative resources. The three Baltic governments together with their main energy providers are exploring the

prospect of constructing a new nuclear power plant in Lithuania that would provide power to all three countries. The decision on investing in the new facility will not be made until 3-4 years from now and the plant could be completed by 2015. A feasibility study confirmed that the three Baltic energy companies would be able to secure the necessary investments on their own. The usual concerns about nuclear energy are raised, and critics of the plan claim that Estonia should develop facilities for producing energy from renewable sources.

With regard to the European Union, Estonia is a strong supporter of a unified and coherent energy policy closely connected to the common foreign and security policy. The EU's external relations must contain an energy component in order to represent member countries' interests vis-à-vis Russia and other major energy-exporting states. In particular, the EU badly needs a common energy policy to ward off Russia's obvious attempts to use energy supplies for political pressure. The policy should reflect solidarity among member states and should give sufficient attention to security concerns. It is also hoped that such a policy would give the Baltic states a more equal position in negotiations with Russia. Another high priority is to call attention to the energy security of the Baltic countries that are currently cut off from the common EU energy market and to the need to connect Baltic power grids with those of other EU members. Energy security has rapidly emerged as a high-priority issue in domestic debates, as evident from remarks made by the newly elected president, from the government's active search for new energy solutions and from parliamentary debates on the topic (the Foreign Affairs committee of the Estonian Parliament recently commissioned a study on energy security from the Estonian Foreign Policy Institute).

Finland

Finland's energy mix as of 2005 consists of the following energy sources: oil accounts for 27 % of total consumption, wood-based fuels for 20 %. Nuclear power creates 18 % of energy consumed. The construction work on Finland's much debated fifth nuclear power plant started in 2005. The power plant is expected to be operational by 2010. Natural gas accounts for 11 %, coal for 10 %, peat for 5 %, net import of electricity for another 5 %, water power for 4 % and other sources for 2 %. About half of the energy consumed by Finns is imported, of

⁶⁰⁸ Eesti Välispoliitika Instituut, „Eesti energiapoliitika kontekstis” Euroopa Liidu Energiapolitiika kontekstis” (a study by the Estonian Foreign Policy Institute on energy security), 2006. www.evi.ee/lib/Energiapolitiika.pdf

which approximately 62 % originates from Russia. Energy prices, especially those of fossil fuels and natural gas, are on the rise.⁶⁰⁹

European energy policy has been one of the priorities of the Finnish EU Presidency; indeed, it would have been topmost on the agenda had not the Lebanon crisis reshuffled the priorities somewhat. Finland's Presidency priorities have included promoting energy efficiency and renewable and sustainable energy sources, attempting to act as bridge-builder in the EU-Russia energy dialogue and developing an efficient internal EU energy market. The common objective of all these priorities is increased competitiveness and energy security. The Finnish Minister of Trade and Industry, Mauri Pekkarinen (Centre Party), elaborated on these Presidency priorities in September. He stressed that Union members must promote a common energy strategy to achieve competitiveness and efficiency, but first and foremost to improve energy security. Cooperation with Russia, Europe's most important energy supplier, must be developed, and to a certain extent in the context of renewing the EU-Russia Partnership and Cooperation Agreement (PCA).⁶¹⁰

Finland's Presidency priorities also reflect Finland's future national energy emphases. The importance of sustainable energy production and a worryingly strong energy dependence on Russia are topics that have featured prominently in the media and political discussion during the reporting period. The promotion of renewable energy sources and energy efficiency is important for Finland as it would increase energy independence and also facilitate meeting the requirements of the Kyoto climate change protocol, which is widely perceived as very valuable.⁶¹¹ The prospect of increasing the use of bioenergy has been a very salient topic in the media; Finland is in fact already Europe's leading country in the use of bioenergy. A fifth of Finnish energy is biological – e.g. wood-based fuels and peat – as a by-product of the forest industry.⁶¹² Energy dependence on the Eastern neighbour is generally viewed as compromising Finland's energy security. Arguments surrounding this

theme usually do not include explicit political undertones: energy dependency per se is viewed as undesirable for "security of supply", not the fact that it happens to be Russia on which Finland is dependent.⁶¹³ Furthermore, politicians are keen to point out that Russia is also dependent on European energy markets. The President of the Republic Halonen, remaining consistent with the Finnish official position of the last decade, has stated that the EU-Russia mutual energy interdependency is a positive thing as a spur to cooperation.⁶¹⁴

Regarding the prioritised Action Plan, official Finnish government stances are yet to be formulated as there is little information on the Action Plan background analysis prepared by the Commission. Finland's general positions to the Union's energy cooperation apply in this context. Discussion on the European Community's energy choices is welcome: although each member state makes its own choices, it is good to consider the issue of energy mix at Union level, as the energy policy choices of one member country are likely to affect the options of others. As has already been mentioned, Finland attaches great importance to energy efficiency, sustainable energy choices and a functioning internal EU energy market; existing EC laws should be implemented in all member states before new legislation is planned. A one-size-fits-all approach to renewable energy sources and energy efficiency is not desirable, however. It might be fruitful to set common goals regards using renewable energy to which each member country could then aspire through its own individual preferred methods.⁶¹⁵

France

Energy security is a high salience issue in France. The government and all political parties have called for a common energy policy to cope with the challenges facing the future of the European energy supply. Electricity and gas are the two sources of energy that top the headlines. On 4 November, France was hit by a massive power cut, which had its origin in Germany. It demonstrated the fragility of the European network and France's vulnerability. Regularly, the disputes between Russia and its neighbours remind everyone that the continuity

⁶⁰⁹ Ministry of Trade and Industry, Energy Review 2/2006, http://www.ktm.fi/files/16616/KTM_ekatsaus0206_www.pdf

⁶¹⁰ Mauri Pekkarinen at the COSAC Meeting, 11.9.2006, <http://uutisruutu.eduskunta.fi/dman/Document.phx?documentId=kt25706135558073>.

⁶¹¹ See e.g. Turun Sanomat, Editorial, 15.6.2006.

⁶¹² Bioenergy in Finland, <http://www.finbioenergy.fi/default.asp?init=true&initID=398;14347>

⁶¹³ See e.g. Hufvudstadsbladet, Editorial, 1.9.2006; Helsingin Sanomat, Article, 3.9.2006.

⁶¹⁴ Tarja Halonen, Turun Sanomat, 15.6.2006

⁶¹⁵ Personal interview with EU expert of the Prime Minister's Office, November 2006.

of gas supply may be threatened. In 2006, another issue put gas on top of the agenda: the decision of the government to merge Suez and Gaz de France, France's main gas company. As a result, the French are generally aware of these issues.

But the inaction of the Union so far has cast doubts on its capacity to do something about it. In August 2005, 50% of the French thought that the European level was the most appropriate level to take decisions to respond to energy challenges. In September 2006, that figure was down to 39%⁶¹⁶. The other reason why the French are increasingly sceptical is linked to their perception of the excesses of the liberalization of the energy sector. European energy policy is seen by the French as synonymous of competition and privatization which, people fear, will lead to higher prices, lower investment and poorer quality of service.

This explains the official response of the government. In September 2006, Dominique de Villepin, the French Prime Minister, developed his vision of a European energy policy. Europe should have two objectives: "ensure our energy independence and protect consumers against the liberalization of energy markets, which, today, is not understood by the French public. In 30 years, 80% of our energy supply will come from outside the Union. The people want Europe to defend their security". As a result, he put forward the idea of "a true European energy diplomacy which would be managed by a special representative who could organize a summit between the Europeans and its main neighbours which produce gas and oil, like Algeria, Russia, Norway". He also called for a "convergence of national energy policies around new projects, like the nuclear fusion reactor ITER" and "better coordination in the management of strategic reserves of gas and oil to have a common response in case of speculation"⁶¹⁷. One should not, however, give too much credit to these declarations. In July 2006, Thierry Breton, the French Minister for the Economy, Finance and Industry published an article calling for a "new deal" in energy but hardly mentioned Europe. When it comes to industrial issues, the French government defends its "national champions" more than a common European interest.

Some suggested the creation of a large European gas company to be able to carry more weight, in particular in the face of the Russians. "In 1950, six countries combined their productions of coal and steel; in 2007, fifty years after the Treaty of Rome, to mobilize all 'energies' – in all the senses of the word – to create 'European Gas' would be a common sense idea and a symbol"⁶¹⁸. Dominique Strauss-Kahn, a former socialist Minister for Finance, called for the creation of a European economic interest group for electricity⁶¹⁹.

Germany

After the Russian-Ukrainian energy crisis, the question of energy security has become a salient issue in the German public debate. The high dependence on gas and oil imports coming from mostly politically unstable countries has especially raised the question of the right energy mix. In 2005 fossil fuels represented the fundamental component of Germany's primary energy sources (36 % oil, 24.1 % coal, 22.7 % natural gas). Nuclear power stations contribute 12.5 % and the contribution of renewable energy lies at 4.6 %. During the next years this dependency on fossil fuels imports will even increase because of the planned nuclear power phase-out by 2020. According to current plans the existing German nuclear power stations have to be replaced for the most part by natural gas and coal and by renewables. This question represents the core problem in the current German energy debate. Related to this central issue you find the main political cleavages. The Social Democrats, the Greens and the former GDR state party, "Die Linke", favour and back the planned nuclear power phase-out. The Liberal Democrats and the Christian Democrats on the other hand oppose this plan.

The left wing parties argue that the nuclear power phase-out – passed by the former Schröder/Fischer government– should not be put into question because of the risk to the population in the case of a nuclear accident and the still unsolved disposal problem. On the other hand, the right wing parties want to stick to nuclear energy, because they regard it as a way to reduce green-house emissions and to promote stable and low energy prices. The main problem concerning this question is therefore the opposite positions held by the

⁶¹⁶ Special Eurobarometer on Energy issues, November 2006.

⁶¹⁷ Berlin, 23 September 2006.

⁶¹⁸ Christophe Barbier, « Gas Bill », *L'Express*, 30 November 2006.

⁶¹⁹ *Le Monde*, 8 November 2006.

current coalition parties. Indeed, the coalition treaty envisions no change in the current legal basis. Nevertheless, the Christian Democrats and the Liberal Democrats made it clear that they will continue to use nuclear energy when they win the next election. Yet this in turn leads to the fact that the large energy companies do not know the conditions under which they will work during the next years, something which hinders investments in new power-plants and infrastructure projects.

Another important aspect of the aforementioned topic is the question of energy security in terms of the security of supply. Whereas the supporters of nuclear energy underline that nuclear power stations will reduce dependency on oil and gas (and on the producers of both), the critics of nuclear energy stress that the most secure way of reducing energy dependency is to extend “domestic resources” – which are primarily renewables such as wind, water, photovoltaic and biomass.

Yet besides the aspect of the diversification of the energy sources, the German discussion on energy security implies more and more the question of a coordinated “foreign energy policy” with a strong European dimension. In this context it is important to notice that representatives from the German government supported the French suggestion of a high representative on foreign energy policy.⁶²⁰ The importance of a European foreign energy policy can also be noted in the priorities of the German government for the energy action plan, which will be adopted by the European Council during its spring summit 2007.⁶²¹ According to a speech by the state secretary in the federal economics ministry, Joachim Würmeling, this action plan shall find answers to problems resulting from the increase of energy demand, the political instability in many of the supplier countries and the upcoming problems in guaranteeing the energy supply for the European Union.⁶²²

Greece

Greece has a quite outmoded energy economy, with a resulting high cost of energy

to business, combined with a highly subsidized electricity price to households, through the pricing policy of State-owned power company; low tax to car fuel, so as to compensate for large margins of refineries and distribution channels. The prevailing energy mix allows for a particularly over-high participation of oil (although natural gas consumption is steadily increasing) as well as for a high participation of fossil fuels (lignite) in electricity production.

There are three main elements in Greek energy policy, haltingly implemented during the last years. The first is privatization: (a) of the State-owned and effectively Union-run power company PPC, which is also trying to venture abroad in Southeastern Europe/the Balkans, currently in cooperation with US interests; (b) of new power production, through licenses awarded to private business to build and operate units both in Northern Greece and near Athens (such ventures have been facing the effective dumping-price practice of PPC, thus having difficulties to access the grid); (c) of the natural-gas distribution network. The second is opening up and linking to the energy outworks of neighboring Balkan countries, of Turkey as well as of Italy (and, thence, to the main body of Europe) in ways that bring Greece in close contact with Russian energy policy.

Two high-visibility projects are underway: one is the oil pipeline from Burgas (Bulgaria) to Alexandroupolis (Greece), effectively by-passing the Straits and contributing to the carriage of Black Sea oil to the Mediterranean; the other, far more important, is the gas pipeline agreed between BOTAS (Turkey) and DEPA (Greece), with a further understanding with Italian utilities to link-up with a submerged pipeline across the Adriatic. Whenever these projects come to the surface, there is much political and public-opinion interest, but the attention span has proved quite short. Moreover, the links Greece has, in an increasing way, with Russia in the energy field are drawing negative comments and words of caution from the U.S.; Secretary of State Rice has been recently on the record advising Greece to keep as diversified an energy base as possible, while the pressure to have Azeri (and possibly Kazakh) natural gas in any westward venture is strong.

It should be noted that Greece is a participant to the INOGATE Agreement and to the European Energy Charter. Still, expectations from “Europe” in forming and running energy

⁶²⁰ According to state secretary Joachim Würmeling at the Conference “Energy security in an uncertain world”, held in Berlin on October 5-6, 2006.

⁶²¹ Council of the European Union: Brussels European Council 15/16 June 2006: Presidency Conclusions (10633/1/06), p. 10.

⁶²² Würmeling, Joachim: Noch 100 Tage. Das BMWi vor der Ratspräsidentschaft, Rede vom 21.9.2006 in Berlin.

policy remain marginally important: the EU is seen more as an intrusive regulator (and as a cozy source of funding for infrastructure projects) than anything more dynamic in the energy context.

Hungary

At the beginning of the 1990s, due to the restructuring of the economy, energy consumption in Hungary dropped by 25% (from 1350 petajoule to 1050 petajoule), and it has not changed much ever since (except in cases of climate changes/irregularities)⁶²³. The domestic energy production is continuously decreasing, therefore imports are increasing. The import dependence has increased to over 70% until 2002 and will grow to over 80% in 2010. In the next decade the consumption will probably increase by a half percent a year, the fastest growing sector in the Hungarian energy industry being the electricity sector (1-2% growth/year). The energy intensity decreases by around 3-4% a year. The dominant primary energy source in Hungary is natural gas, whose share has slowly increased in two main areas: the electricity production and heating. The consumption is dependent on seasons, requiring larger storing capacities and therefore larger investments. Currently Hungary is dependent on natural gas imports originating mainly from Russia.

The bases of the Hungarian energy policy in the first decade after the systemic changes were the reorganisation of the vertical monopolies, privatisation and liberalisation. The process has not finished yet, there are sectors where prices are still influenced by politics. However, the policy has brought about more efficient energy sectors, but this also meant that the spare capacities of the industry (e.g. gas and electricity) have dropped, which may result in shortages during peak consumption times. It needs to be emphasized that the social duties (e.g. compensating the poor for higher prices, etc.) should be carried out by the state and not by the energy sector (unlike earlier practices in Hungary). Today the main risks affecting the Hungarian energy policy are: lack of political consensus on a coherent energy policy, inadequate legal regulations and subsidised prices internally, coupled with conflicts between supplying countries as an external risk. The subsidised

prices have several effects on the energy industry: inefficient energy consumption, extra emissions, lack of motivation for investing into the energy sector, and inadequate investments in alternative energy sources (also affected by adverse legal regulations). To conclude, today in the focus of the Hungarian energy policy is the gradual lifting of subsidies on energy prices, mainly on natural gas. There is a need to establish an investment friendly climate in the sector, coupled with an independent price regulator and a more coherent energy policy. There is also a need for investing more in energy efficiency, because this may bring more results than investing in new capacities and alternative energy sources. Finally, Hungary welcomes all joint initiatives at the European level and would like to contribute to and participate in a future Action Plan on cooperation in the field of energy.

Ireland

Background: Energy Mix and Price Level in Ireland

GDP in Ireland is almost two and a half times what it was in 1990. The result has been a rapid rise in our Total Primary Energy requirement (TPER) over this period (Figure 1).

Ireland is almost entirely dependent on imported fossil fuels to satisfy its energy needs.

As Figure 2 demonstrates, imported oil makes up a significant part of Ireland's energy mix. Ireland has no domestic oil reserves and, at present, imports the 85% of its gas.

A recent Deloitte Report⁶²⁴, commissioned by the Department of Communications Marine and Natural Resources (DCMNR), stated that electricity prices in Ireland were consistently ranked in the top three in Europe - approximately 51% above the European average. The report argued that high prices could be attributed to high levels of dependence on imported fossil fuels, record prices for these commodities, poor generation capacity combined with rapidly increasing demand, low levels of interconnection with other countries and higher than average wage levels within the generation industry.

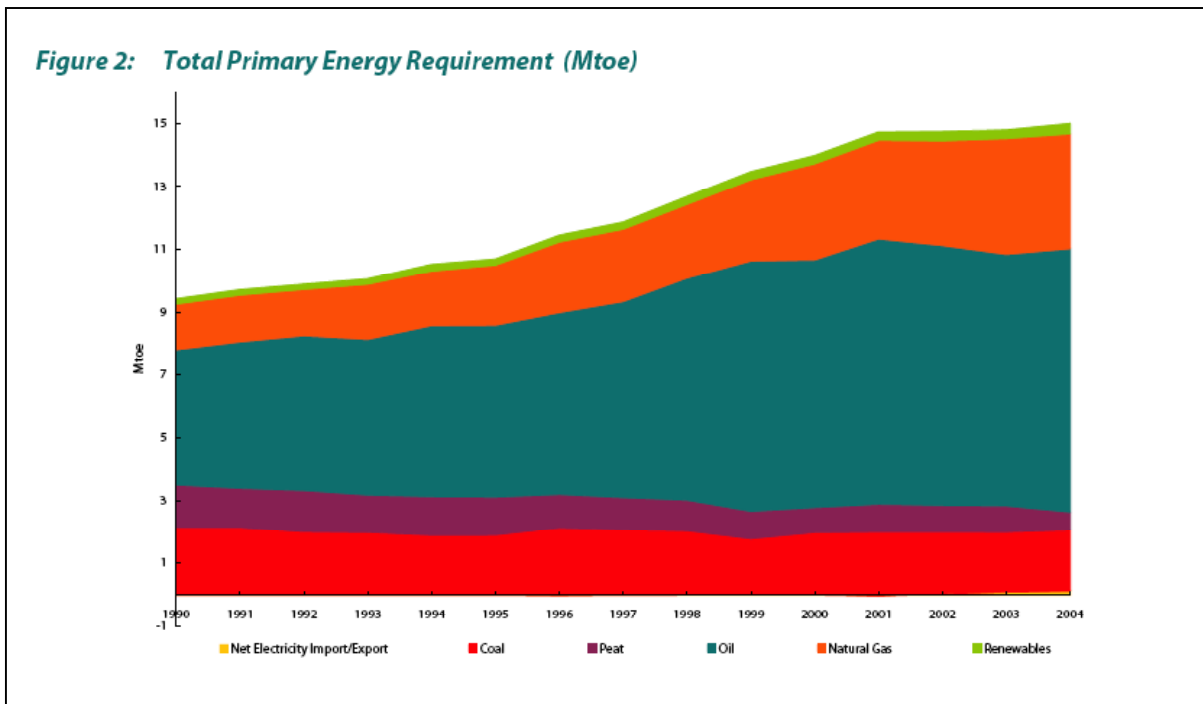
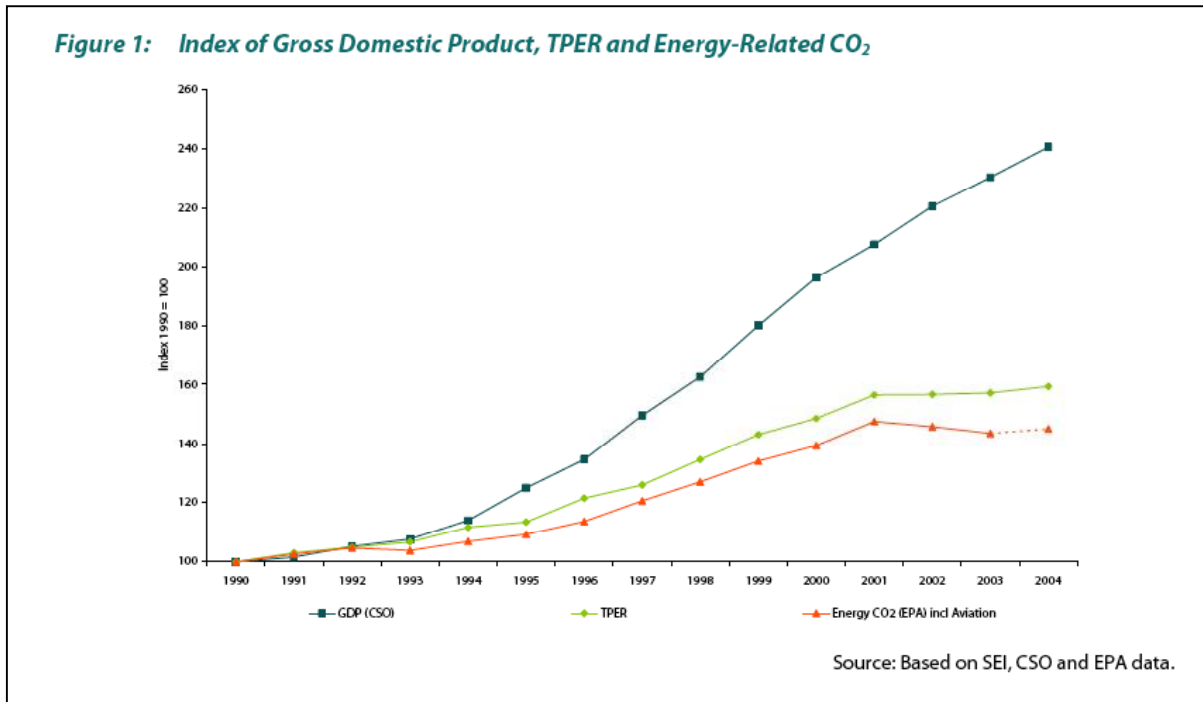
⁶²³ The answers are based on the contribution of Mr. Gábor Róbel, research fellow at the Institute for World Economics, dealing with energy issues.

⁶²⁴ Review of the Electricity Sector in Ireland 2006

Issues

Energy security is a high salience issue in Ireland. There is an increased awareness of the global picture - less frequent discoveries of new oil and gas fields, and increased competition and demand for resources from emerging economies such as China will mean

increased competition for fossil fuels and a long term trend of price rises. Given the political instability of certain fossil fuel rich regions, there is an increased awareness that a smooth and continuous supply of oil and gas cannot be guaranteed, especially for Ireland, given its remoteness from sources of supply.



Source: SEI 2004

These issues came into sharp focus with the recent publication of a Forfás⁶²⁵ report which argued that Ireland was among the most vulnerable countries to a fall in oil output or a sharp increase in demand (see Table 1). Ireland has no indigenous oil fields and is entirely dependent on imports for its oil supply; it does not possess nuclear power generation capabilities, nor is it politically viable in the current climate to propose the nuclear option; furthermore, access to neighbours' electricity supplies is possible only by means of interconnectors.

The salience of the issue of energy security in Ireland can be judged by the extensive media coverage of recent events such as the publication of the IEA's World Energy Outlook or developments in energy relations between the EU and Russia. Perhaps as a result of this high level of dependence on Russian resources, the recent Summit in Lahti on 20 October 2006 received extensive coverage in the Irish media.

A second salient issue is the implications of our high levels of fossil fuel dependence for climate change. Under the Kyoto Protocol Ireland agreed to a target of limiting its greenhouse gas emissions to 13% above 1990 levels by the first commitment period 2008-2012 as part of its contribution to the overall EU target. Latest figures suggest that the country is facing a bill of more than €100 million for failing to abide by its Kyoto limits; emissions will exceed the target level by between 6.8 and 8.1 million tons.

The publication of the Stern Report and the United Nations ministerial meeting in Nairobi, Kenya, have been greeted with much interest and concern and have received extensive media coverage. Furthermore, a recent study by two NGOs - German Watch and Climate Action Europe – which compared the climate protection measures of 56 major CO2 emitting countries, found that Ireland was languishing in the lower half of the list. Again, this story aroused much media interest.

Table 1

Oil Price Sensitivity (1)	Oil Import Dependence (2)	Oil Energy Dependence (3)		Oil Vulnerability Index (4)
Singapore	-1.3	0.98	0.97	3.25
Israel	-0.8	0.99	0.72	2.51
Hong Kong	-0.7	1	0.68	2.38
Greece	-0.7	0.98	0.62	2.3
Ireland	-0.6	1	0.6	2.2
Spain	-0.6	0.98	0.54	2.12
Germany	-0.6	0.95	0.4	1.95
Italy	-0.5	0.94	0.5	1.94
Sweden	-0.6	1	0.32	1.92
Switzerland	-0.5	0.99	0.42	1.91
Japan	-0.4	0.98	0.5	1.88
Iceland	-0.6	1	0.27	1.87
Finland	-0.5	0.96	0.36	1.82
Austria	-0.5	0.91	0.4	1.81
France	-0.4	0.96	0.37	1.73
New Zealand	-0.6	0.67	0.32	1.59
Netherlands	-0.1	0.91	0.48	1.49
USA	-0.4	0.54	0.39	1.33
China	-0.4	0.3	0.25	0.95
1. Impact on GDP of a 10% increase in real oil prices - % change				
2. (Oil Consumption - Indigenous Oil Production)/Oil Consumption				
3. Ratio of Petroleum Consumption to Total Primary Energy Consumption				
4. Sum of 1-3 (using absolute value of price elasticity)				
Sources: Indicators 1,2&3 World Bank 2005				
Indicator 4 Amárach Consulting estimates				

Source: A baseline Assessment of Ireland's Oil Dependence, Forfas

⁶²⁵ A Baseline Assessment of Ireland's Oil Dependence, April 2006, Forfás.

A third issue of considerable salience in the domestic policy debate in Ireland is the role of the state utility, the Electricity Supply Board (ESB), in the Irish electricity generation, distribution and retail markets. The aforementioned Deloitte report recommended:

- the completion of the separation of transmission and generation activities and the establishment of a new transmission system operator to be retained in state hands
- the auction of generation supply portfolios
- greater regulation to avoid the domination of one player in the domestic generation market.

The role of ESB in the Irish electricity market has come under close scrutiny from media and policy makers alike.

Policy Responses

The Irish government's response to these challenges was outlined in the first ever Energy Green Paper, published in September 2006. The Green Paper established three pillars of Irish energy policy: security of supply, sustainability and competitiveness.

The measures outlined to ensure **security of supply** were:

- Integrating Ireland into neighbouring energy markets: such as the development of an All-Ireland energy market by (i.e. one energy market in generation, transmission and retail between Ireland and Northern Ireland) and the delivery of further interconnection between Northern Ireland and the Republic and between the UK and the Republic by 2012.
- Commissioning a new report on the security of Ireland's access to oil. This report is to include a cost-benefit analysis of possible oil infrastructure connection between Ireland and the UK/Europe.
- Encouraging offshore exploration. The Corrib Gas field, when it is developed, will bring significant volumes of gas into the Irish system to 2018
- Encouraging private sector investment in gas storage and the development of a Liquefied Natural Gas (LNG) receiving terminal in Shannon

- Ensuring that contingency measures are in place to mitigate the impact of energy supply disruption.

The measures outlined to ensure **sustainability** were:

- Encouraging the development of renewable energy by providing incentives; a target of 30% penetration of renewables into the energy mix by 2020 was set
- Reduce dependency on the private motor car by investing in large infrastructure projects and by use of vehicle registration taxes
- Investing in R&D in the areas of renewables, energy efficiency, etc.

The measures outlined to ensure **competitiveness** were:

- Ensuring full liberalization of the gas market by 2007
- Ensuring the creation of a Single Electricity Market (SEM) by 2007
- Encouraging the development of competition in energy supply (no clear outline of how this might be attempted was given but the Deloitte Report's recommendation of opening up the electricity generation market to increased competition by auctioning off power plants was rejected)
- Undertaking a review of the role played by the Commission for Energy Regulation (the Irish energy regulator) after the establishment of the SEM in 2007.

A consultation process has been launched and a White Paper will follow in 2007.

Expectations of the European Union:

As a small member state, Ireland is particularly keen on the EU presenting a united front vis a vis Russia in ongoing negotiations. Ireland, like other Member States is very limited in what it can accomplish unilaterally.

With regard to the prioritized Action Plan, Ireland is awaiting the Commission "Energy Package" which will be presented in January 2007. Of particular interest to Ireland are the Strategic Energy Review, the new Renewables Road Map and the Internal Market Report dealing with energy liberalization and the Communication on Strategic Energy Infrastructure, all of which are expected to have domestic policy implications.

Italy

Italy has scarce primary energy sources inside the country, such as gas or oil fields, and has renounced nuclear energy production. Thus, Italy is strongly dependent on energy imports for its needs. Imports in fact fulfil 86% of national energy requirements, while the EU average import rate is 50%. Italy's energy mix is strongly unbalanced. In 2004, hydrocarbon represented 78% of national energy consumption for sources of primary energy, so a sudden oil price increase in the world market is extremely costly for the country. The energy bill already represents 2.9% of Italy's gross domestic product. In 2005, it was over 38.5 billion euro, 9 billion more than in 2004⁶²⁶.

The current government's energy policy priorities are the completion of energy sector liberalization, and rationalization of energy supply through energy savings and renewable sources development. The government is also working on storage systems to increment storage capabilities, in order to face new short-term energy crises such as the Russia-Ukraine one this winter.

At a European level, Italy supports the creation of a European energy market and a common European energy security policy. Considering Italy's dependence on energy imports, a common European energy policy represents a decisive security issue for Italy, also because Italy is too small to deal effectively with global energy players. Also crucial for Italy is the issue of supply diversification, regarding both energy sources and transit routes. More diversification of energy sources could help to rebalance Italy's energy mix, while identifying different transit routes could lessen the country's supply vulnerability.

The widespread opinion of both experts and political leaders is that the current general tendency, which favours mergers and takeovers, has to be encouraged, as the creation of strong European energy firms will increase efficiency and competition on the European market. Only big companies operating at the European level will be able to compete at the global level.

Building a European energy market requires strong leadership at the European level – an actor able to apply and obtain respect for the common market rules. There is a feeling that this is exactly what it is missing. The European

⁶²⁶ Fabrizio Bastianelli, "La Politica energetica dell'Unione Europea e la situazione dell'Italia", in *La Comunità Internazionale* n. 3, 2006, p. 443-468

Commission has been seriously undermined by the creeping re-nationalization of European economies⁶²⁷. Actually, European leadership on this matter is perceived as being so weak as to spread insecurity about the actual chances of building a common market, thus fostering calls for protectionist measures and policies.

Apart from building a common market and creating European energy champions, the EU should also try to manage more effectively its relationship with energy suppliers, in particular Russia. The European Union should seek much greater coordination and centralization of regulatory activity at the EU level as well as a clearer separation of production and imports from transmission and distribution⁶²⁸. In order to avoid future repetitions of the Russian-Ukrainian crisis, the European Union should also support free development of market prices. In addition, Russia should let European companies operate in Russian distribution. For the same reason, the EU should push Russia to ratify the Energy Charter Treaty, a good dispute-settlement tool, and to diversify gas routes.

Latvia

The current Latvian energy policy aims to achieve a balance between energy security, costs, quality and the environment. A principal factor in any discussion about Latvia and energy is the country's very limited natural resources that can be transformed into energy and its dependence on imports in order to meet its needs. All of the gas consumed in Latvia comes from Russia's Gazprom. The main supplier of gasoline is Lithuania (a close second is Norway), while Belarus is the principal supplier of diesel and fuel oils; both Lithuania and Belarus receive most of the petroleum and crude oil from Russia and other countries further to the East. About 60% of electricity used in Latvia is domestically produced with the rest coming from Lithuania, Estonia and Russia. Thus, the role of Russia as a supplier of energy to Latvia is much broader than simple statistical information might reveal.

⁶²⁷ Paolo Guerrieri, "La sfida sull'energia in Europa: ritorno al protezionismo?", in *Affarinternazionali*, <http://www.affarinternazionali.it/articolo.asp?ID=83>

⁶²⁸ Giacomo Luciani and Maria Rita Mazzanti, "Italian Energy Policy: the quest for more competition and energy security" in *The International Spectator*, n.3 2006

Concomitantly with a fast growing economy, Latvia's energy consumption is also increasing. As elsewhere in Europe, owing to the prices demanded by suppliers, the Latvian consumer is also confronted with ever-increasing energy prices. The price levels in Latvia are fast approaching the general European levels, even if per capita income is seriously lagging behind – it is among the lowest among the EU member states. Substantial price hikes have been scheduled for gas and electricity in early 2007 which, in turn, will further encourage inflation.

Latvia adopted a national energy program in 1997 and a law on energy in 1998. In September 2006 the Ministry of the Economics prepared a detailed assessment of the energy situation in Latvia and the potential for further development in the coming decade; it is entitled *Enerģētikas attīstības pamatnostādnes 2006. – 2016. gadam* (in English: The premises of energy development 2006-2016). Among the important topics discussed in this very comprehensive document is Latvia's participation in regional and European energy networks, which Latvian authorities support wholeheartedly not only in words but also in deeds. Thus, Latvia helped finance the construction of the Estlink, an undersea cable that links the Finnish, Estonian, Latvian and Lithuanian electrical power companies and thus provides an energy window to Europe for the Baltic States. The cable was inaugurated in December 2006 and will become operational in January 2007. Latvia has also committed itself to the construction by 2015 of a new nuclear energy plant in Lithuania to replace the Ignalina plant, which is set for closure in 2009.

Concerning the EU, Latvia has consistently endorsed a common European energy policy. This was reiterated on 13 November 2006 by the Latvian Foreign Minister, Artis Pabriks, at the session of the EU General Affairs and External Relations Council in Brussels. Pabriks also emphasized energy security and the need to bring the three Baltic States into the mainstream of the EU energy networks and offered shared usage of Latvia's underground gas storage facilities. More concrete proposals for an EU action plan can be expected in early 2007.

Lithuania

Nuclear power and fossil fuels dominate the Lithuanian energy mix. The share of natural

gas in the national balance of primary energy resources constituted 28.4% in 2005, while the share of petroleum products constituted 30.8% in 2005⁶²⁹. The Ignalina nuclear power plant generated from 76% to 86% of the total electricity production in the past, but Lithuania has an obligation to the EU to close this nuclear power plant by 2009. Currently, renewable energy sources generate little energy in Lithuania. In 2005 8.7%, of energy was generated by renewable energy sources, and this number is expected to reach 12% by 2010⁶³⁰. It also should be noted that the discussion about the use of different alternative and renewable energy sources, such as wind, sun and waste, is becoming more intensive in Lithuania.

Speaking about the prices of the sale of electrical energy in Lithuania, the National Control Commission for Prices and Energy set the price ceilings for public electrical energy for the year of 2007, varying from 4 euro cents (13.78 Lithuanian cents) to 8.7 euro cents (30.14 Lithuanian cents) for 1 kWh, according to the differences in the supply of the electrical energy.⁶³¹ As far as the procurement of electrical energy is concerned, the same commission also set the average price for electrical energy, which will be bought following the obligation to provide the services that match the public interest. This average price for the year of 2007 will be 5.7 euro cents/kWh (19.72 Lithuanian cents/kWh)⁶³².

The strategic goals of national energy policy as outlined in the prepared project of the national energy strategy are:

⁶²⁹ Nacionalinės energetikos strategijos projektas [Project of National energy strategy],

http://www.ukmin.lt/lt/energetika/aktu_projektai/doc/NES-2006-projektas.doc

⁶³⁰ Ibid.

⁶³¹ Valstybinės kainų ir energetikos kontrolės komisijos nutarimas Dėl visuomeninių elektros energijos kainų viršutinių ribų 2007 metams nustatymo [Ruling of the National Control Commission for Prices and Energy upon The fixing of the ceiling of the price of the public electrical energy for the year of 2007], 24 October 2006, No. O3-77, http://www.regula.is.lt/lit/DEL_VISUOMENINIU_ELEKTROS_ENERGIJOS_KAIN/1337/84/0/211

⁶³² Valstybinės kainų ir energetikos kontrolės komisijos nutarimas Dėl elektros energijos, superkamos pagal įpareigojimą teikti viešuosius interesus atitinkančias paslaugas, pardavimo apimčių ir kainos nustatymo 2007 metams [Ruling of the State commission for the control of prices and energy upon Fixing of the volume and the price of the sale of the electrical energy, which is bought following the obligation to provide the services which match the public interest for the year of 2007], 19 October 2006, No. O3-76, http://www.regula.is.lt/lit/DEL_ELEKTROS_ENERGIJOS_SUPERKAMOS_PAGAL_/1334/84/0/211

- to ensure a secure and safe energy supply at the lowest price and with a minimal negative impact to the environment by increasing the proficiency of the activities of the energy sector, expanding the diversity of energy resources and suppliers, integrating the electricity and gas supply systems into EU energy systems, and reducing the dependency on the import of energy resources;
- to seek the sustainable development of the energy sector by using innovations and new technologies, promoting the efficiency of energy production and consumption, and propagating the use of renewable and local energy resources;
- to promote competition in the energy sector by establishing the same conditions for various ways of energy production and supply, expanding the common electricity market of the Baltic states, integrating into the Scandinavian and EU electricity markets, and strengthening the institutions responsible for energy supervision and regulation⁶³³.

The major problems of the Lithuanian energy sector are the predominant import of primary energy sources from Russia, the dependency of Lithuanian gas supply and electricity systems on Russian energy systems, the absence of connections with the energy systems of the West European countries and the absence of possibilities to join the common EU energy market. Moreover, there are serious problems in the field of energy security⁶³⁴. Therefore, Lithuania is heavily dependent on Russia in the field of energy supply, and the energy supply to Lithuania is indeed vulnerable.

Speaking about energy security, this is a high salience issue for Lithuanians, because, as already mentioned, Lithuania is very dependent on the energy supply from Russia. As Lithuanian Minister of Economy Kęstutis Daukšys 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 actions at the EU level in this field⁶³⁵. The Lithuanian

⁶³³ Nacionalinės energetikos strategijos projektas [Project of National energy strategy], http://www.ukmin.lt/lt/energetika/aktu_projektai/doc/NES-2006-projektas.doc

⁶³⁴ Ibid.

⁶³⁵ Su Švedijos ambasadore K. Daukšys aptarė ES klausimus [K. Daukšys has discussed the EU issues with the Swedish ambassador], Lithuanian Ministry of Economy press release, 2 March 2006

President Valdas Adamkus also holds a position that the EU should establish a common energy market and seek to guarantee the security of the energy supply in the EU⁶³⁶. The Prime Ministers of Lithuania, Latvia and Estonia signed a declaration in which, having considered the sensitive issue of the security of the energy supply in the Baltic States, the fact 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 way to guarantee 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 consisting of immediate measures aimed at enhancing EU energy security⁶³⁷.

Recently, the project of the national energy strategy was prepared in Lithuania. It is indicated in this project that the decisions taken by the Spring European Council represent serious steps forward in creating a new energy policy of the European countries, and those decisions mainly match the Lithuanian interests⁶³⁸. The strategy sets the following Lithuanian interests and tasks in forming the EU energy policy:

- to strive that the issue of guaranteeing the energy security in the Baltic states would be addressed thoroughly,
- to seek the creation and implementation of a coherent external policy which would guarantee a competitive and secure energy supply,
- to aim that the energy security would be implemented as widely as possible on the EU level by giving the European

<http://www.ukmin.lt/lt/dokumentai/ziniasklaidai/detail.php?ID=12196>

⁶³⁶ Prezidentas Londone dalyvavo neformaliame ES viršūnių susitikime [President has participated in the informal EU leaders meeting in London], Lithuanian President press release, 27 September 2006, <http://www.president.lt/lt/news.full/6136>

⁶³⁷ 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

⁶³⁸ Nacionalinės energetikos strategijos projektas [Project of National energy strategy], http://www.ukmin.lt/lt/energetika/aktu_projektai/doc/NES-2006-projektas.doc

- Commission more responsibility in the coordination of energy projects,
- to seek that the EU member states would contribute to eliminating energy exclusion and promote the energy security of Lithuania and the other Baltic states,
 - to aim that the negative aspects of the closure of the Ignalina nuclear power plant would be compensated by Lithuania's quick integration into EU energy systems,
 - to strive that the European Commission would include the connections necessary to eliminate the energy exclusion of the Baltic states and the mechanism for their implementation in the prepared plan of priority connections and would provide the necessary financial support,
 - to seek that the EU would urge Russia to ratify the Energy Charter, to sign the protocol on transit in this charter and to recognize the right to access the infrastructure for the gas supply for third countries,
 - to seek that an efficient, liberal and competitive EU electricity market would be created⁶³⁹.

Luxembourg

The Luxembourg energy policy is well outlined in the law of August 1993 related to the rational use of energy. This law has the following objectives:

To ensure a sufficient, secure and economically satisfactory energy supply, promote energy saving and a rational use of energy, encourage the use of renewable energies, promote the use of CHP installation and secure primary and secondary energy production, reduce the negative impact of the production and consumption of energy on the environment, and ensure a co-ordination with the actions undertaken in this sector by the European Union. In fact, the Luxembourg energy policy is strongly based on energy saving, and this law creates a basis for a global approach to ensure a sufficient, diversified and secure energy supply, respecting, at the same time, all energy-linked ecological obligations.

The Luxembourg Minister of Energy in office, Jeannot Krecké, stresses that a European energy policy is most important to maintain economic competitiveness. Hence, the main

objective is to secure the energy supply of the country at best-value conditions without neglecting the protection of the environment.

A “*National Council of Energy*” assists and gives advice to the minister, thus supporting him in his task to define the national energy policy. The main actors in the energy business are members of this board.

Current energy mix

Luxembourg is largely dependent on primary energy imports. Therefore, the potential of the country's national energy production must be developed to respect economic cost effectiveness as well as ecological desirability. The most recent construction of a steam-gas turbine in Esch-sur-Alzette (Twinerg) should raise the national energy production and thus reduce CO₂ emissions.

Currently, Luxembourg imports nearly all its primary energy. There is no national production of coal, natural gas or crude oil. In Luxembourg electricity is imported at a level of 60% from Germany and 40% from Belgium. CEGEDEL⁶⁴⁰, the former electricity monopolist, distributes around two thirds of the electricity consumed. Its main supplier is the German RWE and, to a smaller extent, local production. Together with its German partner RWE, CEGEDEL runs the SEO⁶⁴¹, a hydraulic power station designated to provide high quality electricity for consumption peaks on the German and European markets. SOTEL, a company linked to ARCELOR, is supplied by Belgian ELECTRABEL and provides electricity for steel mills, railways and other bigger consumers.

Aeolian and solar energy is sponsored by the Luxembourg environment administration in order to meet the Kyoto criteria Luxembourg has pledged to reach.

Price level and prospects

With a view to liberalize the markets of electricity and natural gas, the government is determined to impose a legal framework, allowing on the one hand free competition at equal and fair conditions and, on the other hand, safeguarding the missions of a public service including the promotion of new and

⁶³⁹ Ibid.

⁶⁴⁰ CEGEDEL- Compagnie générale d'électricité du Luxembourg

⁶⁴¹ SEO – Société électrique de l'Our

renewable energies and the protection of captive consumers.

"Environmentalists have pointed the finger at the Commission for telling Luxembourg that the guaranteed price it pays in support of renewable energies is creating market distortions.

On 25 September (2006), the European Environmental Bureau (EEB) said that the Commission had warned Luxembourg against its policy to compensate customers for higher-priced green electricity. When customers buy green power from a member state where a different support scheme applies, the measures are said by the Commission to be illegal, according to the EEB.

"The Commission considers the trans-boundary application [of these measures] to be market distortion," the EEB said, urging the Commission to modify its cross-border state-aid rules.

EEB Secretary-General John Hontelez said that alternative suppliers in Germany such as Greenpeace Energy have been receiving support from Luxembourg, thanks to the scheme."⁶⁴²

Controversial points and aspects of energy policy

The opposition to nuclear power has been characterizing Luxembourg political establishment since the mid-seventies, when Luxembourg definitively renounced building a nuclear power station on its own territory for security reasons. Especially the French nuclear power station of Cattenom, situated a few miles south of the Luxembourg border and built in the early eighties, has long stirred up fears in Luxembourg and neighbouring Germany⁶⁴³. Hence, a direct import of low-cost French electricity was considered to be politically incorrect. In a globalized economy, and in a country with very high wages, cheap energy, even if it is produced in nuclear power stations, seems to be a necessity, at least to the managers of industries with high energy consumption. Imported energy from Germany and Belgium is in no way nuclear-free. Political

⁶⁴² *Euractiv* 26-9-2006

⁶⁴³ Présentation de l'avis définitif du gouvernement luxembourgeois à la demande de renouvellement des autorisations de rejets et de prélèvements d'eau pour le centre nucléaire de production d'électricité de Cattenom 7.10.2003
www.gouvernement.lu

rather than economic reasons prevent the Luxembourg government from allowing electric energy imports from France, accused of defending an "all nuclear policy".⁶⁴⁴

Fuel in Luxembourg's filling stations is traditionally cheaper than it is in the neighbouring countries (Belgium, France and Germany). This price difference is due to a lower tax on crude oil products in the Grand-Duchy. As a consequence, Luxembourg has a very high per capita consumption of crude oil products since many foreign car and truck drivers feel free to fill up their tanks while crossing the small country. The taxes collected on petrol products provide a steadily rising income to the Luxembourg state and help to balance the national budget to a great extent.

According to the Kyoto criteria, the petrol purchased even by foreign consumers in Luxembourg is considered as part of the Grand-Duchy's CO₂ emissions. So the Luxembourg government seems to be condemned to raise taxes on petrol to deter foreign consumers from purchasing petrol in Luxembourg. But this policy could mean that the government's profits from petrol taxes will go down after some time.

Expectations in the energy policy field with regard to the European Union

Most recently, in his declaration on Luxembourg European policy on 22 November 2006, Foreign Minister Jean Asselborn formulated the expectations of the Grand-Duchy in the energy field within the European Union⁶⁴⁵.

It is essential that a common energy policy must be elaborated, and this regarding energy security and the interconnection of European energy networks. The European Union will adopt an action plan at the March 2007 summit. This plan should pay respect to the three fundamental principles of an efficient energy policy: Energy security, environmental consciousness and economic efficiency.

Jean-Claude Juncker regrets that a "common European energy policy" does not exist at this moment. At the last European-Russian

⁶⁴⁴ Etude critique du dossier Cattenom présentée par Greenpeace Luxembourg 2003

⁶⁴⁵ Déclaration de politique étrangère 21.11.2006 présentée par le vice-premier ministre, ministre des Affaires étrangères et de l'immigration à la Chambre des députés ministre

meeting in Finland Mr Putin faced 27 “energy provinces”. None of them has the “critical mass” to deal with Russia on an eye to eye basis.⁶⁴⁶

This challenge in the energy field is linked to global problems of environment and climatic change. In the view of the Luxembourg government, the Stern report is very clear on this matter and underlines the necessity to stop global warming. It is Europe’s pledge to play a vanguard role in this domain. The Union already showed its determination at the Nairobi climate conference in November 2006. The European Commission should at last start a thorough debate on a coherent future European energy policy. The international cooperation after 2012, when the Kyoto agreements end, will be an important point on the agenda. The revision of the Kyoto protocol must be seriously prepared in order to implicate new countries, e.g. the United States, Brazil, China, and India. We have to take care of the African countries as they are the first to be affected.

Malta

Malta is dependent on importing all of its energy supplies and is thus extremely sensitive to price fluctuations on the international energy markets. In fact the increase in the price of oil last year has resulted in a major increase in the price of energy in Malta, with the Government introducing a surcharge on electricity and water bills as high as 65 per cent over and above the original bill. (The surcharge is reviewed monthly and has been reduced to the 54 per cent level as a result of the decrease in international energy prices).

Given Malta’s vulnerability in this sector it should come as no surprise that Malta welcomes and supports the notion of a European-wide energy policy. In the meantime Malta has also announced that it plans to link itself to the already existing European electricity grid in Sicily and continues to conduct its own oil exploration in the hope that perhaps it becomes an oil producing country in the near future.

⁶⁴⁶ Université de Luxembourg 11.12.2006 Le Premier ministre Jean-Claude Juncker dans ... le cadre de « Forum Europe – Histoire et Actualité », a donné une conférence sur le thème « L’Europe dans tous ses états » www.uni.lu

Netherlands

On 23 January 2006 the Minister of Foreign Affairs and Minister of Economic Affairs received the requested advice on energy policy from the General Energy Council and the Advisory Council on International Relations. In their joint report titled ‘Energised Foreign Policy: Security of supply, a new key objective’, they argued that given recent developments and trends on world energy markets (increasing demand, uncertainty of supply in oil and gas and the strong politicisation of energy markets) it is necessary to make security of supply a new key objective of Dutch foreign policy. They point out not only that, due to challenges on the world energy markets, security of supply - long taken for granted because of the Groningen gas field - is under pressure, but also the fact that current Dutch gas reserves are so limited that The Netherlands will become dependent on imports by 2025-2030. In summary, they advised the government to pursue a European policy to guarantee security of supply and at the same time to pursue a policy to strengthen bilateral relations with oil and gas producing countries. In their opinion, this two-track approach is needed as long as European policy on this matter is underdeveloped and insufficiently directed at external EU issues related to energy supply security.⁶⁴⁷

Following this advice, energy security has been high on the Dutch foreign policy agenda, and the government is clearly aware that an effective European energy policy is in the interest of The Netherlands and Europe as whole. Given the growing dependency of Europe on energy imports, they stress the urgent need for cooperation within the EU, because the EU as an actor will be a stronger player in the dialogue with energy producing and consuming countries. At the Spring Council of 2006, The Netherlands urged the EU to accordingly develop an external energy policy. In the following discussions it was stated that external energy policy should be related to the Common Foreign and Security Policy and the European Security and Defence Policy, arguing that one cannot separate such a policy from the broader foreign policy of the EU. Moreover, The Netherlands wants to play

⁶⁴⁷ *Energised Foreign Policy. Security of supply as a new key objective.* Report by the General Energy Council (AER) and Advisory Council on International Affairs (AIV) (December 2005). AER and AIV are independent advisory bodies to the government and parliament. (AER website: www.algemene-energieraad.nl and AIV website: www.aiv-advies.nl)

a pioneering role in the development of a European energy policy. The main priority is to develop an integrated internal and external energy policy with corresponding instruments and enhanced coordination and cooperation between member states and community. The underlying priorities concerning the internal energy policy are maintaining national sovereignty over natural resources and the freedom for every member state to choose its own energy mix; effective untwining of ownership of the energy transport infrastructure from the production and trade in energy in order to enhance competition and stimulate investments contributing to the security of supply; giving investors clarity on the continuation of the European emission trade system after 2012 and promoting sustainable energy through increased energy efficiency and the development of new technologies. Priorities on external energy policy are: the promotion of a coherent policy directed at security of energy supply and supported by the Unions' CFSP, European Neighbourhood Policy (ENP), trade policy, development policy and environmental policy.

CFSP and ESDP can contribute with initiatives to increase stability in important energy producing and transit countries. High Representative Solana should present a strategic analysis of vulnerable transport routes and energy infrastructure and accordingly develop a policy in cooperation with third countries and NATO. Energy will be an important issue in the follow-up to the Partnership and Cooperation Agreement with Russia, with special attention given to mutual understanding, interdependence, and a transparent and reliable trade and investment climate. Support will be given to develop an energy infrastructure that will allow for the diversification of suppliers and transport routes. Another priority is to enlarge the Treaty on the Energy Community with Norway and other EU neighbouring countries. In general more attention should be paid to energy within ENP, for example, with regard to Algeria. The Netherlands will support the start of a strategic energy dialogue with important consumer countries, such as the USA, China and India.⁶⁴⁸

⁶⁴⁸ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 18-19.

Poland

European energy policy is a topic of a high priority in Poland. There is no fundamental differences of opinions on that issue among main political parties in the country. The only party responsible for the lack of diversification⁶⁴⁹ of the gas supplies in the previous term of the Parliament – the SLD (post-communists) – is compromised in that field and keeps silent on the problem, while all the others see it as one of the most important tasks for Polish foreign and economic policy. Its worth noting however that the main issue is gas, and not oil or electric energy imports, since Poland has enough electric energy now and the oil market is much more flexible (sea transport opportunities) than the gas market.

Poland is highly dependent on gas imports (69%)⁶⁵⁰. 60% of Polish gas consumption is based on Russian gas or gas from post-Soviet Central Asia, transported through Russia-controlled gas pipeline networks. Poland is - together with Belarus - one of the main transit countries for Russian gas - 20-25 billion m³ per year (ca. 15% of Russian gas sold to the "old" Union is transported across Polish territory), however it is Ukraine that is the core country for Russian gas transit (ca.100 bln m³ per year)⁶⁵¹. The very fact of being an important transit country is commonly and rightfully perceived in Poland as the only guarantee of the stability of Russian gas supplies. Therefore, the German-Russian Northern gas pipeline project is perceived as contrary not only to Polish interests but to the principles of European solidarity as well⁶⁵². Its perception has been made even worse due to the corruption climate created by Gerhard Schroeder's employment in a Gazprom-owned company and the former Stasi officer Mathias Wernig's involvement. This type of German-Russian cooperation is perceived against the backdrop of earlier experiences with Russian energy policy.

Russian efforts to take the control over the main Belarusian (Beltransgaz) and Ukrainian (Naftohaz Ukrayiny) distributors have resulted at least four times in conflicts between Moscow

⁶⁴⁹ During the years 2001-2005 governmental work on the diversification of energy sources, started in the early 1990s was stopped by the governing SLD.

⁶⁵⁰ Rocznik Statystyczny GUS 2006.

⁶⁵¹ As above.

⁶⁵² See: interview of former Polish Minister of Foreign Affairs, Adam Daniel Rotfeld, *Gazeta Wyborcza* 25.11.2006, and interview of Bronislaw Komorowski from 17.10.2006.

and Kyiv or Moscow and Minsk and twice (February 2003 and January 2006) resulted in the cut off of Russian gas supplies to Poland, in spite of the fact that there was officially no tension between Warsaw and Moscow on any issue at that time. Moscow uses energy black mail as a tool of its foreign policy, and Russia did it many times before towards Lithuania, Latvia, Ukraine, Tajikistan, Bulgaria, Belarus, Georgia, and Moldova, or has threatened other countries with the use of it (Russian ambassador Nikolai Riabov's threats to Czech Republic in 1997).

Due to the Polish-Russian agreements of 1993, 1997 and 2003, signed (except for the first one) by post-communist governments, the transit of Russian gas across Polish territory is relatively cheap and decreased from 2.74 USD in 2003 to 1 USD per 1000 m³ per 100 km, to be achieved by 2014-2019. The saved money had been planned to be used to finance the construction of the second line of the Yamal gas pipeline across Polish territory. Instead, Russians have in fact broken the agreement and started the Northern gas project, thus being partially financed by the reduction of Polish transit tariffs for Russian gas. Poland is also obliged to pay for contracted Russian gas, whether it takes it or not. The non-existence of the second line of Yamal – replaced by the Northern gas pipeline – would make Poland pay for Russian gas even if its actual transportation to Polish consumers is impossible due to the lack of technical infrastructure.

This current situation is perceived as dangerous for Polish energy security. As ca. 40% of the income of the Russian Federation budget is based on the money earned from gas and oil export to the “old” EU, Poland considers itself to be safe only as long as Moscow is technically not able to cut Poland off without cutting off the gas supply to “old” member states of the EU. As the Polish vision of this danger is not commonly shared by Germany, it is worth mentioning the basic differences. The Russian-German position argues that the dangers pointed out by Poland are invalid since:

1. It is not the potentially lost money earned by Poland on transit that is the source of the tension, since the tariffs, as it has been pointed above, are being reduced and the reduction has been planned to finance Yamal II;
2. The scenario of politically motivated Polish (or any other transit country) black mail based on the cut off of supplies to the West is purely theoretical and politically, highly impractical (simultaneous conflicts with Russia and the “old” EU) and thus improbable. No such precedents exist with the exception of the scenarios based on the Russian instrumental use of energy as a political tool (the examples have been noted above).
3. Yamal II costs are estimated at 1.1 bln USD while the Northern gas pipeline at is estimated 5.7 bln USD. Therefore, the thesis that it is a pure economic business is highly unconvincing.
4. Joining the Russian-German project and building a branch pipeline from the main Baltic Sea-based line to Poland is not a solution, since the branch cannot be created without cutting the main line. Thus, protection against politically motivated Russian black mail against Poland cannot be assured in that way.

The basic points of Poland's proposals are based on the Polish government's long-term energy supply strategy, which is seeking a solution in:

1. The construction of Gazoport – the sea port terminal indispensable to the import of LNG (Liquid Natural Gas) - which is a costly enterprise but is still perceived as it would be able to successfully turn the gas market into a more flexible, oil-like one.
2. The development of the production of gas from Poland's own fields (now Poland consumes ca. 14 bln m³ of natural gas and produces 4-4.5 bln m³ per year);
3. Building up of the stores for gas in Poland;
4. Negotiations with Norwegians on coming back to the already existing (before 2001) plans of the gas pipe line construction from Norway;
5. Plans on the development of nuclear energy are also being taken into consideration.

Since the Polish government's proposal, so called “Musketeer Pact”, has been ignored by the “old” EU member states, the EU - as a structure - is not perceived in Poland as an effective organisation in the field of the energy security and the expectations concerning its policy are not very high. European energy policy towards Russia is perceived as being based *de facto* on bilateral relations (mainly German-Russian ones – public opinion is not

aware of the French, Italian, Scandinavian or even British participation, or at least interest, in the Northern gas pipeline project).

One should expect that the Polish government, in cooperation with the Baltic States, will sustain its protest against any attempt to finance the Baltic Gas pipeline from European Union money and will welcome any Scandinavian action connected with the ecological problems provoked by the investment due to the submergence of World War II-era German chemical weapons on the route of the planned gas pipeline by the Soviets (Bornholm and Liepaja regions) in the late 1940s.

There are some discussions on how the European *acquis communautaire* could be used to modify contracts with Gazprom – i.e. to get rid of the territorial clauses, forbidding the re-exportation of the contracted Russian gas. Such clauses are contrary to the principle of the free circulation of goods within the Single European Market and Austrian, Italian and German precedents, when - in similar situations - Gazprom was forced to withdraw its demands, taken together allow the expectation of good results from involving the European Commissions in that issue.

Poland considers European solidarity in energy dialogue with Russia a basic condition for the effectiveness of the dialogue. Bilateral interaction with Moscow helps Russia play on the differences between the EU member states. Warsaw also points out the global Russian strategy based on the attempt to build "Gas-OPEC" with Algeria and Libya. (Russian Gazprom and Algerian Sonatrach signed a memorandum of understanding on closer cooperation on 4 August 2006, then a similar agreement was signed with Libya). Possible Russian success in those efforts would result in the monopolistic position of state-owned Russian gas companies *vis á vis* all of Europe, something that will have an enormous and unfavourable impact on the political dimension of EU-Russia relations.

Oil supplies are currently not perceived as a problem. Poland possesses Naftoport in Gdańsk, which can be used for importing oil from overseas regions.

The Russian investment offensive in the energy sector in Europe and especially in Central Europe is, however, perceived as a risky business. The mysterious deaths of

Andriey Lukyanov of the Bulgarian Topenergy in 1996 and Jan Ducki – the president of the Slovak SPP (*Slovenský plynárenský priemysel*) in 1999, when they tried to get rid of Gazprom control, as well as the explosions on Georgian gas pipelines in January 2006, and the fire in the Možeikas refinery, just when it was about to be bought by Poland (Orlen) in competition with Russia, forces a careful look at each such incident. According to the Polish government, the Russian state-owned energy branch should therefore not be treated by the EU as normal market economy-based enterprises but as a tool of Russian foreign policy. The oligarchic (i.e. ex-definition: non-transparent) nature of Russian business excludes any serious expectation of Russia to accept the *European Energy Charter*, which demands not only "Third Party access" to the transit system but, first of all, transparency in the procedures.

Portugal

Over recent years, specialised European debate has pointed to energy and the environment, ideally combined, as the two main areas in which a European *common policy* is lacking. Efforts towards the development of a European energy policy are thus likely to meet with keen approval in Portugal. Energy security is not a dominant issue, but it is quietly factored in when addressing the issue of diversification of energy suppliers, for example, and the stress on renewable energy sources. This is a particular concern in Portugal, the second most energy-dependent country of the EU25 (following Cyprus).⁶⁵³ Portugal imports about 85% of its energy requirements, consisting mainly of oil (about 60-66% on average, depending mostly on rainfall). For dry natural gas, like Spain, through which it is transported via pipelines, Portugal relies on a single main supplier, complemented by Nigeria for liquefied gas (LNG). Contrary to most of the EU, however, this is Algeria, not Russia.

Energy has been a topic of some prominence on the domestic agenda, commensurately reflected in the national press. A National Energy Strategy was issued in the autumn of 2005, as part of the major reform package put together by the incoming Socialist government. The mainstay of this strategy, designed to promote competition and markedly improve

⁶⁵³ Eurostat 126/2006, 21 September 2006.

what is unanimously considered as a poor rates of energy efficiency, is a complete overhaul of the domestic energy market, particularly affecting the main power utility, EDP, as well as recently restructured oil and gas holding company, GALP, and a much greater focus on diversification of energy sources and self-reliance, particularly on renewable, clean energy (hydro, wind and wave energy). The environment and sustainable development are also prominent objectives. Reducing external energy dependency, a stated first priority, is necessarily synonymous with an increasingly heavier reliance on clean energy, since Portugal has no commercially exploitable oil and gas reserves and the last coal mine was shut down in 1994. In line with the pre-set overall 2010 EU target for renewable energy's share of total energy consumption and electricity generation by 2010, hydro, wind, wave and solar power plants are to generate a targeted 39% of gross electricity consumed by 2010. The renewable-energy share, moreover, is to be more heavily reliant on small hydro plants, than is the case at present, where large hydropower plants account for close to 80% of electricity generated from renewable energy sources, and on large investments in solar power plants and wind parks.

The long-awaited complete integration of Portugal and Spain's electricity markets into a fully liberalised Iberian market known by the acronym of Mibel, formally launched in April 2004, took a further step with the merger between the two national power market operators into the Iberian Power Operator (OMI), which became partly operational in July 2006. Within the broader EU internal electricity market, Mibel is seen as promoting market efficiency and increased competition in a subregional 55 million consumer market would result in a better service being delivered to customers at a cheaper price. Bringing it into full operation is one of the priorities set forth in the national energy strategy.

Competition and Energy Efficiency

Launched in October 2005,⁶⁵⁴ the national energy strategy, a document entitled "Competition and Energy Efficiency", outlines

⁶⁵⁴ Approved by the Cabinet's (Council of Ministers) Resolution 169/2005, 24 October 2005. http://www.portugal.gov.pt/Portal/PT/Governos/Governos_Constitucionais/GC17/Ministerios/MEI/Comunicacao/Outros_Documentos/20051024_MEI_Doc_Estrategia_Energia.htm

three main goals: to reduce external dependence by increasing domestic production, with a heavier reliance on clean energy; to promote environmental balance, having in mind the Kyoto Protocol and its harmonization with sustainable development; and, finally, to increase energy efficiency through more competition and increased competitiveness. Increased public spending, and financial incentives to encourage investment in clean energy, is earmarked towards these aims. Economy Minister, Manuel Pinho, stated that "investment in the energy sector in Portugal, in the coming years, will amount to some 8 billion euros"⁶⁵⁵.

An indication of where the money to pay for investment in renewable energy will come from was given by the marked rise in electricity retail prices in the fall of 2006. The government argued that a "tariff deficit" accumulated over years of artificially low electricity prices simply had to be offset, with the burden of the proposed raise (later brought down as the result of a public uproar) falling unevenly on households and industry, in favour of the latter to avoid hurting competitiveness.

A cold issue revisited: nuclear energy

Although there is a sense, even amongst its supporters, that reducing external dependence through nuclear energy is no longer an affordable option given the huge costs involved, the debate over the issue has recently resurfaced as a consequence of the expected shake-up in the energy market and also due to the fact that this is a central element in the European Energy Strategy. Speaking in Lisbon, EC President J.M. Barroso stated, "We cannot hide from the issue. A debate on nuclear energy in Europe should not be taboo."⁶⁵⁶ The government's position in ruling out nuclear power, however, is final: "it is simply out of the question"⁶⁵⁷. As it was restated by Prime Minister José Sócrates on the same occasion, environmental concerns, improved energy efficiency, as well as oil and gas dependency-reduction are to be addressed through a much greater emphasis on another EU-wide priority – heavier reliance

⁶⁵⁵ Manuel Pinho, "Uma Fonte de Crescimento Endógeno", in *Diário de Notícias*, 30 October 2006, Special Report on Energy, p. XV.

⁶⁵⁶ Closing speech, DN Conference, Lisbon, 30 October 2006. SPEECH/06/649, available at <http://europa.eu/rapid/pressReleases>

⁶⁵⁷ See Luis Moita, "A Questão Nuclear", in *Público*, 2nd November 2006

on renewable energy –, and the nuclear issue is strictly an academic debate. Indeed, academic and business circles are voicing some support for nuclear energy in the press⁶⁵⁸, actually citing the EU strategy, as well as major safety improvements and technological advances, as a favourable argument.

Romania

There is, as yet, no articulate energy policy in Romania, but rather a collection of sectoral intentions of non-uniform value. There are two peculiar characteristics of Romania's situation which are strongly influencing the nature of energy problems: a) the fact that Romania holds its own diverse primary energy resources (coal, oil, natural gas), though insufficient to cover domestic consumption and subject to a visible process of exhaustion; this led to b) the temptation to make use of an illusory natural advantage, leading to below-cost pricing, as well as a long tolerance of non-payment of the full energy bills by mainly industrial consumers, with the corollary of using parastatals in this sector as conduits for state aid.

The approaching accession has triggered important corrective measures: privatization of distribution (half of electricity and all of natural gas), implicitly hardening budget constraints on delinquent debtors; sectoral regulatory authorities allowing for pricing levels to reflect true opportunity costs; opening of the network industries in the sector to competition;

Therefore, the main energy-related challenges associated by Romanians with accession consist of the price increases. This is economically justified and should render good service to the structural adjustment of the Romanian economy, but it is badly perceived by the public at large, and this is rendered even less palatable by the fact that questionable decisions made in the past by the authorities render it impossible to partake more fully in the windfalls accruing to domestic producers as a result of international price increases for oil and gas (the main holder of oil and gas exploitation licenses, PETROM, has secured upon its privatization the “freezing” of

royalties for the extraction of state-owned resources for 10 years!)

Against the background of a tense political situation, punctuated also by frictions within the ruling coalition, a scandal erupted in the last week of November, entailing the indictment of several Romanian officials and foreign investment bankers involved in PETROM's privatization. Even President Băsescu has taken a stance on this matter, simultaneously praising the fact that, under private management, PETROM is no longer losing money, while expressing concerns that PETROM's majority shareholder, Austria's OMV, can itself come to be controlled by interests not well disposed towards Romania.⁶⁵⁹

Romania dramatically reduced its energy consumption in the 1990s, hence it is not yet experiencing serious energy shortages in the current economic boom, despite having carried out one single important energy generation project in the last 16 years: the commissioning of one unit at the nuclear power plant of Cernavoda, currently responsible for about 10% of the national electricity output. The completion of a second unit is a short-term goal. Environmentally, this poses less problems than in other Central and East European countries (CEECs), due to the use of the safer Canadian technology, CANDU.

The main serious energy security concern perceived in Romania pertains to natural gas, imports of which account for 40% of domestic consumption and are rising steeply, and which originate exclusively in Russia. The rather abusive pricing policy of Russia, coupled with the interference of intermediaries charging hefty commissions resulted in Romania paying the highest price among all of Russia's European clients. Having said this, no serious efforts have been made so far to diversify supplies, e.g. by exploring opportunities in Middle East or Central Asia. Under these circumstances, Romania would certainly welcome a more coordinated approach by EU Member States towards the problem of security of gas supplies from Russia in all its aspects: physical availability, as well as pricing. In the run-up to the October Lahti summit, President Basescu expressed the need to reduce this dependency, though he did

⁶⁵⁸ See former Minister of Economy Joaquim Pina Moura, “Portugal must focus on renewable energies and reevaluate the role of nuclear energy”, in *Diário de Notícias*, Special Report on Energy, 30 October 2006, p. XI

⁶⁵⁹ In a recent interview, President Basescu was uncharacteristically precise in quoting “the Russian embassy's commercial counselors stating that GAZPROM is massively buying OMV stocks”.

not articulate any concrete proposal to this end. He is also underlining that Romania is, relative to other European states, less dependent on Russian deliveries and in particular less vulnerable to supply interruptions.

Finally, for over a decade, Romanian politicians are making noises about the desirability to make Romania the location of an important route for oil shipments by pipeline destined to the European market. In spite of their frequent mention, these projects are still lacking in substance. The seemingly most advanced of them, called NABUCCO, would link Central Asia to Austria via Turkey, Romania and Hungary, for an estimated cost of EUR 5.8 billion. "The Silk Road", however, lacks substance and audience from other would-be involved parties. Also, it seems that its utility is perceived to lay more in the positive externalities of a classical infrastructure project than in the enhanced security of energy supply.

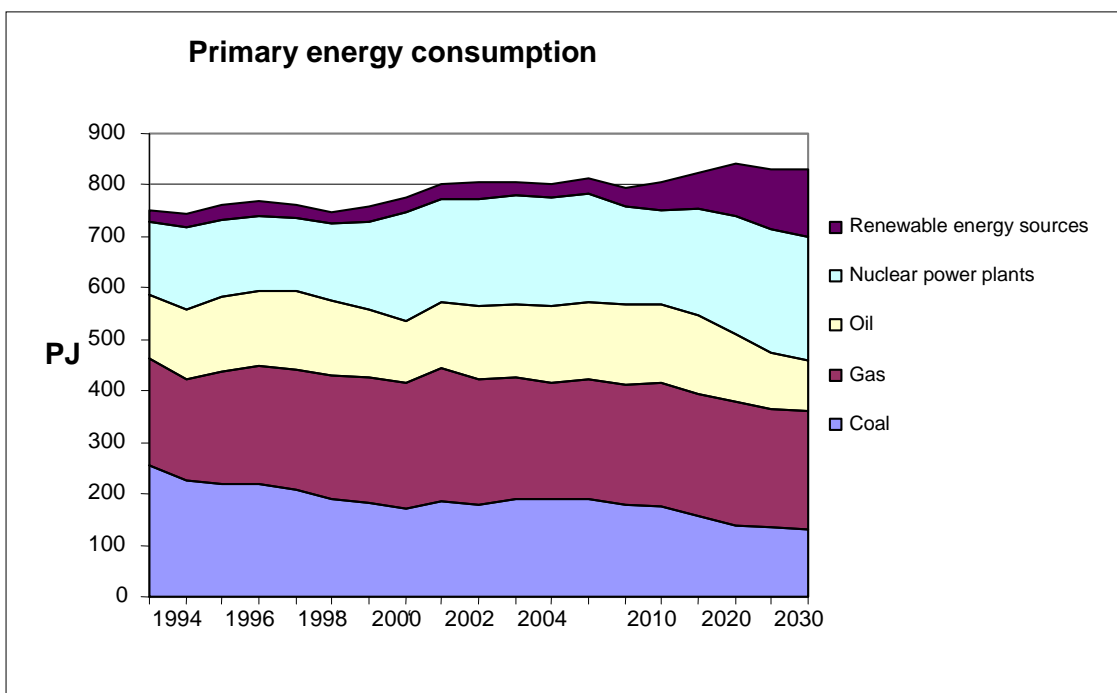
Slovakia

Current energy mix in the Slovak republic consists of fossil fuel (gas, coal, oil) and nuclear energy (see graph no. 1). Only a limited share of energy production is coming

from the renewable sources, mainly because of the high level of production costs in the conditions of the Slovak Republic. However, the production of such energy is on the increase and the main potential resources are bio-fuels and geothermal energy.

The country imports almost 90% of its primary energy sources from the outside of the European single market, mainly from Russia. The only more significant domestic energy source is (brown) coal. The energy dependency of the country on oil, gas and other supplies from Russia determines Slovakia's long-term energy policy strategy. In accordance with the trends in the European Union, the country goals regarding the energy policy focuses on the decrease of energy demands in all fields of the economy and on the diversification of primary energy sources (including the decrease in the use of fossil fuels and the increase in the use of renewable energy sources)⁶⁶⁰. The energy strategy of the Slovak Republic depends on gradual transition to nuclear fuel, gas and renewable fuels as the main energy sources until 2030.

The energy prices in the Slovak Republic are among the highest in the European Union. The issue has been criticized also by the European commissioner for energy Andris Piegbals who called on the Slovak government to take the



Graph no. 1

⁶⁶⁰ *Návrh energetickej politiky SR* available 20 October 2006 at: <http://www.economy.gov.sk/index/go.php?id=1994>

(regulate) action⁶⁶¹. The energy price dialogue between the Slovak government and energy suppliers in Slovakia had begun shortly after the advent of the new government into office in July 2006. The negotiations ended up decreasing the energy prices even if only temporarily – till 2007.

The issue of energy security has been attaining more and more salience since Slovakia undertook the obligation to shut down two reactors at the nuclear power plant Jaslovské Bohunice in its accession treaty to the European Union. During negotiations, Slovakia obtained an additional €375 million to decommission the two blocks, the first of which will be decommissioned in 2007. The compensation from the European Union will help to finish the second Slovak nuclear power plant – Mochovce – which will secure the electricity energy balance in the country.

The main (conflict) issue in the European – Slovakian energy dialogue remains the unfinished liberalization of the energy market and the unfinished privatization⁶⁶² of the Slovak Gas Industry (*Slovenský plynárenský priemysel*). The Slovak government resists the EU pressure for finishing the privatization of gas carrying and distribution services and oil distribution services.

The priorities of the Slovak Republic regarding the future European action plan in the energy field will be focused on preserving the possibility to use nuclear energy under the same conditions as nowadays and to protect Slovakia's status as a transit country (regarding the transit of gas and oil from the Russian Federation).

Slovenia

The energy policy of Slovenia and the EU is a high salience issue, mostly due to the reshuffling of policy priorities of the Slovenian government and the European Commission alike. In the year 2005 the use of energy in Slovenia increased by 5 %. In July 2006 the major source of energy was oil – 47 %, followed by electrical energy (21 %), gas (17 %), renewable sources (9 %), heat (4 %), and

solid fuel (2 %).⁶⁶³ Electrical energy is produced by one nuclear power station (40%), several hydroelectric power stations (23 %), and several thermoelectric power stations (37%).⁶⁶⁴ On a yearly scale the data for 2005,⁶⁶⁵ without trade in electrical energy, are the following: oil – 33 %, nuclear energy – 21 %, coal – 21 %, gas – 14 %, renewable energy sources – 7 %, hydro energy – 4 %.⁶⁶⁶

The energy dependency of Slovenia in 2005 was 52.5 %. It is increasing – from 2004 to 2005 it increased by 0.2 %.⁶⁶⁷

Prices of energy compared to average EU prices are average or below average. The price of electrical energy for industry is 85 % of the average EU price and for households 74 % of the EU average. Prices of gas for industry are 89 % of the average EU price and for households just about the average.⁶⁶⁸

Nuclear energy – a realistic option

Nuclear energy and increasing capabilities to produce it is a very realistic option and one of the cornerstones of future Slovenian energy policy. Compared to some other EU member states, there is no strong opposition to nuclear power plants as a source of electrical energy in Slovenia. According to the Minister of the Economy, Andrej Vizjak, nuclear energy is a sustainable source of energy, but its use is conditioned upon two elements: social acceptability and safety. The government will consider new capacity only after the problem with nuclear waste is solved.⁶⁶⁹ General

⁶⁶³ According to January figures on *Učinkovita raba energije* [Efficient use of energy], Statistical Office of the Republic of Slovenia, <http://www.stat.si/natisni.sdp?ID=914> (15 November 2006).

⁶⁶⁴ According to July figures on *Energetika, Slovenija, julij 2006* [Energetics, Slovenia, July 2006], Statistical Office of the Republic of Slovenia, http://www.stat.si/novica_prikazi.aspx?id=527 (15 November 2006).

⁶⁶⁵ Yearly energy statistics are more reliable than monthly statistics since percentages of energy sources vary according to the season.

⁶⁶⁶ *Letna energetska statistika, Slovenija, 2005* [Yearly energy statistics, Slovenia, 2005], Statistical Office of the Republic of Slovenia, http://www.stat.si/novica_prikazi.aspx?ID=479 (15 November 2006).

⁶⁶⁷ *ibid.*

⁶⁶⁸ According to July figures on *Cene energentov, Slovenija, julij 2006* [Prices of energy, Slovenia, July 2006], Statistical Office of the Republic of Slovenia, <http://www.stat.si/Orikazi.PDF.aspx?ID=413> (15 November 2006).

⁶⁶⁹ Nuclear power station is half owned by Slovenia and half by Croatia. The power plant was a joint investment of

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<http://www.economy.gov.sk/index/go.php?id=8&idm=0&prm1=1&prm2=481&rok=2006&mesiac=9&den=0>

⁶⁶² For more details see *Programové vyhlásenie vlády* (program manifesto) at: <http://www-8.vlada.gov.sk/index.php?ID=1676>.

acceptance of nuclear energy has also been expressed by the Slovenian member of the European Parliament, Romana Jordan Cizelj (European Peoples Party). Ms. Jordan Cizelj is convinced that none of the energy sources in the EU can be pointed out as particularly important, but nuclear energy is definitely one of the key sources. Unfortunately the society in many member states prevents its use.⁶⁷⁰ Similarly, the Slovenian Prime Minister Janez Janša is convinced that European opposition to nuclear energy is weakening and predicts that about 200 nuclear power stations will be built in the world over the next 15 years.⁶⁷¹ Slovenia intends to follow this trend.

Strategic partnership with Russia?

Partnership with Russia is another pillar of future Slovenian energy policy. During the past year the Slovenian government has intensified its economic relations with Russia. At the end of May 2006 the biggest government and business delegation of Slovenia ever visited Moscow. It was agreed that Slovenia enables Russian capital better access to the Slovenian market, especially to its energy sector. Old ideas about a pipeline through Slovenian territory have been put into the frontline; however, no agreement on that issue has been reached yet.⁶⁷² The Slovenian Prime Minister pointed out that Slovenia tries to strengthen its energy security through strengthened relations with Russia.⁶⁷³ The opposition supports the Government in strengthening Slovenia's relations with Russia in order to assure energy stability (especially of the gas supply). However, the opposition leader and member of the European Parliament, Jelko Kacin, expressed a more critical view – Slovenia should keep a critical stance, since the breakthrough of Russian capital to Slovenia might increase, not decrease, Slovenia's energy dependency.⁶⁷⁴

the two former Yugoslav republics. Deposition of nuclear waste is one of the unsolved questions in bilateral relations.

⁶⁷⁰ Večer (2006) *Jedraska opcija ostaja ključen dejavnik energetske politike EU* [Nuclear option remains the key factor of the EU energy policy], p. 9, 23 September 2006.

⁶⁷¹ Radio Slovenija 1 (29 October 2006) *Radijski dnevnik* [Radio news].

⁶⁷² Igor Šalamun, General Director of the Directorate for Energy on TV Slovenija 1 (12 June 2006) *Izzivi* [Challenges].

⁶⁷³ POP TV (18 June 2006) *24 ur* [24 hours].

⁶⁷⁴ TV Slovenija 1 (20 June 2006) *Pogovor z opozicijo* [Conversation with the opposition].

A concrete result of the strengthened bilateral relations in the field of energy policy was the agreement of one of the biggest Slovenian energy companies, Petrol, and the largest Russian oil company, Lukoil, at the end of August this year. They agreed to establish a joint company to be engaged in the sale of oil products in the regions of Central and South Eastern Europe (Albania, Austria, Bosnia and Herzegovina, Croatia, Macedonia, Greece, Italy, Montenegro, Serbia, and Slovenia). It is supposed to be established in spring 2007. 51% of the stake will be owned by Petrol and 49% by Lukoil.⁶⁷⁵

Whereas the Slovenian correspondent criticised the EU for having a pragmatic relationship with Russia - on the one side it criticizes Russia for violations of human rights and rising of extreme nationalism, on the other hand it tries to cooperate closely with Russia in the energy sector,⁶⁷⁶ the Slovenian Prime Minister Janez Janša, prior to his departure for the Informal Meeting of EU Heads of State and Government in Lahti, expressed the Slovenian view that cooperation with Russia in the field of energy is extremely important. Europe needs Russian energy sources, and, on the other hand, the Russian Federation needs the EU market. "This is a strategic partnership, the strength of which depends on the definition of the views of the partners," declared the Prime Minister.⁶⁷⁷

What is to be expected from the EU?

Common EU energy policy is another cornerstone of Slovenia's future energy policy. The Government is supportive of the common European energy policy, but at the same time it is aware of the fact that an effective common energy policy will be hard to achieve in the near future, due to the diverse interests of the member states. That was the reason for the intensification of relations with Russia on a bilateral basis. However, Slovenia has to be

⁶⁷⁵ Press release of Petrol d.d., *Petrol Carries on Negotiations Successfully*, http://www.petrol.si/index.php?sv_path=216,224,2066 (15 November 2006).

⁶⁷⁶ Correspondent of the Slovenian national television from Moscow Miha Lamprecht (2006) TV Slovenija 1, *Izzivi* [Challenges], 12 June 2006.

⁶⁷⁷ Press release by the Prime Minister Office, *Prime Minister Janez Janša: Slovenia joins EU efforts for sustainable and less expensive energy*, 19 October 2006, <http://www.kpv.gov.si/en/splosno/novice/news/browse/2/article/252/Prime%20Minister%20Janez%20Jan%C5%A1a%3A%20Slovenija%20joins%20EU%20efforts%20for%20sustainable%20and%20less%20expensive%20energy%20/?cHash=feffb8bcbf> (7 November 2006).

included within the broader European debate on energy policy.⁶⁷⁸

Despite the fact that Slovenia is an insignificant player on the global scale, it tries to place itself actively in a favourable position regarding prospects of energy policy. One of the activities was a conference in the framework of the Bled Strategic Forum, "Caspian Outlook 2008".⁶⁷⁹ The conference focused on the geo-strategic relevance of the Caspian and the South Caucasus regions for Europe.⁶⁸⁰ In his welcoming address the Slovenian foreign minister, Dimitrij Rupel, pointed out that the most important reason to choose future prospects of the Caspian region as a topic for the forum was energy. "Europe's energy security looks increasingly unpredictable as demand is outpacing existing supply and domestic capacity is on the decline. I think we all agree as to the strategic importance of Caspian energy; the prerogative is to develop the Caspian region into a transparent, stable and competitive energy partner."⁶⁸¹ Thus the conference addressed the energy policies of Slovenia and the EU from the security perspective, stressing the importance of the political stability of the region for the stability of the energy supply in Europe.

The Slovenian Prime Minister Janez Janša pointed out that the EU needs a more unified approach to key suppliers of energy, since the energy dependency of the EU is rising.⁶⁸² In his view the EU depends on foreign suppliers

⁶⁷⁸ Conclusion of the members of governmental Strategic Council for Foreign Policy at the beginning of June. From the press release of the Slovenian Foreign Ministry, *Today's Strategic Council for Foreign Policy meeting on energy policy issues*, 8 June 2006, [http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11170&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11170&tx_ttnews[backPid]=141) (7 November 2006).

⁶⁷⁹ The Bled Strategic Forum is an initiative of the Slovenian Ministry of Foreign Affairs and Institute for Strategic Studies, Ljubljana. It is conceptualized as a forum for promoting high-level strategic dialogue between leaders (from both the private and public sectors) on key issues - regional and thematic - with which the Europe of the 21st century will be confronted. On <http://www.bledstrategicforum.org/about.shtml> (16 November 2006).

⁶⁸⁰ Official web site of the Bled Strategic Forum, <http://www.bledstrategicforum.org/program.shtml> (16 November 2006).

⁶⁸¹ Press release of the Slovenian Foreign Ministry, *Welcoming address by Dr Dimitrij Rupel, Minister of Foreign Affairs of the Republic of Slovenia at the Bled Strategic Forum "Caspian Outlook 2008"*, 27 August 2006, [http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11479&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11479&tx_ttnews[backPid]=141) (7 November 2006).

⁶⁸² Radio Slovenija 1 (20 October 2006) *Radljski dnevnik* [Radio news].

and despite that, there is not even a clause of solidarity between the member states.⁶⁸³

Former Slovenian Minister for Environment and Spatial Planning, Janez Kopač, expressed a rather pessimistic view on EU energy policy. Costs of energy are relatively high, companies are moving into other countries to decrease expenses for energy. Despite rising income, there is a lack of investment into the infrastructure; according to Mr. Kopač, privatisation is an obstacle to further development, thus in his view the energy sector has to remain in the hands of governments. New EU member states have a specific problem that a common energy policy has to tackle. Namely, higher energy prices for households than for the industry, which contradicts the situation in the old member states. He admits that changing this uncompetitive practice would be a politically unpopular move.⁶⁸⁴

Energy policy will be one of the priorities of Slovenia's EU presidency. Slovenia will strive for the functioning of a common energy market that will enable equal access to electrical energy for all member states.⁶⁸⁵

Spain

Spain's consumption of primary energy in 2004 was as follows: oil and its derivatives (53%), natural gas (16.9%), coal (14.5%), nuclear (9.8%) and hydroelectric (5.4%). Spain's demands for oil and gas have grown enormously in recent years. In the past ten years Spain's average annual increase in oil consumption was nearly double the world average (3.5% vs. 1.8%). The demand for gas has grown during the past ten years by an annual average of 15%. Considering that oil and gas together constitute 70% of the primary energy consumed in the country, Spain is more dependent on the main hydrocarbons than other developed countries (e.g. 65% in the US).

It should be pointed out that Spain depends to a very great extent on imported energy, particularly the major hydrocarbons. More than

⁶⁸³ Radio Slovenija 1 (22 June 2006) *Studio ob sedemnajstih* [Studio at seventeen].

⁶⁸⁴ Janez Kopač (2006) *Pasti razvoja evropske energetske politike* [Traps of the development of European energy policy], Delo FT, p. 11, 23 October 2006.

⁶⁸⁵ Sebastjan Morozov (2006) *Energetika bo na vrhu EU* [Energy will be at the top of EU's agenda], Dnevnik, p. 2, 19 September 2006.

the 99% of the gas and oil consumed in Spain in 2004 was imported. Spain depends on a small group of non-democratic or unstable regimes, such as Russia, Algeria, Nigeria, Libya, Saudi Arabia and Mexico.

As regards oil, Spain has relatively diversified sources. Nevertheless, it depends on oil for more than 53% of its primary energy, with 99.6% of it being imported. Hence, Spain continues to be particularly sensitive to price shocks in a market which suffers from highly volatile prices.

Regarding gas, almost 60% of Spain's requirements (more than 10% of the primary energy consumed) comes from three North African countries –Algeria, Egypt and Libya– and nearly half of this figure comes from Algeria.

In addition to Spain's dependence on energy imports (in 2005 it imported 85.1% of the primary energy it consumed), the country also has an energy interconnection deficit with the rest of Europe. Spain is considered an island in energy terms, especially as regards electricity. It has a distinct lack of infrastructure for importing and exporting electricity. Most Spanish electricity exchanges are with Portugal, with which an Iberian Electricity Market is being built. As regards hydrocarbons, Spain has a gas pipeline connection with France and another with Algeria. It has no international oil pipeline connections.

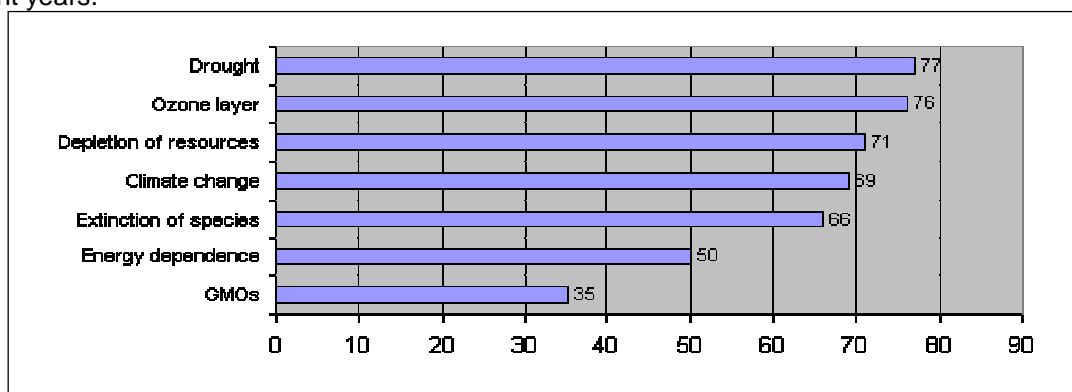
Given its nature as an 'energy island', Spain is highly vulnerable to supply cuts and certainly more vulnerable than the rest of Europe. However, its energy security has improved in recent years.

The participation of gas and liquefied gas in Spain's energy mix is increasing. Liquefied gas accounts for 85% of gas imports.

One of the controversial points in Spain's energy policy is the nuclear energy debate. Some consider that nuclear power could be a solution to Spain's energy dependence on imports. However, Prime Minister Rodríguez Zapatero said last month that the Socialist government would prepare a plan before the end of the Parliamentary term in 2008 to phase out nuclear plants. He said that he wanted renewable sources such as wind parks to supply around 13% of electricity demand by 2012, up from 5.7% last year. The Spanish government has opted for a progressive reduction of nuclear power in the domestic energy mix. Nevertheless, the main opposition party (PP) supports the idea that the use of nuclear power could be an option to curb the country's reliance on hydrocarbons. It has been pointed out that economic growth would be penalised in the absence of a nuclear power programme.

Spain's energy situation has two additional risk factors according to the Elcano Royal Institute's Senior Economic Analyst Paul Isbell: its increasing energy consumption and the Spanish public's lack of knowledge and awareness of the country's energy problems. Both factors have a significant impact on the energy issue.⁶⁸⁶

Concerning Spanish public opinion (see graph 2), according to the twelfth wave of the Barometer of the Elcano Royal Institute⁶⁸⁷, one in two Spaniards is 'very concerned' by the dependence on foreign energy supplies. This



graph 2

⁶⁸⁶ More information and analyses are available in the Elcano Institute website, specially Energy Dependency and Spanish Interests, ARI 32/2006 by Paul Isbell (21/3/2006)

<http://www.realinstitutoelcano.org/analisis/937.asp>

⁶⁸⁷ It is available in the Elcano Institute website

http://www.realinstitutoelcano.org/barometro_eng.asp

is among the environmental topics of most concern to Spaniards, though behind the depletion of resources, climate change and drought.

Despite this concern for the dependence on foreign energy supplies, there is a division of opinion on the nuclear energy option, which is rejected by 55%. However, the fact that the question includes a reference to the problems of oil supply and the increase in prices has led to support for the nuclear option rising to 41%, which is higher than in other surveys.

Sweden

In his government declaration to the Riksdag, Prime Minister Fredrik Reinfeldt stressed the need for Sweden and the EU to move in a more energy-efficient direction, the government aim being to break the hitherto supposed link between economic growth and increased use of energy and natural resources. For the term 2006-2010, the government will not close down any nuclear power plants, nor restart the two that have been closed in the last years.⁶⁸⁸

Turkey

Turkey's potential importance of European energy security is acknowledged in European official documents. The EC's paper on "Issues arising from Turkey's membership perspective" stresses that Turkey will have a major role to play in the security of the energy supply of the enlarged EU and that it is expected to develop further as a major oil and gas transit country. Furthermore, the accession of Turkey would extend the EU to the borders of the world's most energy rich regions in the Middle East and the Caspian Basin. In the Green Paper, "A European Strategy for Sustainable, Competitive and Secure Energy", Turkey is perceived, together with Ukraine, as an essential strategic partner. Turkish energy officials frequently accentuate Turkey's role as a regional energy hub. In 2001, Turkey ratified the Energy Charter Treaty, the international legal framework for energy investment. Also, in early 2001, the Turkish parliament passed an energy liberalisation law aimed at ending the government's monopoly in the energy sector, and also geared towards attracting foreign

energy investment. In December 2003, the parliament passed legislation liberalising the country's energy sector.

The paper of the EU Commission, "An External Policy to Serve Europe's Energy Interests", points out the need to "help Turkey to make full use of its potential to become a major energy transit hub and in particular promote its rapid integration into the Energy Community Treaty"⁶⁸⁹.

The Baku-Tblisi-Ceyhan (BTC) pipeline was officially inaugurated on 13 July 2006 at a ceremony held in Ceyhan with extensive press coverage. The day was depicted as an historical one⁶⁹⁰. Oil from BTC, expected to reach 2 million barrels a day in the long run, is viewed as enhancing the diversity of non-OPEC supply sources. The transit and exploitation revenues will depend on the volume of oil that will be transported. Between the 1st and 16th year, revenues will range between 140-200 million USD, between 17th and 40th year between 200-300 million USD. The revenues are not expected to be higher than those of the Turkish-Iraqi oil pipeline before the BTC reaches its maximum capacity of 1 million barrels a day.

The use of natural gas by industry is also relatively new. It began in 1989—after the initiation of gas imports from the Russian Federation and is rapidly growing. Demand in the power generation sector is expected to grow even more rapidly, doubling between 2001 and 2010. BOTAS, the Turkish national gas company, has signed eight long-term sales and purchase contracts with six different supply sources. Six contracts are presently in effect. Of these, three are with Russia for plateau volumes of 6 billion cubic meters (bcm) per year, 16 bcm per year, and 8 bcm per year, respectively, through the Blue Stream pipeline across the Black Sea; one is with Iran for 10 bcm per year; and two are liquefied natural gas. Turkey has signed six gas agreements⁶⁹¹, three of which have been signed by the Russian Federation. Russia is Turkey's largest supplier of natural gas; taking into account the

⁶⁸⁸ Prime Minister Fredrik Reinfeldt's government declaration to the Parliament, 2006-10-06, p. 12, www.regeringen.se.

⁶⁸⁹ "An External Policy to Serve Europe's Energy Interests", Paper from Commission/SG/HR for the European Council, presented by Javier Solana, June, 2006.

⁶⁹⁰ Turkish Daily News, July, 13, 2006, "Silk Road of the Century ready to be welcomed", "Ceyhan to host senior guests from around the world", "BTC marks an era against the monopolization of Caspian energy resources".

⁶⁹¹ Turkey has signed agreements with Russia, Iran (10 bcm), Algeria (4 bcm) and Nigeria (1,2 bcm).

annual 14 bcm Russian gas supply across the Balkans and the 16 bcm planned through the Blue Stream⁶⁹², over the next decade Russian gas will comprise 70-75% of Turkey's domestic consumption. The Blue Stream will increase the annual amount to 30bcm by 2010. Russian media estimates that total earnings from natural gas exports to Turkey will reach at least \$7bn annually by 2020.

Rather than for strategic reasons, a gas transportation corridor running through Turkey is becoming increasingly important for officials in Ankara because of economic imperatives. The problem is one of a saturated gas market. Turkish energy officials have over-contracted. Ankara has committed itself to import more natural gas than is needed for the Turkish economy. The problem is compounded by the fact that there are no adequate storage facilities to hold surplus gas. A USD 325 million loan under the World Bank's Gas Sector Development Project will finance the construction of an underground natural gas storage facility and two key compressor stations. The underground storage facility will be built in an underground salt formation south of the Tuz Golu (or Salt Lake). Russia also seems interested in investing in the development of Turkey's gas storage capacities.

The re-sale and re-export of surplus natural gas by Turkey to Europe would ease the problem of over-contracting. However, pipeline networks would need to be in place. It is not clear whether gas would first be re-sold and re-exported along these pipelines from Azerbaijan, Iran or Russia. Probably Russian natural gas would first be re-sold and re-exported because of the physical presence of Russian gas in the pipeline network in western Turkey and the substantial volumes of Russian gas contracted to the Turkish market. In November 2002 five companies signed an agreement to carry out a joint feasibility study on the construction of a natural gas pipeline from Turkey to Austria via Bulgaria, Romania, and Hungary. Participants in the project are BOTAS, (Turkey), Bulgargaz (Bulgaria), Transgaz (Romania), MOL (Hungary), and OMV Erdgas (Austria). The study received approval from the EU in July 2003. The TEN Program of the EU has accepted to fund a part of the feasibility study. Natural gas is expected to be supplied by the planned pipeline to countries with emerging markets like Bulgaria,

Romania, Hungary, Slovakia, Czech Republic and later on to other European markets through Austria. In June 2004 project partners founded Nabucco Company Pipeline Study GmbH in order to engage in project finance and pipeline capacity marketing studies. The construction phase is scheduled to start in mid-2006, and operations are expected to begin at the end of 2009. Once constructed, the pipeline will stretch about 3,400 kilometers, with total capacity from Turkey of 25 billion to 30 billion cubic meters per year. The expected off-take in transit countries would be 8 billion to 10 billion cubic meters per year, and the total capacity to Austria's Baumgarten region would be 17 billion to 20 billion cubic meters per year. Total costs are projected to be about €4.4 billion.

Turkey's participation in the Regional Energy Market for South-East Europe (REMSEE), covering the Western Balkans, Romania and Bulgaria, should ensure that its legislation will be in line with the relevant *acquis* well in advance of its accession. The aim is to achieve an operational regional wholesale market by the end of 2007. European Union officials are calling for the Turkish government to join the recently signed energy treaty aimed at strengthening the security of the energy supply in the region and ultimately creating an "energy community" with a common regulatory space, including Albania, Bulgaria, Croatia, Romania, Serbia, Montenegro, the former Yugoslav Republic of Macedonia (FYROM), Bosnia Herzegovina, the semi-autonomous province of Kosovo and the EU.

Turkey's association to the EU's energy dialogue with Russia is becoming all the more important, and the negotiation process of the energy charter transit protocol will be a significant step ahead. Turkey will benefit from the multilateralisation and institutionalisation of its energy relations with Russia. The positive regional effect of a functional EU-Russian-Turkish energy market will be significant.

Only the development of the appropriate legal and financial framework permitting fair and transparent gas transit conditions will enable Turkey to play a major role as a gas transit country to the EU. Turkey has to actively participate in all initiatives that the EU may take in view of stronger security in the energy sector. Turkey's strategic position and its role as a key country for energy transit will necessitate the correct implementation of the internal market *acquis* on gas and electricity.

⁶⁹² 1st Blue Stream pipeline completed on March, 1st, 2002

United Kingdom

Energy policy constitutes a high salience issue in the UK. In July 2006 the British government published its 3rd annual progress report⁶⁹³ on the implementation of the long-term energy strategy that was set out in 2003 Energy White Paper. The future energy policy strategy of the UK prioritises four goals, namely cutting carbon dioxide emissions by 60% by 2050; maintaining reliable energy supplies; promoting competitive energy markets; and ensuring homes are affordably heated. The government is not proposing a specific price plan or fuel mix composition. It favours instead the creation of a market framework that will offer investors and consumers the right incentives to pursue its goals. In order to reduce its carbon emissions, the UK has set its own trading emissions scheme; it has improved standards of energy efficiency in homes and offices and it will seek to generate considerable investment in renewables, coal fired energy generation, without ruling out the use of nuclear power.

Energy policy in the UK is inevitably discussed in a security context. As the UK becomes a net energy importer and loses its self-sufficiency in gas and oil, it will be imperative to diversify its suppliers and energy routes. In order to achieve its national energy aims, international co-operation through the EU is increasingly crucial for Britain and has become central to the whole energy debate. UK Minister of State for energy Malcolm Wicks has recently stated that in order to "meet the challenges of increasing European competitiveness, securing our supply and fighting climate change it is essential that a common European Energy Policy is developed".⁶⁹⁴ In this regard, the UK has welcomed the European Green Paper on energy agreeing on the importance for speaking with one voice with energy suppliers like Russia and has suggested that the Energy Community Charter and the

principles governing the internal energy market could be extended to Turkey, Ukraine, Moldova and other neighbouring countries such as the Euromed partners.⁶⁹⁵

The British government equally supports the market approach set out in the Commission's Paper, especially the importance of an effective internal energy market to achieve competitiveness and security of supply. A recent report on Energy market Competitiveness⁶⁹⁶ has demonstrated that the UK's energy market is the most liberalised and competitive in the EU and G8. It is of no surprise that the UK sees the current pattern of partial-liberalisation in the EU and some member states' tendencies for economic nationalism in the energy sector as obstacles for efficient markets, and thus the stimulation of capital investments and security of supply.

It will be imperative for the UK that the next strategic Action Plan to be adopted by the Spring 2007 European Council prioritises the completion of the process of liberalisation, a higher degree of interconnection between the member states and the unbundling of supply, generation and transmission assets. Overall, the UK does not support the creation of new institutions to achieve these goals, such as the proposed single European energy regulator. Nor has it found added value in setting up a European Energy Supply Observatory. The UK is also wary about extensive regulations and standards, for instance such as the setting of European-wide energy mix benchmarks.

The British government is equally supportive of the proposal for a network of "energy correspondents" as a means of assisting the Community's early response to an early energy crisis. It would comprise meetings of energy experts on an ad hoc basis and therefore it would be consistent with the light-touch approach favoured by the UK.

⁶⁹³ Department of Trade and Industry (DTI), Energy White Paper, 'Our energy future - creating a low carbon economy', 25 July 2006, accessible at: <http://www.dti.gov.uk/energy/policy-strategy/energy-white-paper/page21223.html>

⁶⁹⁴ Malcom Wicks, "Europe must have a common energy policy", Speech, Friends of Europe, 9 November 2006 <http://www.gnn.gov.uk/Content/Detail.asp?ReleaseID=240868&NewsAreaID=2>

⁶⁹⁵ Malcolm Wicks MP, Minister of State for Energy, Common European Energy Policy

Finsbury Group, Tenter House, London, 05 June 2006

⁶⁹⁶ Oxford Economic Research Associates (OXERA) Energy Market Competitiveness Rankings for the EU and G7 <http://www.dti.gov.uk/energy/markets/competitiveness/page28432.html>

6

Justice and Home Affairs/European Immigration Policy

- **Considering the challenge of immigration, especially affecting the Mediterranean countries, which aspects of this policy field should be dealt with on a European level?**
- **What would be concrete claims and proposals concerning a European Immigration Policy?**
- **What are the positions with regard to removing the national veto on issues on justice and home affairs?**
- **Initiatives like the Treaty of Prüm show a trend towards fragmentation and splitting up in different groupings inside and outside the EU in the field of Justice and Home Affairs. How are these developments perceived in your country?**

Austria

For the Austrian government, a common European migration policy should include a common European asylum system, a better management of migration flows, including the prevention of illegal migration (especially affecting in the Mediterranean region). This would also include effective control and surveillance of the external borders of the Member States of the European Union in order to manage the illegal migration flows.

European Immigration Policy

One of the most important claims on part of the Austrian government is an effective return policy, including a consistent implementation and execution of the third country clause. In this context, the German presidency is expected to elaborate a new readmission agreement for various African countries. An effective third country policy would also need to include the elaboration of sanctioning mechanisms for non-cooperative third countries. The announcement of the German presidency to step up against collective legalisations of illegally staying third country nationals by the member states, such as has been done by Spain or Italy is most welcomed by the Austrian government.

The Green party emphasises the European dimension of the illegal immigration in the Mediterranean countries. Although they welcome the initiative of the European Union to provide financial support for immediate neighbouring countries, such as Morocco in order to deal with the illegal migration flows, the Green party criticises that not more money has been provided to invest in the creation of adequate protection mechanisms in third countries concerned or in the improvement of reception camps in member states (Lampedusa / Ceuta / Melilla / Malta / Canary Islands). The increased investments for the management of migration flows to third countries should however be closely monitored in order to avoid that the money is invested in defence mechanisms *against* rather than protection mechanisms *for* incoming migrants.

For the trade unions, a major root cause of migration is the social, economic and political situation in most of the countries from which the migrants originate. In the long run, this problem can only be tackled by improving the economic relations to these countries, mainly those in Africa. Mechanisms and policies

proposed include a fair trade policy, including the pricing policy for primary resources, total debt cancellation, a cut-back of EU-protectionism, especially in agriculture and a Marshall plan for Africa that mainly takes into account the needs and interests of the African countries and for which NEPAD (New Partnership for Africa's Development) is considered to provide a good basis.

The national veto on issues on justice and home affairs

Legal migration plays an important role in enhancing the knowledge-based economy in Europe, in advancing economic development and finding common and appropriate answers using the various existing legal measures. Regarding the different situation on the labour market and the reception capacities of the Member States, the Austrian government argues therefore for the maintenance of the principle of unanimity in the field of legal migration on EU-level.

The Green party heavily criticises the lack of the political will for the creation of a common legislative framework in order to deal with migration on an EU-level. Furthermore, they are highly critical as regards the content of the debate which, so it is argued, is dominated by the security dimension, but leaves out the fact that migrants are also human beings in need of protection in political, social and economic terms (human rights). *'The European debate on migration and irregular migration must also include a protective dimension, and must not remain confined to a security discussion only'*.⁶⁹⁷ They propose a quota system on EU-level that shall enable the resettlement of migrants all over the union, according to the social and economic capacity of the various member states. This would also help to reduce the extent of human trafficking, as migrants in need of protection would be allowed to migrate legally into the EU.

A sound and generous EU-wide asylum policy based on humanitarian principles and led by a human rights-based approach is also a major concern of the trade unions, including a quota based resettlement scheme for migrants based on the socio-economic capacity of the member states concerned. They argue for a careful integration policy of the migrants within the European labour market in order to avoid the further extension of the incessantly growing

⁶⁹⁷ Questionnaire the Green party, 2006.

shadow economy and its social and economic consequences.

For the Federal Economic Chamber, an effective asylum policy can only function well if it is based on a European-wide level. Common standards should be set for political refugees and for a re-transfer. A common framework should also be developed for economic migration (e.g. EU green card). The eligibility criteria should however be defined by each member states (they should have the competency to decide upon their need of workforce). A similar system is proposed by the Green party, which has developed a labour migration model based on an eligibility catalogue. In this way, each member state could regulate the much needed foreign labour force, such as has become apparent in the debate on the lacking personnel for geriatric care in the current election campaign in a controlled and flexible manner.

The Austrian government welcomes the Prüm Treaty is a vivid sign of the signing member states to enhance police cooperation and information gained from investigations done. The alleged trend towards a fragmentation and splitting up is not perceived as such, as the signing states have invited other member states to join. Notwithstanding, the government very much welcomes the political initiative of the incoming German Presidency to implement the Prüm Treaty or major aspects of its content in the EU legislation. This initiative would pave the way for a new kind of cross border police cooperation among the EU 25/27.

Bulgaria

As a result of the permanent EU pressure throughout 2006, significant changes can be observed in Bulgaria in the domestic judicial system and especially in the Prosecutor's office. However, internal EU debate on the various sub-policy fields within the area of Justice and Home Affairs (JHA) is not reflected in the Bulgarian public debate. This fact is understandable having in mind that Bulgaria is still not an EU member and is not yet fully involved in EU policy making on JHA issues. Almost the same level of attention has been paid on EU Immigration Policy issues and on increasing immigration into Mediterranean EU member states. After accession, Bulgaria will become an external border of the Union and part of the immigration flow will turn to it. Therefore, the immigration issue from now on

will be a Bulgarian issue as well. Bulgarian state and society have no experience so far with large masses of immigrants coming into the country. One can expect that this topic will become an important media issue shortly after EU accession. Preconditions for that are in place: since 2005, the xenophobic political party, "Ataka", is already represented in the Bulgarian parliament. Therefore, the immigration issue has the potential of becoming highly politicized in the near future. One could speculate that the specific Bulgarian positions on the EU's Immigration Policy will develop within the broader views on the EU policy package expressed by Bulgarian Prime Minister. In his words, "we need a strong, integrated EU with more common policies"⁶⁹⁸. It is reasonable to expect that Bulgaria will support the elaboration of a common EU Immigration Policy in the future.

The second half of 2006 has witnessed increased media attention and energy focusing on the migration of European citizens within the EU. The declared UK position not to open its labour market for Bulgarians and Romanians after 1 January 2007 raised plenty of negative comments in the Bulgarian media. Following a common media discourse, Bulgarian politicians reacted as well. Thus, Bulgaria's Minister of European Affairs, Ms. Meglena Kuneva, underlined in an interview that "Europe will find out very soon that labour mobility is the biggest European advantage after accession"⁶⁹⁹. According to her, "mobility policy within the EU is a useful policy for Europe"⁷⁰⁰. Although the unfolding public debate has made clear that such a decision by the UK has been motivated by an influx of mainly Polish workers after 1 May 2004, negative attitudes have not been targeted at this "rival" and "competitor" on the labour market, but at UK authorities. The debate, in fact, has proven to be not a matter of real

⁶⁹⁸ Bulgarian Prime Minister Statement on the Conference "60 dni predi ES: kakvo da ochaskvame, kakvo da pravim" ("60 days before EU: What can we expect, what can we do."); available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 27.10.2006.

⁶⁹⁹ Interview of Bulgarian Minister of European Affairs, Ms. Meglena Kuneva, for BTV; program "V desyatkata" ("In the Target"); 30.07.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 27.10.2006.

⁷⁰⁰ Interview of Bulgarian Minister of European Affairs, Ms. Meglena Kuneva, for BTV; program "Tazi sutrin" ("This Morning"); 08.09.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on at: 27.10.2006.

competition, because most Bulgarian migrants prior to accession – legal and illegal alike – have traveled to Southern EU member states (Italy, Spain, Greece) due to geographic proximity, similar cultural habits and working attitudes, etc. On the background of such a pattern of Bulgarian workers' emigration structure, the non-economic motivation of such an "anti-UK" discourse becomes clear. The decision of several "old" EU member states (not just the UK!) not to open domestic labour markets for Bulgarian and Romanian citizens has provoked protests against discriminatory attitudes and in the name of equal treatment. It reveals a high level of anxiety about the possibility of gradually sliding towards a sort of "second hand" EU membership for Bulgaria and Romania.

Croatia

The question of how to shape European Immigration Policy is still mostly absent from Croatian public debates. The efforts of the Croatian Government in the area of Justice and Home Affairs are targeted primarily towards aligning existing national legislation with the European *acquis*. Alignment with the *acquis* in this area is currently based on provisions of the Stabilisation and Association Agreement between Croatia and the EU and on the priorities set by the European Partnership with Croatia. These documents in the area of Justice and Home Affairs particularly stress the need for alignment on the issues of asylum policy and border management.⁷⁰¹

As for the ongoing accession negotiations, the explanatory and bilateral screening for Chapter 24, which deals with Justice and Home Affairs has been completed. However, in order for negotiations on this Chapter to be opened, Croatia will have to implement the Action Plan on Integrated Border Management which was set by the EU as a benchmark. It could be expected that the debate on Justice and Home Affairs in the EU context will be initiated after opening of Chapter 24, which will probably happen during 2007.

⁷⁰¹ Ministry of Foreign Affairs and European Integration "Stabilisation and Association Agreement between Republic of Croatia and the European Union, Article 76" <http://www.mvpei.hr/ei/default.asp?ru=143&sid=&akcija=&jezik=1>; Ministry of Foreign Affairs and European Integration "European Partnership with Croatia" <http://www.mvpei.hr/ei/default.asp?jezik=2>

The issue of Justice and Home Affairs in the EU context has been more intensively discussed in Croatian media since the end of 2005 when the EU requested Croatia to fully implement provisions of its Law on the Surveillance of the State Border by 2009, which is aligned with standards of the Schengen regime. The EU particularly requested more efficient control of the Croatian border with Bosnia and Herzegovina, Serbia, Montenegro as well as its sea border on Southern Adriatic. Immigrants who illegally cross the Croatian border to the East (5406 registered illegal border crossings in 2005 alone) are usually on their way to illegally enter the EU. For that reason, in the last three years the EU CARDS financed projects aimed at the creation of integrated border management.

Apart from the Law on the Surveillance of the State Border, Croatia also regulates migrations through the Law on Aliens and the completely new Law on Asylum. The screening process showed that both the Law on Aliens as well as the Law on Asylum will have to be additionally aligned with the *acquis*.⁷⁰² The new version of the Law on Aliens will have to completely abolish the existing working and business permits to EU citizens that are currently being issued. The next version of the Law on Asylum will have to cover currently absent provisions on the accelerated procedure, temporary protection as well as special procedures at airports and harbours.

Furthermore, Croatia is currently in the process of adopting the new version of the Law on Croatian Citizenship, which will be harmonized with the *acquis*. The new version of this law will ease up the process of acquiring Croatian citizenship for EU citizens. After introduction of the new Law on the Croatian Citizenship the status of Croatian emigrants (now regulated by the provisions of the Law on Croatian Citizenship) will be regulated by the soon to be adopted Law on the Croatian Emigrants.⁷⁰³

The asylum issue was also intensively debated by the Croatian civil society since adoption of the Law. The civil society organisations (the Croatian Law Centre and the Centre for Peace Studies) expressed their criticism over the fact that, out of around 700 asylum applications submitted since 1997, only one case was

⁷⁰² Business daily *Poslovni dnevnik*, 13 September 2006; Republic of Croatia, Ministry of Interior "Istina i predrasude o tražiteljima azila"/The Truths and Prejudices on Asylum Seekers/, 4th April 2006, <http://www.mup.hr/873.aspx>.
⁷⁰³ *Jutarnji list (daily)*, 26 November 2006.

resolved positively so far⁷⁰⁴. Civil society organisations also stressed the importance of developing an asymlants integration policy which is currently non-existent in Croatia.⁷⁰⁵ The media representatives recently also discussed professional norms for handling the information on asymlants in the media and pleaded for ethical reporting standards in order to protect the identity of asymlants⁷⁰⁶.

Among Croatian politicians there are different opinions on the quality of the 2004 Law on Asylum. According to Mate Arlovic, the Vice President of Croatian Parliament, the current Croatian Law on Asylum is among the most liberal ones in Europe. This statement has been challenged by Furio Radin, President of the Parliamentary Committee for Human Rights and Rights of National Minorities, who expressed his concern over the fact that nobody was granted an asylum in Croatia for such a long time.⁷⁰⁷ In June 2006 the Croatian Government opened the new Centre for Asylum Seekers in Kutina. This new centre offers much better accommodation than the previous one in Šašna Greda. However, the Centre for Asylum Seekers in Kutina is only a temporary solution until 2009, when permanent facilities will be built in Zagreb.⁷⁰⁸

Croatia has 24 readmission agreements in force and further readmission agreements are under preparation with Moldova and Ukraine. As regards judicial cooperation in criminal and civil matters, a new Act on Mutual Legal Assistance in Criminal (2005) covers *inter alia* extradition, enforcement of foreign judgements and international legal aid. However, participation in the European Arrest Warrant system will require an amendment of the general prohibition to extradite own nationals, which is laid down in Article 9 of the Croatian Constitution.⁷⁰⁹

⁷⁰⁴ According to HRT (Croatian Radio Television), Dnevnik (prime news programme), 15th November, 2006, the first approved asylum was granted to a Sudanese woman.

⁷⁰⁵ H-Alter.org "Ksenofobija je iz raja izašla", <http://www.h-alter.org/index.php?page=article&id=1143>

⁷⁰⁶ The Croatian Journalists' Association Workshop «Asymlants in the Media», 15th November, 2006.

⁷⁰⁷ The Croatian Parliament "Okrugli stol o integraciji azilanata/ Roundtable on integration of asymlants", 31st May, 2006,

<http://www.sabor.hr/default.asp?gl=200501030000009>

⁷⁰⁸ Republic of Croatia, Ministry of Interior "Otvoreno prihvatilište za tražitelje azila u Kutini", 28th June 2006, <http://www.mup.hr/1714.aspx>.

⁷⁰⁹ European Commission "Croatia 2006 Progress Report" 8 November 2006,

http://ec.europa.eu/enlargement/pdf/key_documents/2006/Nov/hr_sec_1385_en.pdf

The current situation in the EU by which member states can use the qualified majority voting in the Council on issues of immigration, border management and visas but not on the issue of police cooperation (with asylum falling under that category) has been reported by the Croatian press.⁷¹⁰ The press also reported on the 2005 initiative to form an EU Agency for Border Management. Through such an Agency the EU would introduce not only the joint management of its external border but also the joint management of borders of candidate countries and potential candidate countries.⁷¹¹

The Croatian media substantially reported on the efforts of Slovenia to enter the Schengen zone as soon as possible. The media reported on the EU plan aimed at creation of the second generation of the Schengen Information System (SIS II), which is a precondition for expansion of the Schengen zone to new member states. Croatia is interested in expansion of the Schengen zone to Slovenia since that would ease up the land travel from Croatia to the EU15.⁷¹²

The coming into force of the Law on the Schengen Border in Slovenia on 13 of October 2006 and its impact on Croatian citizens was also extensively analysed in Croatian media. In the recent years citizens of Croatia were allowed to travel to Slovenia, Italy and Hungary only with their identification cards. This month however, the European Commission officially warned Slovenia that it breaches its newly adopted Law on the Schengen Border by letting the citizens of Croatia into the EU without passports, based on its bilateral agreement with Croatia. At the moment of writing this report, the law is still not strictly implemented and it remains unclear if the Slovenian Law on the Schengen Border will, in the end, affect Croatian citizens.⁷¹³

Cyprus

The massive arrivals of illegal immigrants at Europe's southern borders not only affect the Mediterranean countries, which – due to their geographic position – are naturally burdened with the heavy task of protecting the EU's southern sea borders, but the Union as a whole. Illegal immigrants normally use these

⁷¹⁰ Poslovni dnevnik, 21 September 2006

⁷¹¹ SD Magazin, 15 October 2005

⁷¹² Hina News Line "EP podupro izvješća o uspostavi baze podataka SIS II", 15 October 2006, <http://www.hina.hr>

⁷¹³ Jutarnji list, 2 Novembre 2006

routes as entry points, later proceeding to the rest of the EU.

On this matter, Cyprus faces a double burden: first, to react to illegal immigration arriving from the Eastern Mediterranean; and second, to respond to the growing cases of illegal immigrants arriving through the occupied area of the Republic via Turkey. This issue has been placed at the European level by the Cypriot authorities, which requested from the EU to impose on Turkey the obligation to accept the return of those immigrants coming to Cyprus from its shores.⁷¹⁴ In addition, in the past six months, the Cypriot government has requested the establishment of a common EU fund to deal with the issue of illegal immigration, a suggestion accepted by the EU-25. The fund will total €40 million.

The Cypriot Chief of Police publicly stated that Cyprus has the largest number of illegal immigrants per capita in the EU.⁷¹⁵ Inevitably, this is an issue that deeply concerns the government. Government officials from the Ministry of the Interior expressed the belief that this intractable problem requires constant efforts and the utilization of considerable and costly human and material resources⁷¹⁶. They also added that the rest of the EU-Mediterranean countries are equally plagued by massive illegal immigration, as manifested by the high increase of immigrants at their sea borders, thus noting the increasing need for creating a “security ring” around EU borders.

“Illegal immigration undoubtedly constitutes a common European problem which needs to be jointly addressed by all member states in a spirit of solidarity”, government officials told us⁷¹⁷. The establishment of an EU joint patrolling unit at the southern maritime borders of the EU will be the Union’s appropriate answer to this common European problem. These officials believe that the aim should be to effectively improve surveillance and preventive capacities, as well as to establish a network of better coordination, in order to promptly avert and prevent - at an early stage - the large influx of illegal immigrants.

Officially, the Republic of Cyprus supports Greece’s idea for the creation of a common European Coastguard, while also supporting

the intensification of efforts by EC President Jose Manuel Barroso towards the creation of a common, coherent and effective EU approach.

Further on this matter, Cypriot officials conveyed to us the following beliefs: in order to effectively confront the problem of illegal immigration, the Union, in parallel with the creation of a common European coastguard and in close cooperation with all Member States, should implement a wider approach to immigration, with policies addressing all aspects of this issue, securing the cooperation, after dialogue, of key African and Asian countries of origin and transit. Simultaneously, our interlocutors stressed as quite obvious that the Euro-Med and the European Neighbourhood Policy should be strengthened even more, to allow the EU assist the speeding up of the socio-economic development of its neighbours.⁷¹⁸ Finally, one diplomat at the Ministry of Foreign Affairs stressed that, in view of the magnitude of the problem and the consequent need for multilateral cooperation, the Republic of Cyprus keeps submitting proposals and suggestions both to the Commission and to the fellow-Mediterranean Member States. Among such proposals, Cyprus offers ideas on improved immigration conditions for legitimate immigrants, on better monitoring of the illegal ones, as well as suggestions for the better communication among, and the overall more effective engagement of the Member States in order to reduce the immigration flows.⁷¹⁹

On the issue of the Community’s Justice and Home Affairs policy, the Republic’s Constitution is still being amended in order to allow the *acquis communautaire* to take precedence over national law. Characteristically, on 13 July 2006, the House of Representatives ratified the necessary amendments regarding the controversial matter of the execution of European Arrest Warrants (which had in fact launched the discussion for the general amendment).⁷²⁰

Not being a signatory country of the Treaty of Prüm, Cypriot civil servants did not express any particular opinion regarding its establishment. And yet, even though the Treaty appears to be a good basis for addressing key justice issues, Cyprus’ own

⁷¹⁴ ANTENNA TV, Main News Bulletin, 16 January 2006.

⁷¹⁵ Cypriot media, 9 March 2006.

⁷¹⁶ Interviews conducted by Christos Xenophonos, Ministry of the Interior, 7 and 8 September 2006.

⁷¹⁷ Ibid.

⁷¹⁸ Ibid.

⁷¹⁹ Interview conducted by Annita Demetriou with Mr Andreas Iliades, Attaché, Ministry of Foreign Affairs, 13 November 2006.

⁷²⁰ All newspapers, 14 July 2006.

favourite way of thinking is committed to promoting solidarity and cooperation among the EU-27, in order to establish a strong Europe with a common voice.

Czech Republic

Generally regarding migration and the European Union, it should be noted that among Czech politicians the Czech citizens' right to work in all EU countries is a far greater topic and concern than how to deal with non-EU immigration. The Czech Republic is pushing for the opening of the old members' labour markets as well as an extension of the Schengen area according to the planned schedule and without further delay. Especially the comments of the vice-president of the European Commission Franco Frattini in which he predicted a delay of the enlargement of the Schengen area due to technical problems was met with protests from the Czech government.⁷²¹

Regarding immigration from non-EU member states to the EU this is an issue widely discussed in Czech mass media but considered as something that is only to a limited extent of concern for the Czech Republic. For instance, the youth riots in France last autumn and the controversy regarding the publication of the Danish cartoons received great attention in the Czech Republic though somewhat from the perspective of a spectator. In the Czech Republic integration of non-European immigrants is largely a non-issue since this group is rather small.⁷²²

This point was illustrated during a televised election debate in the run-up to the June election to the Chamber of Deputies. The Civic Democratic Party leader and later Prime Minister Mírek Topolánek received the question if he would welcome or warn against

more non-European immigration. He answered that he would be in favour of tougher conditions for Czech citizenship but added that this is a question that is of more concern for West European countries rather than for the Czech Republic.⁷²³

There is consent among leading politicians that the question of immigration should be dealt with at the EU level. The question of illegal immigration is also linked to the question of extension of the Schengen area. The fulfilling of the Schengen criteria is argued to be a good way of combating illegal immigration. For the Czech Republic, as a country that lacks external borders with non-EU countries, it will be especially favourable to be surrounded by other Schengen countries. That means that border controls will thus be carried out at the border between Slovakia and Ukraine and not between the Czech and the Slovak Republics. Even if the question of immigration has not been such a frequent topic of the Czech political debate, lately different articulations of the problem and its solution have been suggested by leading politicians. The former Czech Minister of Interior František Bublan argues that preventive measures focused on cooperation with the countries of origin with the aim of improving the living standards in these countries is a necessary condition in order to combat illegal immigration.⁷²⁴ President Václav Klaus on the other hand expresses a more sceptical view regarding the possibility of combating illegal immigration by negotiations with the countries of origin. Moreover, he is also sceptical of the efficiency of tougher border controls. At the June EU summit Klaus argued that immigration is an effect of the European political system. In his view European countries are, due to their extensive welfare models, attractive countries for migrants, which implies that it is a problem that cannot be solved by more extensive border controls or by agreements with African countries. The problem is according to Klaus that the extensive European welfare states create a situation where Europeans are unwilling to do certain types of jobs, which opens up a market for immigrants. In addition, social benefits and multicultural ideology are other factors that make the European countries attractive destinations for migration. The Czech

721 Topolánek a Fico odmítli "dvojitý metr" EU pro Schengen a euro (Topolánek and Fico reject double standards for Schengen and the Euro). Czech News Agency, 14 September, 2006 Ministr vnitra na jednání Salzburškého fóra zdůraznil připravenost ČR na vstup do Schengenu (The Minister of Interior at the meeting of the Salzburg forum emphasised that the Czech Republic is prepared for Schengen)

<http://www.mvcr.cz/zpravy/2006/salzburg.html>

722 For a discussion see Pavel Barša, Andrea Baršová "Česká Republika jako přistěhovalecká země"(The Czech Republic as an immigration country – policy paper, the Institute of International Relations, Prague:

<http://www.iir.cz/upload/PolicyPapers/pbarsabarsova2006/CRjakoPristehovaleckaZeme.pdf>

723 Otázky Václava Moravce special (Questions of Václav Moravec special), 9 March 2006, for a transcript see:

<http://www.ods.cz/media/prepis.php?ID=2848>

⁷²⁴ EU se snaží poradit si s přílivem migrantů z Afriky (The EU tries to solve the increase of immigrants from Africa) Czech News Agency, 24 June, 2006

president's views on this issue were strongly criticised at the summit by the French president, who argued that Klaus would like to reintroduce poverty in Europe.⁷²⁵

Terrorism has been a topic that has received increased attention in the Czech Republic, especially since what was described as being an increased risk of terrorist attacks in Prague in September, in particular in the Jewish Quarter of the Old Town. Yet, the Czech Republic has taken a sceptical view towards the proposal of the Commission that the member states should give up their veto regarding European legislation in the field of police and judicial cooperation. At the Tampere meeting the Czech Republic voted against the suggested limitations of veto powers.⁷²⁶

Denmark

Because of the Danish opt-out concerning Justice and Home Affairs, aspects of Danish EU-policy in this field are limited. Denmark can only participate in EU judicial cooperation on an intergovernmental basis. The Danish opt-out applies to immigration issues under Title IV TEC. However, Denmark opted into Schengen-relevant instruments on an intergovernmental basis. This applies, for instance to the Border Fund and Frontex, which are highly relevant to the Mediterranean situation.⁷²⁷ The Danish position on a European immigration policy is focused on issues like effective readmission agreements and enhanced cooperation with countries of origin and transit, including assistance to migration management. It is the

⁷²⁵ Klaus: Příčinou imigrace je sociálně ekonomický systém v EU (Klaus: the reason for immigration is the social and economic system of the EU) Czech News Agency, 16 June, 2006, See also Klaus vystupoval smířlivě, ale stihl se i pohádat (Klaus acted moderately but also managed to get into an argument) Hospodářské noviny 19 June, 2006 [http://ihned.cz/index.php?p=000000_d&article\[id\]=18710280](http://ihned.cz/index.php?p=000000_d&article[id]=18710280)

⁷²⁶ EK: Právo veta blokuje boj proti terorismu a zločinu v EU (The veto right blocks the fight against terrorism and crime in the EU) Czech News Agency, 28 June, 2006. See also Ministři EU odmítli zrušit veto v boji proti terorismu (Ministers of the EU rejected the abolition of veto in the fight against terrorism) <http://www2.euroskop.cz/data/index.php?p=ihned-detail&id=19367450&id=5352>

⁷²⁷ 'The Danish opt-out' on the homepage of Foreign Affairs Ministry. See <http://www.um.dk/en/menu/EU/TheDanishOptouts/> (Located 15 November 2006) and Interview with civil servant in the Department of EU law, Foreign Affairs Ministry, 13 November 2006.

Danish position that these issues could be usefully addressed at the European level.⁷²⁸

After the meeting in Tampere in September the Danish Minister of Justice Lene Espersen expressed relief that that Denmark was not left out of European police and terror cooperation because of the Danish opt-out. Espersen stated at the meeting in Tampere that Denmark would have difficulty if the veto was removed, but that Denmark would not hinder an adoption of the proposal if the other member states wished a majority vote on police and terror cooperation.⁷²⁹ The Danish government finds it appropriate to wait for a solution to the problem of the Constitutional Treaty, especially since the government negotiated a more flexible opt-out in the Treaty in this field. This means that, instead of a total opt-out, Denmark will opt-out of immigration policy but could participate in the supranational development of the fight against crime. This deal will not be secured if a rejection of the veto is adopted outside the Constitutional Treaty.⁷³⁰ The Danish Government strongly supported effective European cooperation to combat terrorism and organised crime, including trafficking in women. The Constitutional Treaty, which the government supports, provides Denmark with a basis for participating in such enhanced cooperation.⁷³¹

Estonia

With regard to Justice and Home Affairs, debates on European Immigration Policy have been overshadowed by other topics of more immediate concern to Estonia. Accession to the Schengen area is obviously a key priority. The adoption of the legal basis for the Schengen Information System (SIS) and the Visa Information System (VIS), a scheduled completion of the preparations for making the SIS II operational, and a successful completion of the Schengen evaluation missions are regarded as issues of utmost importance.⁷³²

⁷²⁸ Interview with civil servant in the Department of EU law, Foreign Affairs Ministry, 13 November 2006.

⁷²⁹ Ole Bang Nielsen, 'Danmark reddet ud af EU-klemme', *Berlingske Tidende*, 23 September 2006.

⁷³⁰ Thomas Lauritzen, 'Nyhedsanalyse: Danmark slap med skrækken i vetostrid i EU', *Politiken*, 23 September 2006

⁷³¹ Interview with civil servant in the office of EU law, Foreign Affairs Ministry, 13 November 2006.

⁷³² Estonian Ministry of Foreign Affairs, 'Estonian Priorities in the European Union during the Finnish Presidency,' www.vm.ee.

For strengthening cooperation in the field of Justice and Home Affairs, Estonia supports the review of the Hague Programme. This review should focus on the Schengen enlargement, a global approach to migration and its causes, the development of a common European asylum system, the external dimension of JHA, and a further strengthening of cooperation of law enforcement agencies and exchange of information.

Finland

During the reporting period news of the plight of illegal African immigrants making their way into Southern Europe has prompted shocked reactions from NGOs and some politicians. It has to be noted that Finland, sheltering in the northernmost corner of the Baltic Sea, is not facing issues of immigration, legal or illegal, to the same extent as more southern member countries; debate in Finland on the matter echoes largely the general European immigration debate. The Finnish branch of Amnesty International has petitioned Finnish Minister of Interior Kari Rajamäki (Social Democratic Party) to address the human rights dimension of illegal immigration during the EU Presidency. Similarly, the Finnish Red Cross has noted that discussion on illegal immigration to Europe currently focuses too much on control measures instead of human rights issues. The organization hopes for a clarification of the EU's role in refugee matters and an increased coherence between different related policies.⁷³³ The Confederation of Finnish Industries EK has also commented on immigration policy: workforce mobility is beneficial but EU member states should be able to decide independently on immigration policy.⁷³⁴

The Treaty of Prüm

The Finnish Parliament seconded the Government's motion to sign the Treaty of Prüm in June. Minister of Interior Rajamäki commented on the Parliament's approval, saying that signing the Treaty will take Finland into the core of European security cooperation and will increase the security of Finnish citizens.⁷³⁵ As a general objective the latter

might be in touch with the expectations of the general public. In the already cited opinion survey of the Finnish Business and Policy Forum, respondents named "combating international crime" as their number one priority of the Finnish EU Presidency.⁷³⁶ Minister Rajamäki also pointed out that, although the Treaty is implemented formally outside the EU structure, it is very closely associated with the cooperation already executed under the Hague Justice and Home Affairs (JHA) cooperation programme. No fear of overlaps with EU cooperation exists as EU rules override the Treaty of Prüm. The Green Alliance opposed the motion to sign the Treaty: it sees that Finland is not likely to benefit from Prüm cooperation as no neighbouring countries of Finland have joined the Treaty. All other Prüm countries border each other.⁷³⁷ The crux of the Greens' discontent is however the possible relaxation of Finnish privacy laws and data protection due to the Treaty.

Finland and European Immigration Policy

In anticipation of the EU Presidency and the Tampere Justice and Home Affairs ministerial meeting, the Finnish Interior Ministry spelled out Finland's stances to European Immigration Policy in early June. A key problem is how to prevent illegal immigration to Europe while at the same time attend to the needs of victims of human trafficking and other people in need of protection. Finland, as EU President, argues that the EU should collectively deal with the costs incurred from illegal immigration and asylum seekers. EU financing would cover costs including reception, maintenance, and administrative and possible returning costs. All member states would receive equal payments for each asylum-seeker registration, however only the first registering state (first state of entry to the EU) is entitled to payments. Registration itself should be based on the use of biometric identifiers.⁷³⁸

Developing the cooperation and harmonization of practices of member state asylum officials is also important. EU countries should agree on political principles leading to cooperation in better surveillance of the Union's borders, i.e.

⁷³³ Civil Society Forum, 2.2.2006.

⁷³⁴ The Confederation of Finnish Industries EK, 8.5.2006, http://www.ek.fi/ek_suomeksi/ajankohtaista/tutkimukset_ia_julkaisut/ek_julkaisuarkisto/2006/ElinkElaemViestit_sisus_2006_FIN.pdf.

⁷³⁵ Ministry of the Interior, Bulletin, 22.6.2006.

⁷³⁶ Elinkeinoelämän valtuuskunta, Finnish Business and Policy Forum EVA – Kai Torvi, Pentti Kiljunen, "Ikkunat Auki Maailmaan. EVAn Suomi, EU ja Maailma-asennetutkimus 2006", http://www.eva.fi/files/1523_ikkunat_auki_maailmaan.pdf.

⁷³⁷ The Green Alliance, Bulletin, 21.6.2006.

⁷³⁸ Ministry of the Interior, Bulletin, 7.9.2006, http://www.eu2006.fi/news_and_documents/other_documents/vko36/en_GB/1157615544264/;

develop a border management strategy which would cover all border-related threats. The strategy would include the main definitions concerning integrated border management, help to specify the role of the Council and increase the transparency of border control. In the Presidency's view integrated border management should consist of border control, investigation of cross-border crime, cooperation between the authorities in border management and a four-tier access control model (measures in third countries, cooperation with neighbouring countries, border control and control measures in the area of free movement). A common database and procedure for registering illegal immigrants should be developed. Rules on the right to seek asylum, the right to residence on grounds of subsidiary protection and rules on return to the country of origin should be uniform and their correct implementation should be monitored by either the Commission, Frontex (EU agency for border management) or the Council Secretariat.⁷³⁹

Tampere JHA Meeting

Finland, as EU President, hosted the informal meeting of EU Justice and Home Affairs ministers on 20-22 September in Tampere. The topics discussed in Tampere related to the assessment of the Hague Programme. The agenda consisted of migration management, border management strategy, counter-terrorism and law enforcement and judicial cooperation. Finland, siding with the Commission, favoured strongly moving into qualified majority voting in the field of police cooperation. Majority voting instead of unanimity would enable the EU to more rapidly agree on operational cooperation and exchange of information. The need for unanimity in Justice and Home Affairs – already increasingly difficult with 25 member states – lessens the efficiency of decision-making. The legislative instruments in the third pillar emerging from a negotiation process aiming at bringing about unanimity usually contain a number of ambiguities and opt-outs that make the instruments difficult to apply.

⁷³⁹ Ministry of the Interior, Bulletin, 13.6.2006, <http://www.intermin.fi/intermin/bulletin.nsf/PFBDArch/97E9CBCB6831C8BEC225718C0031B2F1?opendocument>; Ministry of the Interior, Bulletin, 7.9.2006, http://www.eu2006.fi/news_and_documents/other_documents/vko36/en_GB/1157615544264/; Ministry of the Interior, Bulletin, www.eu2006.fi/.../vko36/en_GB/1157615375954/files/75865485676118170/default/border_strategy_EN.pdf

Limited involvement of the European Parliament leads to defective legitimacy of JHA. The Finnish Presidency hence proposes to transfer action on police and judicial cooperation to Title IV TEC (Treaty establishing the European Community), which currently deals with border controls, asylum and immigration matters. Legislative measures in the transferred areas should be adopted mainly through the codecision procedure.⁷⁴⁰

France

Immigration is a high salience issue in France. Recent polls gave evidence that more and more people consider that there are too many immigrants in France. There is a couple of openly anti-immigrant political parties (The "National Front" led by Jean-Marie Le Pen and the "Mouvement Pour la France" led by Philippe de Villiers). In face of their popularity (Jean-Marie Le Pen, as everybody remembers, managed to reach the second round of the 2002 presidential election), Nicolas Sarkozy, almost continuously Interior Minister since 2002, adopted a tough attitude on immigration, passing several bills that restricted the possibilities of access. But as minister, Mr. Sarkozy is renowned for his absence at Council of Ministers meetings in Brussels and his lack of interest for European cooperation.

Philippe Douste-Blazy, the French Foreign Minister, recently declared: "It must be clear that the member states must keep full control of immigration policy. They must be able to decide freely, given the situation on the labour market and their capacity of absorption⁷⁴¹". Removing the national veto on immigration issues is clearly not on the agenda of the French government. But France wants more cooperation on these matters. In October 2006, Jacques Chirac declared: "Each country must be free to decide its own immigration policy. But we must also understand that in the Schengen zone, our decisions have consequences for all other member states⁷⁴²." He made this declaration after the decision of the Spanish government to regularize the status of the illegal immigrants arriving on its southern shores. He added: "everybody must

⁷⁴⁰ Ministry of Justice/Ministry of the Interior, Bulletin, 30.8.2006, www.eu2006.fi/.../en_GB/1157548918529/files/75861128095465781/default/Improvement_of_decision-making_EN.pdf.

⁷⁴¹ Declaration at the occasion of the European Council in Brussels, 15 December 2006 (quoted by *La Tribune*).

⁷⁴² 21 October 2006.

be associated to these decisions". In this context, Nicolas Sarkozy put forward the idea of a "European immigration pact" which would harmonize the different national decisions: massive regularizations would be forbidden, and a strict proportionality between the number of immigrants accepted and the need of the labour market would be imposed. But there was no follow-up of this proposal. At the end of October 2006, the six largest countries of the EU agreed on a European plan of action to fight against illegal immigration. Paris and Berlin agreed to promote a common European approach on cooperation with African countries⁷⁴³.

In the field of Justice and Home Affairs, no other issue has a real salience in France, except the fight against terrorism. There is a general consensus that better coordination is necessary, but little is said about what should really be done. The website of the Ministry of Foreign Affairs does not mention that issue.

Germany

"We are a country of immigrants."⁷⁴⁴ Maria Böhm (Christian Democrat), State Minister for Migration and Refugees, does not get tired repeating this new mantra after decades of denial. Paradoxically, this statement comes at a time when legal immigration to Germany has declined significantly in the last years, especially the number of qualified and highly educated migrants.⁷⁴⁵ According to the most recent statistics only 900 of the 450,000 migrants coming to Germany in 2005 were considered highly qualified. Besides legal migration, the flow of asylum seekers has slowed down as well, from 438,191 in 1992 to 30,100 asylum applications last year.⁷⁴⁶ In that sense critics rather speak of Germany as a country that "used to be a land of immigration"⁷⁴⁷. But despite these facts and

⁷⁴³ 26 October 2006.

⁷⁴⁴ Jörg Lau: Wir waren ein Einwanderungsland, in: Die Zeit, 08.06.2006.

⁷⁴⁵ Cf. Das Parlament: Zahl der Wegzüge hat sich erhöht, 21./28.08.2006, S. 15.

⁷⁴⁶ Cf. Bundesamt für Migration und Flüchtlinge: Entwicklung der jährlichen Asylantragszahlen seit 1991 sowie der monatlichen Asylantragszahlen ab Januar 2006, available at: http://www.bamf.de/cln_043/nn_564242/SharedDocs/Anlagen/DE/DasBAMF/Downloads/Statistik/statistik-auflage14-4-aktuell- asyl.templateId=raw.property=publicationFile.pdf/statistik-auflage14-4-aktuell-asyl.pdf (last accessed 12 December 2006).

⁷⁴⁷ Jörg Lau: Wir waren ein Einwanderungsland, in: Die Zeit, 08.06.2006.

figures one can witness a trend in society, described by Wolfgang Schäuble, Minister of the Interior, as "perceived immigration".⁷⁴⁸ Among other reasons, this perception is linked to the flood of media images of migrants landing on the shores of Southern Europe. And although experts do not agree on the numbers, illegal immigration to Germany has been on the rise until the late 1990s.⁷⁴⁹ According to the most recent statistics, this trend is stagnating, partly due to more efficient border controls in Germany and neighbouring countries.⁷⁵⁰ Not least since the terrorist attacks of 9/11 has the fight against illegal immigration gained priority on the EU-level; this is also closely linked to the fight against terrorism and organised crime, the goal of establishing an area of freedom, security and justice, and the free movement of persons.

Considering the salience of the issue in Germany and many other EU Member States, it is hardly surprising that illegal immigration is also considered as a "key challenge" for the upcoming German EU Presidency.⁷⁵¹ According to the Presidency Programme there are two main tasks to confront rising migratory pressure: On the one hand, the EU needs to develop innovative concepts for cooperation with countries of origin and transit to prevent migration, including targeted development aid focussing on Africa and the Mediterranean. Immigration summits in Rabat and Tripoli indicate the commitment to a more cooperative and comprehensive dialogue in the field of immigration policy. On the other hand, the EU needs to improve the *protection of its external borders*. In that context, the new agency FRONTEX, based in Warsaw, is supposed to gain competences to coordinate national border control units.⁷⁵² Another essential

⁷⁴⁸ Jörg Lau: Wir waren ein Einwanderungsland, in: Die Zeit, 08.06.2006.

⁷⁴⁹ Bundesamt für Migration und Flüchtlinge, Illegalität von Migranten in Deutschland – Zusammenfassung des Forschungsstandes, Working Papers 2/2005, p. 7, available at:

http://www.bamf.de/cln_042/nn_912654/SharedDocs/Anlagen/DE/Migration/Publikationen/Forschung/interne/wp2-Illegalitaet.templateId=raw.property=publicationFile.pdf/wp2-Illegalitaet.pdf (last accessed 12 December 2006).

⁷⁵⁰ Bundesministerium des Innern, Migrationsbericht 2005, p. 90, available at:

http://www.bmi.bund.de/Internet/Content/Common/Anlage/n/Broschueren/2006/Migrationsbericht_2005.templateId=aw.property=publicationFile.pdf/Migrationsbericht_2005.pdf (last accessed 12 December 2006).

⁷⁵¹ Bundesregierung: „Europa gelingt gemeinsam“ – Präsidentschaftsprogramm 1. Januar – 30. Juni 2007, p. 17.

⁷⁵² Bundesministerium des Innern: Erstes gemeinsames EU-Präsidentschaftsprogramm der Innenminister für den Zeitraum 1. Januar 2007 bis 30. Juni 2008 entwickelt, Common Statement of Wolfgang Schäuble, Antonio Costa

instrument to fight illegal immigration (i.e. 'visa shopping') and international terrorism is the European Visa Information System (VIS).⁷⁵³

Like the Schengen Information System (SIS/SISII), the Treaty of Prüm⁷⁵⁴, which was initiated by former Interior Minister Otto Schily (Social Democrats), also seeks to speed up information exchange among signatory states. On 23 November 2006 the Treaty entered into force in Austria, Germany and Spain; eight other countries have announced their intention to join the Treaty. While the government is pointing out the benefits of the new information-exchange regime and its positive impacts on driving integration in justice and home affairs, critical voices can be heard as well. Omid Nouripour (Greens) raised concerns of lacking data protection and democratic control. Governance à la carte outside the control of national parliaments and EU institutions undermines the fundamental rights of Europe's citizens.⁷⁵⁵ These concerns are also discussed in academic circles. Especially the question is raised whether an approach of variable geometry in the fight against cross-border crime, terrorism and illegal immigration actually strengthens or rather weakens EU-wide initiatives (i.e. the 'principle of availability' as foreseen in the Hague Programme) and whether fragmented cooperation impedes the goal of establishing a unified area of freedom, security and justice.⁷⁵⁶ Even if it is the declared aim of the following Presidencies (Germany, Portugal, Slovenia) to transfer the Prüm acquis into the EU framework⁷⁵⁷, Prüm suggests a

and Dragutin Mate,

http://www.bmi.bund.de/cln_012/nn_122688/Internet/Content/Themen/EuropaInternationales/DatenundFakten/Praesidentschaftsprogramm_Innenminister.html (last accessed: 12 December 2006).

753 Bundesregierung: „Europa gelingt gemeinsam“ – Präsidentschaftsprogramm 1. Januar – 30. Juni 2007, p.17.

754 The Treaty of Prüm is included in the Ministry of Internal Affairs' official programme for the German EU Presidency. Bundesministerium des Innern: Europa sicher leben.

Arbeitsprogramm des Bundesministeriums des Innern für die deutsche EU-Ratspräsidentschaft im ersten Halbjahr 2007, S. 6.

755 Omid Nouripour, Vertrag von Prüm: Regieren à la carte und ohne Kontrolle, Presserklärung der Bundestagsfraktion Bündnis90/Die Grünen, 22.11.2006.

756 Daniela Kietz/ Andreas Maurer, Der Vertrag von Prüm: Vertiefungs- und Fragmentierungstendenzen in der Justiz- und Innenpolitik der EU, *integration* 3/2006, pp.201-212.

757 Bundesministerium des Innern: Erstes gemeinsames EU-Präsidentschaftsprogramm der Innenminister für den Zeitraum 1. Januar 2007 bis 30. Juni 2008 entwickelt, Common Statement of Wolfgang Schäuble, Antonio Costa and Dragutin Mate,

http://www.bmi.bund.de/cln_012/nn_122688/Internet/Content/Themen/EuropaInternationales/DatenundFakten/Praesidentschaftsprogramm_Innenminister.html (last accessed: 12 December 2006).

preference among member states for intergovernmental solutions to illegal immigration, one of the few policy areas still requiring unanimity in the Council. Schäuble demonstrated pragmatism in this respect, stating that it is more reasonable to cooperate well in practical issues than to pursue placebos such as article 42 TEU.⁷⁵⁸

The Finnish Presidency has pushed for the abolition of the national veto right on justice and home affairs to increase the EU's efficiency, but Germany did not change its position on that issue. At the Tampere meeting in September 2006 only five member states favoured the Finnish proposal to trigger the "passerelle" clause. Brigitte Zypries, justice minister, explained the German government's opposition with the fear of negative implications for the revitalisation of the Constitutional Treaty. "Once you start cherry picking, you devalue the real thing. That's our big concern", Zypries said.⁷⁵⁹ This would imply that the removal of the national veto on issues of justice and home affairs is not generally opposed. However, various episodes during the reporting period indicate that there is more to it than saving the Constitutional Treaty. Instead clashes between the declared aim of improving decision-making in justice and home affairs on the European level and the protection of 'national interests' have come to the fore.

The call for help and "strong mobilisation"⁷⁶⁰ at the EU level by eight Southern European countries in a letter written to the Finnish Presidency could not have been more explicit. However, immediate reactions by German officials were rather of rhetorical nature and not necessarily of substance. "Those who want to solve problems must stop asking for the money of others", Schäuble said with reference to the ongoing debate between the German and the Spanish government.⁷⁶¹ He further claimed that calls for solidarity are a bit hypocritical since nobody seemed to care back in the days when Germany had to take on 800,000 refugees a year.⁷⁶² Furthermore, Spain's policy of legalising 700,000 "sans papiers" last year has triggered a storm of protest, especially

⁷⁵⁸ Vgl. Cornelia Bolesch: EU-Länder behalten Vetorechte, in: *Süddeutsche Zeitung*, 23 September 2006.

⁷⁵⁹ Helena Spongenberg: National justice veto survives EU Tampere meeting, *euroobserver.com*, 22.09.2006.

⁷⁶⁰ Mark Beundermann: Eight member states urge EU action on migration, *euobserver.com*, 26.09.2006.

⁷⁶¹ *Ibid.*

⁷⁶² Daniela Weingärtner, Geist von Tampere gesucht, in: *Das Parlament*, 25.09.2006, p. 11.

from Germany, Austria and the Netherlands. Schäuble stated that before one could actually talk about additional EU financial support, Spain and other destination member states must ensure that all immigrants are registered in the database *Eurodac* before they are expatriated. "This way, friends and relatives will see that it does not make sense to risk the dangerous journey into the EU", Schäuble said.⁷⁶³ Heribert Prantl, chief editor for justice and domestic affairs of the daily *Süddeutsche Zeitung*, has heavily criticised EU immigration policy as a "policy of deterrence".⁷⁶⁴ And indeed, balancing efficient management of irregular migration with respect for human rights and procedures of the Geneva Convention is not an easy task in practice.

During a meeting of Interior Ministers from the six largest member states in Stratford-upon-Avon, Schäuble and his French counterpart Nicolas Sarkozy proposed an approach entailing better management of legal migration on the European level by launching a new European Agency while ensuring tougher border controls to combat illegal immigration. In particular the concept of so called 'circular migration' has been promoted, which foresees to grant temporary residence status of 3-5 years to selected qualified workers, who can then contribute to knowledge transfer upon return to their home countries.⁷⁶⁵ At the EU-African Union meeting in Tripoli Schäuble pointed out that circular migration can generate a "triple-win-situation" – a situation in which both countries of origin and destination as well as the migrant benefit.⁷⁶⁶ However, according to NGOs like ProAsyl, 'circular migration' is a reactionary approach – nothing else than a new euphemism for the detrimental 'non-policy' towards the first 'guest workers' coming to Germany in the 1950s.⁷⁶⁷

⁷⁶³ Daniela Weingärtner, Geist von Tampere gesucht, in: Das Parlament, 25.09.2006, p. 11.

⁷⁶⁴ Deutschlandfunk: „Lange Nacht der Migration“, documentation is available at: <http://www.dradio.de/dlf/sendungen/langenacht/557061/> (last accessed 12 December 2006).

⁷⁶⁵ Hannelore Croll, Schäuble fordert EU-Asylbehörde, in: Die Welt, 27.10.2006.

⁷⁶⁶ Bundesministerium des Innern: Innenminister Dr. Wolfgang Schäuble ruft EU und Afrikanische Union zu gemeinsamen Handeln auf / EU – AU Konferenz in Tripolis, 22.11.2006, available at: http://www.bmi.bund.de/cln_012/nn_165228/Internet/Content/Nachrichten/Pressemitteilungen/2006/11/BM_Tripolis.html (last accessed 12 December 2006).

⁷⁶⁷ ProAsyl, Zurück in die 50-er Jahre? Schäuble und Sarkozy wollen das europäische Gastarbeitermodell wiederbeleben – Eine Debatte wird eröffnet, die Grenzen aber bleiben dicht, 27.10.2006, available at: <http://www.proasyl.de/de/archiv/presseerklarungen/press>

Furthermore, commentators are generally critical of border protection initiatives (i.e. "Fortress Europe" approach) which tend to push irregular migration within a discourse of "control, containment and even criminality" while neglecting the humanitarian dimension. However, the German government is far from being a hard-nosed advocate of a 'fortress Europe', relying on ever tougher border controls and fast processing of repatriation to potentially insecure third countries. Instead, integration became the buzzword of the political agenda. Shortly after the football World Cup Germany hosted in the summer of 2006 Angela Merkel issued invitations for a conference that would tackle issues related to integration, like education, language skills and the status of women. Six working groups, consisting of civil society and interest groups, will set up a national integration plan within a year's time. After the inauguration meeting Chancellor Merkel showed great satisfaction with the first results and spoke of an "almost historic event"⁷⁶⁸. The so called 'integration summit' was followed by the German Islam conference, initiated by Schäuble. While the former covers issues appealing to migrants in general, the Islam conference is specifically concerned with the "integration of a religion"⁷⁶⁹ into German society. Experts and intellectuals will discuss in the institutionalised conference how a "German Islam" could be created within the parameters of the basic law and fundamental values constituting the German state. In about three years, a common understanding on these fundamental questions is hoped to be achieved through this intensive dialogue. Coping with cultural and religious diversity on the national level can also help to promote greater solidarity and understanding on the European level⁷⁷⁰, including highly complex and controversial justice and home affairs matters. The joint presidency programme highlights that "migration and integration are two sides of the same coin".⁷⁷¹

⁷⁶⁸ [e-detail/news///zurueck_in_die_50_er_jahre_schaeuble_und_sarkozy_wollen_das_europaeische_gastarbeitermodell_wiederbeleben/back/64/pS/1164972794/chash/a29f5ec722/ind_ex.html](http://www.sueddeutsche.de/detail/news///zurueck_in_die_50_er_jahre_schaeuble_und_sarkozy_wollen_das_europaeische_gastarbeitermodell_wiederbeleben/back/64/pS/1164972794/chash/a29f5ec722/ind_ex.html) (last accessed 12 December 2006).

⁷⁶⁹ Süddeutsche Zeitung: Integrationsgipfel fast historisches Ereignis, 14.07.2006.

⁷⁷⁰ Jörg Lau, Einbürgerung einer Religion – die Islam-Konferenz diskutiert: Wie kann ein deutscher Islam aussehen?, in: Die Zeit, 21.09.2006.

⁷⁷¹ Jürgen Habermas: Die Erweiterung des Horizonts, in: Kölner Stadt-Anzeiger, 08.11.2006.

⁷⁷¹ Bundesministerium des Innern: Erstes gemeinsames EU-Präsidentschaftsprogramm der Innenminister für den Zeitraum 1. Januar 2007 bis 30. Juni 2008 entwickelt, Common Statement of Wolfgang Schäuble, Antonio Costa and Dragutin Mate,

Thus, the ministerial conference on immigration to be held in May 2007 might be an important step towards a more comprehensive European immigration policy.

Greece

Greece has one of the highest percentage of immigrants (both legal and illegal, the latter in a tortuous process of legalisation that has been underway for almost a decade) in the EU. Most of the influx it has been taking stems from neighboring Balkan countries – Albania, Bulgaria, Romania, Serbia – but also from Poland, the Caucasus, the Ukraine, Moldova, as well from Asian countries (through Turkey). Greece is also a country with notoriously porous borders. There exists a feeling that the saturation point is close, which explains for instance why Greece – having already a high population of immigrants from Bulgaria and Romania – is imposing a labour-force transition period to these countries' upon their accession, while it has not done the same thing in the previous enlargement.

Dealing with immigration at a European level is a concept meeting with interest in Greece, but without full realization in public opinion of what, e.g. removing the veto from justice and home affairs, might mean. So, while a "European border patrol" or any such similar concept leading to Greek borders benefiting of EU/ "European" security is viewed favorably, the extension of EU competences to police (and criminal justice) matters meets with mistrust in public opinion and with opposition from many political sides – not necessarily split along party lines.

Hungary

Hungary would like the EU to have a general immigration strategy, the draft of which can be expected from the German Presidency⁷⁷². The increasing immigration waves – especially from the African continent – should be tackled centrally, coordinated at the EU level and backed by special EU sources dedicated to this problem. EU-wide solidarity is important since there are serious inequalities in the

http://www.bmi.bund.de/cln_012/nn_122688/Internet/Content/Themen/EuropaInternationales/DatundFakten/Praesidentschaftsprogramm_Innenminister.html (last accessed: 12 December 2006).

⁷⁷² The answers are based on an interview with a diplomat of the Department for European Policy of the Hungarian Ministry of Foreign Affairs.

burden-sharing between the transit countries and the target countries. There are already signs of such commitments in the financial perspective of 2007-13, so further development should follow the same direction. In fact, besides the financial aspect the organisational aspect is even more sensitive, because in many cases the country of origin is a dictatorship, so the EU's interlocutor cannot always be the government itself, but rather the competent non-governmental organisations. This of course entails a more differentiated approach. Hungary is of the view that the more issues that are decided at the EU level by qualified majority, the better the chances for a genuine area of freedom, security and justice.

As regards the Treaty of Prüm, Hungary would like to join it as soon as possible. At the same time Hungary is also interested in the Treaty's *acquis* becoming an integral part of EU *acquis*, similar to what happened with Schengen. This move would prevent a fragmented approach to the problem, and beyond doubt the EU framework would be more appropriate, especially with a view to the participation of the European Parliament in the whole process of building an area of freedom, security and justice.

Ireland

Considering the challenge of immigration, especially affecting the Mediterranean countries, which aspects of this policy field should be dealt with on a European level?

With regard to the Mediterranean, Frontex, the European Border Management Agency, is responsible for coordination of joint operations and projects at the external borders. In September 2006, the government determined that Ireland should play a role in securing EU borders, and Ireland expressed its wish to participate in Frontex operations.

Title IV and the fourth protocol of the Amsterdam Treaty give Ireland an opt-out with regard to asylum and immigration, i.e. Ireland is not automatically involved in either area. Under the political declaration attached to the Amsterdam Treaty, Ireland participates in Title IV measures to the maximum extent possible while maintaining the Common Travel Area Arrangement. While this is not legally binding, Ministers take account of it in their decision-making. Ireland has opted in to almost all asylum measures, to most measures on illegal

migration and returns, and to some legal migration measures.

European Immigration Policy

The official Irish policy stance, according to Irish Minister for Justice, Michael Mc Dowell is as follows: "while Ireland welcomes discussion at EU level on legal migration, we would be cautious in considering whether there is a need for a unified approach. Attempts to harmonise EU legislation could reduce the ability of policy makers to respond effectively to skill shortages in the Irish labour market. Ultimately, Ireland can choose whether to opt in to any forthcoming proposals."

However, the Irish Government is restructuring its immigration and residency legislation to reflect EU policies in the area. It is introducing a new Irish Immigration and Residence Bill, which will replace the Aliens Act of 1935 and much subsequent legislation and the EU context is very important in the drafting of this Bill. Progress is based on benchmarking best and worst experiences in EU Member States. Passenger data sharing, which needs approval by the Irish Parliament is to be implemented in the Immigration Bill. The Researchers' directive will also be included. Family reunification and status of long term residents will be broadly mirrored in Irish law, even if Ireland has opted out, as these measures constitute good models to follow. Ireland does not intend to develop an immigration system that diverges from the direction in which the rest of the EU is going. If Ireland chooses to become more fully involved in the immigration system in future, even in Schengen, our law will be broadly compliant.

The Government has also been active in the area of integrating its migrant community. On 31 July, the Minister for Justice, Equality and Law Reform, Michael McDowell, announced a major new funding initiative for integration worth €5million for a wide variety of integration-related activities and projects designed to meet the challenge of ensuring that all newcomers to Ireland can develop their full potential in the context of a new and integrated Irish society. This includes €2.8 million for NGOs and local partnerships. A further €1.14 million is provided for the integration elements of that plan with a special emphasis on employment, sports and the Arts. Special initiatives costing around €1 million, embracing research and mapping activities, make up the balance of the Fund,

which includes a new small grant scheme for integration activities.

With regard to proposals for free movement of workers from Bulgaria and Romania, Ireland's decision to maintain work permit requirements for workers from Bulgaria and Romania after their accession in January 2007 will be reviewed before the end of 2008. The Minister for Enterprise, Micheal Martin, has said that workers from the two new member states would still require work permits, but would be given preference over nationals from outside the European Economic Area.

Issues in justice and home affairs

The government is strongly opposed to the use of the passerelle provision. Article 42 TEU allows, by a unanimous vote of the Council, movement of the sensitive areas of police and judicial cooperation in criminal matters from the current intergovernmental type rules to the more standard Community rules such as qualified majority voting and the sole right of initiative for the Commission. In November 2006, the Minister for Justice, Michael Mc Dowell in an address to the Joint Committee on European Affairs, stated that Ireland has taken a strong stance in opposing this approach. "We argue that using Article 42 would amount to cherry picking of the JHA provisions of the ECT". He continued by arguing: "The Constitutional Treaty contains important provisions to safeguard fundamental aspects of the national criminal justice systems which we do not believe can be replicated by way of Article 42 with the necessary degree of legal certainty." The position of the Irish government is that it prefers to pursue all the provisions of the Constitutional Treaty as a whole, rather than pursuing them piecemeal.

On 2 August 2006, at the University of Limerick, the Minister for Justice, Michael McDowell, spoke out in the strongest terms against using the passerelle clause to "eliminate the right of initiative of member states and to vest in the EU Commission the sole power of initiative in the criminal justice area". Arguing that "bottom-up co-operation is best", McDowell said that "the key criterion for success is genuine utility, and the key concept to be observed is the mutual recognition of national arrangements rather than their harmonization". McDowell told the Irish Times, on 21 September, that "instead of constantly seeking to enlarge the competence of the union[,] the Justice and Home Affairs Ministers

[should] concentrate on practical measures of co-operation between states to enhance security and combat terrorism". Mr Mc Dowell has stated that a report will be made to the European Council in December on the passerelle issue but he expects that it will recognise that the activation of the passerelle is not supported by the majority of Member States.

If, however, the JHA Council eventually were to decide to apply the passerelle at the end of 2006, prior approval of both Houses of the Irish Parliament, rather than a referendum, will be required in order to proceed in Ireland.

Initiatives like the Treaty of Prüm show a trend towards fragmentation and splitting up in different groupings inside and outside the EU in the field of Justice and Home Affairs. How are these developments perceived in your country?

The Treaty of Pruem is viewed with caution, as it is perceived as fragmenting a policy area which is already heavily segmented and working against the EU goal of establishing an EU-wide area of Freedom, Security and Justice. Due to the number of signatories to date, it does not yet qualify as enhanced cooperation and therefore may be seen to militate against efforts at harmonisation in the Justice Council. Although there are precedents for enhanced cooperation, the preference in Ireland is for community-wide agreements which involve the participation of the EU institutions and which benefit from judicial oversight by the European Court of Justice and the European Parliament.

The Irish Minister for Justice has stated that the Hague Programme provides that the exchange of information should be governed by the principle of availability, i.e. a seamless exchange of information between law enforcement agencies.

The public is generally unaware of much of JHA policymaking, and reporting of it in the national press is sparse and lacking in detail. One could venture to say that the Irish public and many policymakers are unaware of the existence of the Treaty of Pruem.

Italy

Italy, being a border country with structural immigration needs, is deeply affected by

immigration, especially from northern and sub-Saharan African countries. Immigration is seen not as a national issue but as a European one that should as such be dealt with at European level, through a common policy. Italy has been very active in pushing for a European policy towards immigration. A common European policy is considered the only effective tool to maximize the benefits and to minimize the negative effects that come with immigration. Dealing successfully with immigration, in fact, requires far more effective and comprehensive means than those available to a single state.

According to the government, it is certainly essential to counter clandestine immigration, first of all in order to save human lives and secondly to answer the legitimate security concerns coming from European citizens. This requires prevention through border control. The establishment of the European agency Frontex is seen as a step in the right direction, but more efforts are needed. Recent accidents in Spain raised deep concerns and requests for more effective tools to deal with illegal immigrants. In this field, it is essential to provide more financial assistance and expertise, and to allocate the resources to the priority areas (Africa and the Mediterranean) already identified by the European Council. The opposing centre-right coalition agrees to considering immigration as a European problem. The former Foreign Affairs Minister and current European Commissioner Franco Frattini, a leading centre-right politician, proudly supported in an article⁷⁷³ the November 2004 European Council decision that included illegal immigrations in issues ruled by qualified majority voting. However, centre-right leaders often criticise the government's approach to immigration as too weak and ineffective.

The government places much emphasis on political stabilization and development of the countries from which immigrants try to reach Europe. In this sense, Italy believes that the EU could play a paramount role. The EU could provide substantial help in answering African countries' requests and in contributing to their further development. At the same time, the involvement of all African countries must be encouraged. EU-African conferences, as established in the final declaration of the Rabat conference, provide a good opportunity to face the problems in a comprehensive and coordinated way. Italy considers the global

⁷⁷³ Franco Frattini "*Riparte l'Europa*", in *La Comunità Internazionale*, n. 3 2006, pp. 433-443.

approach approved by the European Council in December 2005 well-grounded. The European Union should keep on building an external dimension of immigration policies, a dimension composed by foreign policy and commercial and cooperative tools.

In order to increase Europe's ability to manage immigration, a courageous constitutional reform should speed up EU decision-making through qualified majority voting, and democratise it by giving co-decision powers to the European Parliament. Italy supports the removal of the national veto on issues of Justice and Home Affairs, just as it generally supported the more communitarian method on many more issues. Exceptions are the Northern League and some centre-right politicians who do not support extension of the communitarian method to Justice and Home Affairs.

As for the Treaty of Prüm, Italy is going to be the first country to join after the signatory countries. Interior Minister Giuliano Amato signed a common declaration with his German colleague Schäuble in July 2006. The government sees Prüm as a step toward further integration in the field of security and anti-terrorism. From the government's point of view, the Treaty of Prüm is not a sign of fragmentation but a vanguard's initiative and an example for other countries. It is true that not all European countries have signed it, but the same happened with the Schengen Treaty, and the Eurogroup. A process of strengthened cooperation is sometimes the best way to deepen integration⁷⁷⁴. The Treaty of Prüm is also seen as a means to answer concretely citizens' worries and requests. Amato said that effectiveness in security issues can "show European citizens that collaboration in Europe is useful"⁷⁷⁵. In the government's view, the initiative could help increase citizens' trust in the EU's ability to deal with security issues, thus building up support for further European integration.

Latvia

From its own experience Latvia appreciates the various challenges of population migration

that are affecting the Mediterranean countries. Currently, however, Latvia is confronted with a rather different challenge: emigration to Western Europe (especially Ireland and the United Kingdom) by people seeking better-paying jobs. Consequently, the government is devoting more attention to encourage these persons to maintain their ties with Latvia and to eventually return to their native land. At the same time, the government is considering the possibility of allowing limited immigration of those individuals who can do the jobs for which there are too few local specialists.

Since key population issues have traditionally been decided at the national level in Europe, the task of drafting an EU-wide immigration policy is all the more daunting. One way to address the issue – and it should be regarded as an EU issue – would be through an in-depth reassessment by all the EU member states of the notions of legal immigration and illegal migration in order to arrive at a general agreement on the criteria that distinguish the one from the other and only then proceed to the more specific issues.

So far Latvia has not been actively considering joining the Treaty of Prüm, though this may change in the future, all the more so because there is widespread recognition of the benefits of cross-border cooperation and shared information in order to combat terrorism, organised crime and illegal migration. However, if Latvia is persuaded by the critics of the Treaty who argue that the accord fosters a "two-speed Europe" and in fact means sovereignty on the question of data exchange, then Latvia will tend to favour other proposals, possibly those of the Commission, on dealing with these issues. As for the national veto on justice and home affairs, this issue should be addressed in the context of the CT and the decision-making procedures that are stipulated therein.

Lithuania

Although the level of immigration to Lithuania has obviously increased since Lithuania's accession to the EU⁷⁷⁶, Lithuania does not face the challenge of immigration. Rather, the emigration of Lithuanians to the different EU

⁷⁷⁴ Declaration of Giuliano Amato at the Prüm Treaty signature ceremony, Berlin, July 4th 2006, <http://www.interno.it/news/articolo.php?idarticolo=22559>.

⁷⁷⁵ Declaration of Giuliano Amato at the Prüm Treaty signature ceremony, Berlin, July 4th 2006, <http://www.interno.it/news/articolo.php?idarticolo=22559>.

⁷⁷⁶ D. Budreikaitė, Centralizuotas migracijos valdymas ES - kelias į sėkmingą plėtrą [Centralist management of immigration in the EU is a road to a successful enlargement], newspaper "Lietuvos rytas", 11 July 2006, <http://www.lrytas.lt/?id=11526044791152211029&view=4>

member states is a challenge for Lithuania. According to data from the “Financial Times”, Lithuania suffered the biggest demographic loss among all the Eastern European countries, with 100 000 people (that makes up 3 % of all inhabitants) emigrating from Lithuania⁷⁷⁷.

The challenge of immigration and European immigration policy is more publicly discussed by the European Parliament members elected from Lithuania. As the European Parliament member, Danutė Budreikaitė, claimed, migration is not only an EU matter, but agreements with third countries and the creation of a migration policy is one of the presumptions for the economic growth of developing countries. The results of the latest research demonstrate that wisely managed, constant migration provides a significant economic and social advantage; European immigrants can become an EU bridge to the globalised world⁷⁷⁸. Another European Parliament member, Aloyzas Sakalas, speaking about the legal and illegal immigrants in the EU, noticed that for some EU member states even the legal migrants cause a headache (which, it seems, should not be the case). He claimed that each EU member state could no longer apply different criteria while solving the fate of all the immigrants. Therefore, he thinks that there should be some common rules, which would regulate the flows of legal migrants in the EU and to the EU. It is obvious that EU immigration policy has to be common policy. According to him, a special EU agency should be established which would regulate the interstate flows of immigrants and which would solve the controversial issues of asylum provision and other difficult issues, so that there would be no EU member states suffering from a surplus of migrants and no EU member states which treat each migrant as the enemy of the nation⁷⁷⁹. The assistant of Aloyzas Sakalas, Lina Meškaitė, also claimed that the EU must have an ambitious, and

throughout common, immigration, border protection and asylum policy. She noticed that many countries in which the standard of living is high have legal immigration programmes, but the EU still does not have such a programme⁷⁸⁰.

Concerning the field of justice and home affairs, Lithuania favours the strong and effective EU area of freedom, security and justice and supports the further development of this field. Nevertheless, according to the Lithuanian Minister of Justice, Petras Baguška, discussions about possible procedural changes in this field should not go further than foreseen in the Treaty establishing a Constitution for Europe⁷⁸¹.

Luxembourg

The European summit in Tampere, Finland in 1999 has been, in the eyes of Prime Minister J.-C. Juncker, a real catalyst to stimulate a European area of freedom, security and justice: ours is the Europe of the citizens. Only if we return to the spirit of Tampere can we realize this aim. However, the efforts to realize the judicial ambitions of Europe are currently running out of steam. Compromises in criminal matters are more and more difficult to reach in the view of the Luxembourg government. The unanimity principle may be one reason, but it is certainly not the only one. The accumulation of “opt out solutions” is dangerous, says Jean-Claude Juncker⁷⁸². They allow certain European countries the choice not to participate in the great European ambition. A vision for the final objective of a judicial Europe in 2020 is necessary. Juncker proposes the creation of an expert group chaired by the former French Minister of Justice and President of the Constitutional Council, Robert Badinter, to elaborate a concept while studying these problems. Once this concept is established, not all the states need to accept it at once. They may keep going at their own pace, but not according to their own taste.

⁷⁷⁷ Dėl emigracijos didžiausius nuostolius patyrė Lietuva [Lithuania suffered the biggest loss because of emigration], News agency Baltic News Service, 30 August 2006, http://www.politika.lt/index.php?cid=9301&new_id=89787

⁷⁷⁸ D. Budreikaitė, Centralizuotas migracijos valdymas ES - kelias į sėkmingą plėtrą [Centralist management of immigration in the EU is the road to a successful enlargement], newspaper “Lietuvos rytas” D. Budreikaitė, Centralizuotas migracijos valdymas ES - kelias į sėkmingą plėtrą [Centralist management of immigration in the EU is the road to a successful enlargement], newspaper “Lietuvos rytas”, 11 July 2006, <http://www.lrytas.lt/?id=11526044791152211029&view=4>

⁷⁷⁹ Aloyzas Sakalas, Imigrantai skaldo Europą [Immigrants split Europe], magazine “Veidas”, 29 June 2006

⁷⁸⁰ Lina Meištaitė, Nekontroliuojama imigracija [Uncontrolled immigration], magazine “Veidas”, 28 September 2006

⁷⁸¹ Europos reikalų komitetas surengė klausymus dėl ES pasiūlymo priimti darbo laiko direktyvą [Committee on European Affairs has organized a hearing upon the proposal to adopt Working time directive], Committee on European Affairs of Lithuanian Parliament press release, 27 September 2006, <http://www3.lrs.lt/docs2/ZXJYPGNY.DOC>

⁷⁸² Discours du premier ministre Jean-Claude Juncker à l'occasion de l'ouverture solennelle de l'année académique 2006-2007 du Collège européen de Bruges le 30.10.2006

Cooperation in civil justice must be reinforced because the number of trans-border judicial conflicts is steadily rising. Juncker is ready to make use of article 42 from the Nice treaty to act in co-decision with the European Parliament and under the control of a national or a European judge.

The implementation of the Prüm treaty signed in May 2005 is still far from becoming reality. Germany, in the person of Internal Affairs Minister Wolfgang Schäuble and his Luxembourg counterpart, Luc Frieden, Minister of Justice, pressurized their partner into ratifying the treaty before the end of 2006. With the Prüm treaty, cross-border cooperation in matters of fighting terrorism and illegal immigration can be intensified.

The European citizens of the seven EU countries that have already come to an agreement can profit from an improved cooperation between national police forces. The fact that only seven member states (the Benelux countries plus Germany, France, Spain and Austria) entered into an agreement with the Prüm treaty may be characteristic for the reasoning of Wolfgang Schäuble, who, on a previous occasion, spoke of a kind of “core Europe” more ready to sustain European integration than the partners left behind. In this way he seems to confirm Jean-Claude Juncker’s point of view exposed in Bruges.

Malta

A dramatic increase in illegal immigration has taken place across the Mediterranean over the past few years. All the indicators suggest even more south to north migratory flows in the coming decade. The increase in human trafficking is already having a substantial negative impact on all the countries involved, those of origin, transit and destination alike.

Malta, in the centre of the Mediterranean, finds itself in the precarious position of being chiefly a country of transit in the ever-increasing flow of human beings from the southern shores of the Mediterranean to Europe.

Realising that this scale of increase in illegal immigration is quickly becoming a major source of instability in international relations, Malta has been implementing a policy designed to raise awareness and take action against this new form of human slavery.

The security challenge that Malta must confront is equivalent to 75,000 illegal immigrants suddenly arriving in France or 50,000 on Spain’s shores. That, in terms of its population density, is what Malta experienced in July of this year.

Malta’s decision to focus on illegal immigration as its number one foreign policy priority under the stewardship of Foreign Minister Michael Frendo has pushed this so-called soft security issue towards the top of the agenda for Europe’s main security institutions. Four main themes have been identified when tackling the problem.

The first is that immediate action is needed to deal with its humanitarian aspects. With hundreds of would-be emigrants losing their lives in the Mediterranean, a crisis-management mechanism is needed, perhaps in the form of a Euro-Med Coastguard Agency that would be open to any Euro-Mediterranean state.

Second, because the only way to deal with illegal immigration is to involve all countries concerned, Malta has called for African states to cooperate in the setting up of effective international mechanisms.

Third, human trafficking needs to be regarded as a major component of organised crime. Transportation of illegal immigrants is a billion dollar business worldwide, and needs to be tackled as such. The Mediterranean is a major highway for trafficking, so joint patrolling of the Mediterranean is now a must.

Fourth, short- and medium-term efforts to better manage illegal immigration need to be supplemented by a long-term strategy that focuses on the north-south, socio-economic dimension. International development assistance needs to be better distributed so that people in developing countries start seeing a future in their own homeland.

Malta believes that the immigration problem should be dealt with by a comprehensive Europe wide policy that deals with both the root causes of this issue and also seeks to address the criminal dimension of this security challenge.

This would include strengthening intelligence sharing in this field and creating the necessary structures so that repatriation of illegal

immigrants can be processed in a much more rapid manner than is currently the case.

Malta also welcomes the FRONTEX initiative to police the Mediterranean sea in the summer of 2006 and has consistently requested that such a mechanism be introduced on a permanent basis in the central Mediterranean.

Netherlands

In general the Dutch government supports an increased role of the European Union in the field of security. It advocates a common European approach on internal and external security issues. Intensifying cooperation on Justice and Home Affairs is high on the agenda. The Netherlands is one of the initiating countries in this respect, and with the launch of The Hague Programme during its Presidency of the EU in 2004 it has considerably contributed to stimulating enhanced cooperation in this area.

The Netherlands is also one of the signatories to the Treaty of Prüm, regulating increased police cooperation between seven EU member states. Being part of the Treaty of Prüm is not considered as a trend towards fragmentation, but rather seen as a first step ultimately leading towards more Europeanization in this field. Within The Hague Programme, progress has been made for example with regard to the fight against organised crime and the fight against terrorism. However, the government is aware that European cooperation on Justice and Home Affairs is in a difficult phase now. Negotiations are slow and reaching a consensus with 25 Member States instead of 15 proves to be extremely difficult in this respect. The Netherlands favours an improvement in decision-making and welcomes an inquiry of introducing majority voting as mentioned by the Commission in its communication, 'A citizens agenda: Delivering results for Europe' and its communication of 28 June. The effects and modalities should be carefully examined during the Finnish Presidency. Also, more attention should be given to more and better evaluation mechanisms as one of the priorities of The Hague Programme, especially in relation to problems in implementation and to judge if measures have an added value in practise. In general the government sees a need to prioritise the full agenda of JHA on the level of ministers with respect for the principles of subsidiarity and proportionality. An important

guideline in this respect is achieving concrete results through practical cooperation.

On asylum and migration policy the government stresses the further improvement of cooperation with countries of origin and transit. With regard to justice and police affairs, operational cooperation is important and should be fostered, eventually requiring the development of criminal law.⁷⁸³ When reporting to parliament on the General Affairs and External Relations Councils (GAREC), before and after the regional conference on migration and development in Rabat on 10-11 July, the government attached importance to this conference as tool for further strengthening practical cooperation in this area. To them, any outcome of the conference should be integrated into the broader approach of migration and development in Africa, and the Action plan should comply with existing agreements and action plans on migration with African states. They prefer execution of new measures via existing formats like ENP instead of establishing a new executive committee. Next, The Netherlands feels solidarity with the Southern States in their fight against illegal immigration and is willing to offer support. Although, border control is still considered to be a national rather than a European responsibility. The EU should examine where it can offer its limited capabilities in material and funding in the fight against illegal migration. In the opinion of the government, border control is not the sole answer towards illegal migration, but special attention should be given to prevention, development, the fight against human trafficking, asylum, protection in the region, capacity-building and cooperation with countries of origin and transit. The outcomes of the conference in Rabat are considered successful. Member states stressed the need for a common global approach, referring to the UN High Level Dialogue on International Migration and Development and the necessity to enhance the dialogue with Third countries.⁷⁸⁴

Poland

Poland, although a European Union member, aiming at acting as an active creator of principles of EU immigration policy, has not

⁷⁸³ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 20-23.

⁷⁸⁴ 'RAZEB', Kamerstuk 2005-2006, 21 501-02, nr. 695 and 696, 13 and 21 July 2006. (Letters to parliament on GAREC)

clearly defined its own (internal) immigration policy. There are still too many complicated legal regulations and an unfriendly attitude of the Polish administration towards immigrants (and political refugees seeking asylum) constitutes the everyday norm. The lack of real Polish immigration policy can be a deliberate choice of the Polish authorities because it is a convenient method to utilize work migration without any extra costs. It is much more suitable for the Polish authorities to have illegal immigrants who enter Poland in search of work than to have legal immigrants who will need to be covered by official legal, social and healthcare schemes⁷⁸⁵.

There are, however, certain aspects of the EU Justice and Home Affairs Policy that are very important from the Polish perspective and Poland will need to take a more definite stand on each of them.

Firstly, Poland should be determined to remove the national veto on Justice and Home Affairs issues, something that embraces: the need to make the Community rules and principles applicable to areas of cooperation placed under the Third Pillar, and to include the results of non-EU actions and cooperation performed with the participation of Poland in actions and decisions taken at the level of the EU institutions. In order to perform the first task Poland should support the Commission's proposal regarding the introduction of qualified majority voting in the area of Police and Judicial Cooperation in Criminal Matters. The support of the EU Commission should take place under the condition that Poland will become a full member of the Schengen Area Treaty. The second task requires that Poland supports the idea of transferring the mechanisms and cooperation patterns adopted by the G 6 Group to the EU level. The Vice-Prime Minister of the Polish government, Mr Ludwik Dorn – responsible for the Polish Ministry of Internal Affairs and Administration during the summit of the G-6 Group in Heiligendamm, Germany held on 22-23 March 2006 – has underlined that Poland wants to participate actively in the cooperation (of the G-6 Group Members) particularly in the area of protection of external borders, fighting terrorism and illegal immigration.

⁷⁸⁵ I. Wróbel, *Polityka imigracyjna rozszerzonej Unii Europejskiej – w poszukiwaniu odpowiedzi na nowe wyzwania*, „Materiały Robocze Forum” nr 4/05, Centrum Europejskie Natolin, Warszawa 2005, s. 13.

Secondly, Poland should clearly determine its priorities in the Justice and Home Affairs Policy and should tie them up with domains, in which Poland is successful or has significant growth potential. Among these domains one can mention the management of the EU external border, the EU Neighbourhood Policy, as well as the police cooperation regarding prevention and fighting car theft and drug related criminality.

Thirdly, the Polish authorities should use all means to assure that the Justice and Home Affairs Policy is better coordinated. This task also requires higher staffing levels of the public administration as well as higher professional standards in cooperation with other Member States of the EU⁷⁸⁶.

The Treaty of Prüm concluded by the seven Member States of the EU has met with different opinions in Poland. Some think that the Treaty will have a negative influence on new the Member States. The new EU Members that are not fully involved in the Schengen Area Treaty are currently confronted with a new cooperation framework that can overshadow the “old one”. Additionally, the new Treaty could lead to the creation of a hard-core cooperation within the framework of Police and Judicial Cooperation in Criminal Matters, which would be particularly inconvenient for new Member States. In view of these arguments, “the old Schengen Area Treaty” can be seen as second category cooperation⁷⁸⁷.

According to a different view⁷⁸⁸ the Treaty of Prüm can also be seen as a very innovative legal tool, which constitutes a significant step towards the elimination of crime, terrorism and illegal immigration. EU law is not well adjusted to the different requirements of individual states, and what is also more important does not guarantee high standard of security. Therefore, the police forces of different Member States can cooperate more closely on the basis of the Treaty of Prüm and eventually become more effective.

⁷⁸⁶ A. Gruszczyk, K. Reczkin, *Obszar wolności, bezpieczeństwa i sprawiedliwości UE, Perspektywy dla Polski*, w „nowa EUROPA”, Centrum Europejskie Natolin, Warszawa 2006, str. 224-226.

⁷⁸⁷ A. Gruszczyk, F. Jasiński, *Układ z Prüm: czy nowe porozumienie o współpracy w zwalczaniu zagrożeń dla porządku i bezpieczeństwa publicznego to właściwy kierunek współpracy w Europie?* available at <http://www.wsisw.natolin.edu.pl/wsisw/wsisw.nsf/viewDOC/AGRK-6EUCJW>.

⁷⁸⁸ A. Graś, *Konwencja z Prüm - pozytywne i negatywne konsekwencje*, Biuletyn Analiz UKIE nr 16 str. 6-8.

It is difficult to assess at this moment what the Polish position on the Treaty of Prüm will be. The Treaty of Prüm should be the subject of a more active discussion and debate taking place not only among academics but also with the significant involvement of government officials. Taking into account the March 2006 declaration expressed by the Vice-Prime Minister, Mr Ludwik Dorn, in Germany regarding Polish readiness to be included in the G-6 Group cooperation, one can assume that the Polish accession to the Treaty of Prüm is not excluded.

Portugal

Considerations on immigration policy should be cast against the light of a major reversal in Portugal's status from being primarily a country of origin with large communities scattered all over the world to becoming in very recent years primarily a destination country. Portugal is therefore adapting to its fairly recent condition as a host country to increasing numbers of Brazilians, East Europeans, and Africans. Estimated at over 100,000 and growing, out of some half million foreign residents, the largest communities by far are made up of Brazilians and Ukrainians. This important societal change has happened, it is important to note, as Portugal was already more than half-way into its 20-year EU membership. There is therefore a strong tendency to see migration in a European context. Portugal's stances on migration, and the clear stress on integration, are also influenced by the fact that the protection of its own migrant communities abroad (totalling well over 10% of the country's population) remains an important concern.

Since the first steps towards a common European policy on migration and asylum were taken, Portugal has repeatedly signalled its commitment to deeper integration in this area. Although there is a common awareness across the political spectrum, certainly shared by business, of a growing need for an expansion of the labour market to include greater numbers of foreign labourers, there is no denying both a security-driven and an 'absorption capacity' approach, the former focusing too narrowly on border security, the latter on a preference for migrant workforce rotation on the basis of short-term contracts and permits over long-term or permanent residence is prevailing against the official discourse and policy initiatives. These are

clearly focused on creating the necessary conditions for the full integration of migrants. There is remarkable unanimity between the government and the opposition on this issue, and in the current revision of the 2003 immigration law, which is being actively debated, the main opposition party, the PSD, will be proposing amendments intended to further the pro-integration measures proposed by the government. The new Nationality law, passed in April 2006,⁷⁸⁹ takes a significant stride towards *jus solis*: Portuguese nationality is granted to those born in Portugal of foreign-born parents, provided one of the parents has been a legal resident for the last five years.

Europe is not a fortress

As is the case for most European countries, "migration is not only inevitable but also necessary,"⁷⁹⁰ bearing in mind the alarming ageing of the population. The notion of Europe as a fortress is a myth that must be abandoned, as it hinders relations with other regions.⁷⁹¹

Furthermore, authorities have conveyed the message that they amply favour a common EU rather than a fractioned approach to immigration. Especially given that the Constitutional Treaty, which aimed to reinforce the freedom, security and justice area, failed to be adopted, Member States should work together on immigration, affecting transit and destination countries alike. Enhanced cooperation as a strategy to tackle a phenomenon with such widespread consequences is clearly considered not enough.

Europe should strive to target the deeper roots of immigration

The third main idea conveyed by Portuguese officials in this area is that more should be done in respect of countries of origin. Indeed, migrant flux regulation cannot be fully tackled merely through political measures in the countries of destination. External relations with

⁷⁸⁹ The new Nationality law was approved in April 2006, by *Lei Orgânica* n.º 2/2006. The new immigration law will also be revised in the months to come.

⁷⁹⁰ This idea was expressed by the Minister of Home Affairs, António Costa, in a conference on "*European Union and Immigration*" that took place in the Calouste Gulbenkian Foundation, 21 November 2006, in the framework of the Gulbenkian Immigration Forum.

⁷⁹¹ For more on this view, see the speech given by Prime Minister Sócrates in his capacity as Secretary General of the Portuguese Socialist Party, in *Público*, 13/11/2006, "Sócrates contra uma Europa fortaleza face à imigração".

countries of origin must be reinforced through a clear EU commitment toward alleviating the impact of both the CAP and EU trade policies on developing countries. In this respect, the allocation of more funds into policies promoting development of the African continent must be an EU priority for the next several decades.

Short-term goals in JHA

An important priority should be to open Schengen to the newer Member States. Minister of Home Affairs, António Costa, argues that “free movement of people is the EU’s greatest achievement and all members should be able to benefit from it”⁷⁹². This, in turn, will inevitably strengthen the Union and allow it to handle common problems more easily. As for immigration, promoting open channels for migration of highly skilled workers and regulating legal immigration are considered the main priorities in the short term.

Romania

The topic of immigrant “integration”, in the context of the challenges faced by the labour market – a priority on the EU agenda – managed to captivate the Romanian public opinion, while being quite often included in the latest statements of the Romanian officials. The national public opinion has however focused on the actual facets of opening the European labour market to Romanian and Bulgarian nationals. The media watched and conveyed frequently the developing debates within the EU Member States (in particular, in the UK) on measures restricting access to the labour market for Romania and Bulgaria, and the statements of those appointed to explain the decisions taken by each Member State. The publications and TV stations approached those topics and expanded them in various detailed materials and talk-shows related to the impact of the accession upon Romanians’ chances to work abroad.

The restrictions in many Member States gave rise to significant disappointment among Romanian citizens who had counted on more openness from the older Member States. That was one of the elements foreshadowing the impact of accession in a pessimistic note, creating a climate of disorientation and frustration and increasing the dilemmas related to the immediate advantages of the accession.

⁷⁹² Minister of Home Affairs, António Costa, in the conference mentioned above.

The Euro-optimism of the Romanians started to stagnate, contradicting the earlier figures ranking Romania among the top pro-European countries. The recurrent comments related to the perceived discriminatory treatment which the Romanians would confront in the following period somehow deepened the marginalization complex generated by the idea of including the Romanians in the category of second-class citizens.

The other elements capturing the attempts to develop a common EU immigration policy have had a secondary character, being almost ignored in the national landscape of debates dedicated to European issues.

The reform of the decision-making process in general and, in particular, in the JHA field, is a European issue with a low popularity in non-academic areas, and consequently it is reserved to specialised circles. Similar to controlling the migration flows, the reinforcement of the area of freedom, security and justice is considered one of priority on the European agenda: “I am referring in particular to the control and limitation of migration flows, measures likely to ensure the active social integration of the immigrants, the solidarity with the Member States specifically exposed and a joint EU effort, consistent preparation to include the new Members States into the Schengen system and their inclusion in SIS II, and sustained attention for terrorism prevention measures. Implicitly, all “construction sites” underway have to be substantially promoted, because that area is an essential supplement to the single internal market.”⁷⁹³

Concrete European initiatives – in particular recent ones, such as the Prüm Treaty – that may fuel discussions on the chances of flexible integration, the strengths and weaknesses of differentiation or the informal pioneering of a MS group in a certain political area are not widely known in Romania. The flexibility scenarios inside or outside the treaties are discussed in theoretical terms.

Given the new European context after the enlargement, characterized by the diversity of opinions, options and national interests, the possibilities of flexible integration seem to rise again with more pragmatism and credibility in the eyes of the academics concerned in

⁷⁹³ Interview with Aurel Ciobanu-Dordea, Assistant-Professor at the Faculty of Law (University of Bucharest), former Romanian Chief-Negotiator with the EU.

comparatively analyzing various scenarios for the EU's future. The first and foremost reason is that, in the above-mentioned context, the flexible approach of the EU integration project seems to be a necessary path toward the consolidation of that project, a realistic solution for the difficulties recently faced by the EU at a functional level and a way to avoid the crises that appeared and, almost certainly, will keep appearing in the decision-making process.

Slovakia

The field of justice and home affairs remains quite sensitive in Slovakia. It is a field where the further completion of the integration process is needed, especially regarding the Schengen regime. In December 2005, then Interior Minister Vladimír Palko declared that the Schengen-type border between Slovakia and Ukraine will be established by the end of 2006⁷⁹⁴. The border between Ukraine and Slovakia is less than 100 km long but a significant part of it leads through inaccessible mountainous terrain. By mid-December 2006, Slovakia should complete the system of physical and technical protection of its border with Ukraine. By the end of 2006 some technical details have still not been solved, but according to Interior Minister Róbert Kaliňák, Slovakia will be ready to run a Schengen-type border on time according to an arranged schedule that runs until the end of 2007⁷⁹⁵. In the long term, extending the Schengen area is planned to take place in 2007 and requires the political approval of the current signatories of the Schengen Agreement. Considering the Union's difficult current political situation, this approval will be anything but automatic. The accession of Slovakia and other new member states to the Schengen area will most probably evolve from a technical issue (the necessity to introduce the Schengen Information System II) to a broader political debate on mutual confidence between older and newer EU member states. Even if the current standpoints express the willingness to extend the Schengen area in 2007, there is a certain level of distrust among Slovaks to such declarations of the current Schengen states. There is also a lack of mutual support among "Schengen applicants", which can be illustrated by the standpoint of Czech Ambassador to European Union Jan Kohout, who in December 2006 declared that if Slovakia is not ready for Schengen expansion in 2007, the Czech

Republic will be ready to introduce the Schengen border between the Czech Republic and Slovakia⁷⁹⁶.

The challenge of extending the Schengen area is increasingly shaping Slovakia's position not only vis-à-vis original and new EU member states but also vis-à-vis the Union's neighbours. The eastern border of Slovakia is soon to be a Schengen border and for that reason Slovakia together with its neighbors advocate the shift of the EU's primary concentration on immigration from Africa. New member states from Central Europe try to refocus the Union's attention on immigration from Eastern Europe through which not only immigrants from former Soviet Union are channeled but also immigrants from Central Asia.

The country's position on deeper integration of the JHA field is less readable. Slovakia did not question its support for the ongoing integration process, but some of its declared political priorities indicate certain reservations regarding the degree of integration. Slovakia supports intensifying European cooperation in politically sensitive areas such as internal security. The idea of keeping criminal records of EU citizens on the EU level has been strongly supported, this despite apparent integration limits in the field of the judiciary, where the government refused to support a proposal for mutual recognition of court rulings by EU member states. Slovakia strongly supports intensification of the cooperation between the EU member states in the field of JHA, mainly as a better approach to fight terrorism, but in the case of immigration policy the relevant officials are against deeper integration. They argue that European Immigration Policy would threaten small border countries of the European Union like Slovakia, and it would lead to the concentration of the immigrants to the EU in those border countries, which would not have enough weight to change Council decisions taken by majority vote.

Slovenia

Besides the Euro, establishing the Schengen system in Slovenia is the only EU-related issue that attracted more attention in the Slovenian media. The responsibility for a delay in

⁷⁹⁴ SITA news agency, December 5, 2005.

⁷⁹⁵ SITA news agency, November 24, 2006.

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<http://aktualne.centrum.cz/zahranici/evropa/clanek.phtml?id=308716>, December 12, 2006.

establishing the system (SIS) in Slovenia was attributed to the European Commission KDO, but the debate never moved beyond the technical questions of establishing the system and thus including Slovenia into the Schengen area. Thus, the debate remained on the national level, and wider questions as to the meaning of the common area and further integration of the policy are not being discussed.

On 7 June a conference on “Migration Flows and Trends in the Mediterranean” (organised by the International Centre for Migration Policy Development, under the auspices of the ICMPD⁷⁹⁷, EUROPOL and FRONTEX) was held in Slovenia, and on this occasion the Slovenian Foreign Minister, Dr. Dimitrij Rupel, in his address to the participants, stressed the importance as well as the complexity of the migration issue. Minister Rupel primarily pointed out that Slovenia has put immigration high on the agenda of the Organisation for Security and Cooperation in Europe (OSCE) during its chairmanship in 2005 and stressed that it will also represent one of the (many) priorities of the Slovenian Presidency over the Council of the EU in 2008. However, Minister Rupel clarified that Slovenia’s focus lies within South-Eastern Europe and that the migration issue to and from this region and the coordination of the activities with regional actors and initiatives will receive special attention.⁷⁹⁸

Similar to other issues covered in this report, there is neither a debate nor positions (at least not publicly expressed) regarding the content of the policy or the institutional arrangement for its conduct. The Slovenian Government’s public positions are on the level of principles; the Government promotes cooperation and multilateral discussions and solutions, but is silent as to the substance of its preferences.

Spain

Since the beginning of 2006, Spain has had to deal with an extraordinary wave of immigrants from sub-Saharan Africa. Despite the difficulties to obtain statistics about this phenomenon, it is supposed that 19,035 illegal

immigrants have reached the coast of the Canary Islands from 1 January to 29 August of 2006, and 11 boats have been shipwrecked, with 262 dead and 490 disappearing in desperate attempts to enter Europe.

Approximately, 4.5% of all immigrants reach Spain through the Canary Islands, while the vast majority arrived by air from Latin American countries, which have historical ties to Spain, and by road from the eastern borders of the European Union. Spain claims that the illegal immigration phenomenon can only be tackled by an integral approach using all available instruments and with the involvement of all the actors that participate in the migration process: countries of origin, of transit and of destination.

From Spain’s point of view, the European Union must take on a more active and responsible role in the management of migration flows, from a position of generosity towards all those countries which, like Spain, are a gateway to Europe. Illegal migrants reach Spain as a door to Europe; hence the problem is not only Spanish: the consequences of the uncontrolled entry of illegal immigrants are also suffered by the other Member States.

The EU cannot stand aside from this phenomenon. The dramatic situation in the EU’s southern maritime borders proves the need for the coordinated action of its Member States. From a Spanish perspective, the EU must commit itself realistically to designing a credible immigration policy in which cooperation on border controls and in the fight against irregular immigration is complemented with other elements which are equally necessary. On the one hand, the incorporation of workers from other countries in the EU’s labour market must be managed by means of flexible, effective formulas that make legal migration for economic reasons possible. The Spanish government maintains that the design and utilisation of mechanisms for legal migration would contribute to reducing the pressure of illegal immigration, always taking into account the absorption capacity of Member States. Similarly, the presence of immigrant communities of different origins and cultures within our societies is a challenge to integration common to all. For these reasons, Spain seeks to strengthen both legal migration and integration within a common European immigration policy. Spain considers that economic migration is a positive challenge and

⁷⁹⁷ International Centre for Migration Policy Development.

⁷⁹⁸ *Uvodni nagovor ministra dr. Rupla na konferenci o mediteranskih tranzitnih migracijah* [Introductory address of Foreign Minister Rupel at the conference on Mediterranean transit migration], Brdo, 7 June 2006, <http://www.mzz.gov.si/index.php?id=850> (15 November 2006).

an important asset in the development and improvement of society.

Nevertheless, despite this positive approach to immigration flows, there are aspects whose problematic nature should not be underestimated. The reinforcement of operational cooperation and of external borders must be an EU priority. Strengthening the EU's capacities and institutions (FRONTEX) to support operations, in this case at its southern borders, is essential. The Spanish government has backed the creation of a maritime surveillance system for the Union's southern maritime borders and the development at both the EU and regional level of International Maritime Law.

Spain proposes an efficient joint response by the countries of origin, transit and destination of migrants. The EU should deal with this using the different –and already foreseen– forums at its disposal:

- Dialogue on Art. 13 of the Cotonou agreement.
- Dialogue with the countries of origin, transit and destination along the migratory routes. The Rabat Conference (promoted by the Spanish and French governments).
- Continental dialogue EU-Africa.
- EUROMED.

In addition, Spain promotes the dialogue on immigration with its neighbouring countries, in particular with Libya, Algeria and Morocco, but which should be intensified both bilaterally and within the Barcelona process.

The flood of immigrants to the Canary Islands from Africa during the summer has increased the public concern over the influx and generated criticism of Spain's policies by certain EU governments. According to experts, there are now between 700,000 and 800,000 illegal immigrants living in Spain.

Immigration is becoming one of Spain's hottest political issues. Against a backdrop of dramatic images in the media of the bodies of immigrants washed up on Spain's beaches, a poll in July showed that 38% of Spaniards saw immigration as the country's biggest problem. The latest CIS (Centro de Investigaciones Sociológicas) poll (whose field work was carried out in September) shows that 59.2% of Spaniards believe that immigration is Spain's biggest problem, over and above the traditional issue of unemployment. This is the first time

that unemployment is not publicly perceived as the most important problem for Spanish society.

The main opposition party, the centre-right Popular Party (PP), has decided to focus on immigration in its opposition to the Zapatero government. Its leader Mariano Rajoy has criticised in the Spanish government's immigration policies in various forums. The PP leader has demanded that the government should forbid by law any new regularisations. The divide between the government and the main opposition party became evident with the impossibility of reaching an agreement on this issue. María Teresa Fernández de la Vega, the Deputy Prime Minister, proposed a 'big national pact' on immigration with the PP⁷⁹⁹, but the latter first wants the Socialists to admit that last year's regularisation, which benefited almost 600,000 illegal immigrants, was an error and that there will be no more. Regularisations by both the Socialists and the PP have so far benefited 1.2 million immigrants in Spain.

Regularisations of Illegal Immigrants, 1986-2005

Year	Number Regularised	Party in Power
1986	38,181	Socialists
1991-92	109,135	Socialists
1996	21,283	Popular Party
2000	169,157	Popular Party
2001	20,352	Popular Party
2001	36,013	Popular Party

Although it is often argued that Spain's latest regularisation encouraged other immigrants to head for Spain, experts are divided as to whether this is really the case. The government took this step because it wanted to take immigrants out of the shadow economy and give them basic rights, while benefiting the tax and social security systems. Some European leaders have criticised Spain for not consulting them beforehand, because illegal immigration is a Europe-wide problem.

Spain's decade-long period of strong economic growth has created plenty of opportunities for immigrants, particularly in the booming construction and tourism sectors, the economy's bedrocks, and in agriculture and

⁷⁹⁹ For more information see Chislett, W. „Inside Spain“ [on line] Newsletter, 28; Madrid: Real Instituto Elcano, 05/10/2006. Available in: <http://www.realinstitutoelcano.org/materiales/insidespain/Cchislett100406Newsletter.pdf>

domestic help. The government and labour market experts are at odds over how many more immigrants the economy can absorb. While José Blanco, the Socialists' Secretary of Organisation, says the labour market cannot absorb any more, Marcos Peña, head of the Economic and Social Council (CES), says 'we have no capacity to know what is our capacity to absorb more immigrants'.

Regarding the removal of the national veto on issues of justice and home affairs, the Spanish government is a strong promoter of the use of the *pasarelle clause* in Justice and Home Affairs (JHA). From the Spanish point of view, the demands of our societies do not cease because of the difficulties or doubts that the EU may encounter in its progress. The effectiveness of the police and judicial fight against terrorism is subject to certain institutional constraints. Thus, the decision-making capability under the Third Pillar –which is still subject to the requirements of unanimity– needs to be improved; furthermore, there is a lack of involvement of the European Parliament that should be solved. In this context, Spain considers that the use of the *pasarelle clause* will reinforce the EU's action in judicial and police cooperation in the fight against terrorism and organised crime, promoting the development of the AFSJ.

Related to the Prüm Treaty, and the different groups inside and outside the EU, Spain supports these kind of initiatives. The Prüm Treaty was signed on 27 May 2005 by Spain and six other countries (Germany, France, Luxembourg, the Netherlands, Austria and Belgium). For the Spanish government the Treaty is a qualitative advance in the consolidation of the Area of Freedom, Security and Justice (AFSJ), including the 'exchange of information' (the 'principle of availability'). For years, Spain has been one of the main supporters of the creation of the AFSJ within the EU. It has also been participating in several informal groups with the aim of improving and facilitating cooperation between States in the fight against terrorism and organised crime. Similarly to the Schengen experience, it is believed that the Prüm Treaty –which is open to all European Member States– could give an added boost to cooperation on these issues in the European sphere, and that this type of joint effort will be complementary and not contrary to strengthening the European area of Freedom, Security and Justice.

Finally, the twelfth wave of the Barometer of the Elcano Royal Institute (June 2006)⁸⁰⁰ pointed out that a large majority of Spaniards (85%) criticise the EU because they believe 'it does not co-operate sufficiently with Spain in combating illegal immigration to Spain'.

In the fight against this problem Spaniards believe that the most important measure is diplomacy with the immigrants' countries of origin (49%), followed by border surveillance, which is mentioned as the second most important measure (52%), and repatriation, mentioned in third place (51%).

As a consequence of the importance given to diplomacy, Spaniards have a positive opinion of the holding of the Euro-African conference to fight illegal immigration: 61% believe that it may be effective compared with 36% who do not share this view. In the context of the fight against terrorism, 91% of Spaniards also believe that co-operation with the EU is very important, more so than with the US.

Sweden

The new government has recognised the migration issue as one of the most important ones on today's political agenda. Again the government's position is in overall agreement with that of the previous government. The asylum right should be protected and the current development in Europe towards more closed borders should be reversed, the government has argued.⁸⁰¹

Turkey

Turkey has been engaging in the alignment of its immigration policies with that of the EU at an accelerated pace since 2001, beginning with the signing of the Accession Partnership for Turkey on 8 March 2001, which was then revised on 26 March 2003.⁸⁰² This document

⁸⁰⁰ It is available in the Elcano Institute website http://www.realinstitutoelcano.org/barometro_eng.asp

⁸⁰¹ Prime Minister Fredrik Reinfeldt's government declaration to the Parliament 2006-10-06, p. 7, www.regeringen.se, also see interview with Sweden's permanent representative to the EU, Ambassador Sven-Olof Pettersson, www.regeringen.se.

⁸⁰² Council Decision of 8 March 2001 on the Principles, Priorities, Intermediate Objectives and Conditions contained in the Accession Partnership with the Republic of Turkey (2001/235/EC) OJ L 85/13 24/03/2001; Council Decision of 19 May 2003 on the Principles, Priorities, Intermediate Objectives and Conditions contained in the Accession Partnership with the Republic of Turkey, (2003/398/EC) OJ L 145 12/06/2003.

highlights a set of priorities and objectives in the field of immigration and asylum policies: pursuing the alignment of visa legislation and practices with the EU acquis, adopting and implementing the EU acquis and the best practices on migration (admission, readmission, expulsion) with a view to prevent illegal migration, continuing to align with the EU acquis and the best practices concerning border management in order to prepare for full implementation of the Schengen acquis, and starting an alignment in the field of asylum, including the lifting of the geographical reservation to the 1951 Geneva Convention, strengthening the system for hearings and determining the applications for asylum, and developing accommodation facilities and social support for asylum seekers and refugees.

Following the announcement of these priorities, the Turkish government published the National Programme for the Adoption of the Acquis.⁸⁰³ Moreover, the Turkish government adopted an Action Plan for Asylum and Migration.⁸⁰⁴ The Action Plan provides a comprehensive list of existing legal practice along with mid- and long-term goals to be realized by 2012. Among these policy priorities and objectives, three areas capture the attention of multiple actors in Turkey as part of the main challenges affecting Turkey due to immigration: preventing illegal migration – particularly the readmission agreements, border management, and asylum, especially the issue concerning lifting of the geographical limitation and border management. In the period under review for this EU-25 Watch, the debate is not whether all these need to be dealt with at the EU level as much as it is about the collaboration on financial, technical and institutional issues arising from these challenges.

Preventing illegal/irregular migration has been high on the agenda of Turkey in terms of the challenges affecting the Mediterranean countries.⁸⁰⁵ Turkey has been adapting

⁸⁰³ *Official Journal of the Republic of Turkey*, No. 25178 bis. <http://www.abgs.gov.tr/NPAA/up.htm>, 24 July 2003.

⁸⁰⁴ *Asylum and Migration Legislation*, published as a result of the cooperation between the Turkish Ministry of Interior and UNHCR Turkey as a part of the EU Twinning Project on Asylum and Migration, February 2005, Ankara, Başkent Matbaası.

⁸⁰⁵ 'Komisyon, yasadışı göçe karşı yeni önlemler getiriyor' (The Commission brings about new measures against illegal migration), *Komisyon, yasadışı göçe karşı yeni önlemler getiriyor* Dünya, 24 July 2006

extensive legislation in this field. However, main actors in charge of adapting the legislation and carrying out the twinning projects aimed at developing the legal, institutional and technical framework raise concerns about whether the efforts are properly acknowledged by the EU. The government and the public opinion also pay special attention to issues around human trafficking. Considered as one of the main transit countries particularly on the route from the Middle East and North Africa to Europe, the Turkish media frequently reports on the apprehension of human traffickers. It is reported that the number of illegal migrants apprehended has been declining for the past few years. All actors are in agreement about the exigency of continuing to collaborate actively in preventing illegal migration, developing anti-trafficking legislation and promoting efforts to assist vulnerable groups, e.g. women and children.

Readmission agreements constitute a dual process for Turkey. On the one hand, the EU and Turkey started negotiations on a readmission agreement as of March 2003. The common concern raised by government actors revolves mainly around the scope and timing of the readmission agreement so as to prevent the burden shifting towards Turkey and ensure proper burden-sharing. On the other hand, Turkey concluded readmission agreements with countries such as Greece and Syria and is in the process of concluding agreements with others. Based on the significance of the Greece-Turkey borders for EU-Turkey relations, the asylum seekers left in boats in the Aegean and returned to Turkey, repeatedly capturing media attention. Reactions have been voiced by various government and civil society actors on the prudence of such acts.

Border management receives mostly the attention of the governmental actors. Through the working of a Task Force, Turkey has put forward a National Action Plan towards the Implementation of Turkey's Integrated Border Management Strategy. The main concern around the carrying out of such a strategy is reported as ensuring the receipt of substantial funds for implementing the priority areas in this matter which requires critical infrastructural as well as financial support.

In terms of *asylum policies*, the debates revolve mainly around when and how Turkey will proceed with the geographical limitation, according to which Turkey does not accept

asylum applications unless the applicant originated from Europe. Most actors present a cautious and reluctant approach to lifting the limitation prior to the accession of Turkey.

European immigration policy

Turkey presents also an intriguing case with respect to claims and proposals concerning European immigration policy because Turkey is a country of origin, destination and transit simultaneously. As a country of origin, the claims and proposals by Turkey as voiced by various domestic actors point to two problem areas. The first of these is the visa requirements of EU countries for Turkish nationals. There are repeated accounts of stories of Turkish nationals being treated with discriminatory practices when applying for visas to various EU member states.⁸⁰⁶ Hence, many actors in Turkey repeatedly propose that visa application requirements be arranged so as to circumvent inhumane treatment with long queues for visas, uncertainty of the result of applications, opaqueness of the process, issues concerning invasion of privacy through visa procedures, and lack of accountability or channels of redress or appeal in instances of denial. Secondly, another issue revolves around the free movement of Turkish nationals in various EU member states, mainly in Germany, as well as their social, economic, political and cultural rights be provided adequately and uniformly across EU member states. The common conception is that integration of Turkish nationals is not promoted appropriately across the EU, which also surfaced in the coverage and debates on the matter concerning candidates of Turkish origin as they aimed to be elected to the Dutch parliament. As a country of destination and transit, almost all domestic actors in Turkey request further financial, institutional and technical support to be provided to Turkey so as to realize all the objectives highlighted in the action plan. The common proposal is that the EU needs to continue with the negotiations in this particular field in a comprehensive manner and with due care to the various points of sensitivity on the part of Turkey.

Treaty of Prüm

Since Turkey is a candidate country, its participation in different decision-making processes such as the removal of national vetoes do not constitute an item in recent

debates. Similarly, the implications of the Prüm agreement are not represented separately in the debates on immigration policy discussions in Turkey. However, concerns over collection, storage and reliability of data on immigration matters are part of public and government debates. All the debates on EU immigration policy also refer to the claims that EU's efforts in this field aim to curb both Turkey's accession process and prevent further immigration by Turks to EU countries. The contributions on how the migration of a highly skilled labor force from Turkey might benefit EU member states remain scant.

United Kingdom

Considering the pressure of illegal immigration Europe is facing, the UK government supports efforts at the European level to control the EU's external borders and to extend dialogue with countries of origin and transit in Africa and in the Eastern and Southeastern neighbouring regions. In addition, UK Prime Minister Tony Blair has agreed on the importance of well-functioning border controls and has given the government's full support to the European Border Management Agency.

Yet, Britain sees many obstacles in articulating immigration policy at the EU level, not least because of fundamental historical, political and legal differences between the member states. Since Britain is outside the Schengen area, it is much easier for the UK to maintain its own immigration policy, particularly its discretion in regularisation. However, the government holds the view that an EU-common wide asylum policy does make sense.

Under the former Home Secretary Charles Clarke, Britain had revealed willingness to abandon the veto on immigration policy. Under Mr. John Reid, however, there is now increasing reluctance on this matter. In relation to the removal of the national veto on other matters of Justice and Home Affairs being discussed such as criminal law and procedures, the UK government is equally reluctant in taking any further steps. As desirable as it might be to have a common EU policy on exporting suspected terrorists and criminals to third states, the UK is more worried about not being able to conclude bilateral agreements with third countries for the extradition of terrorists. In the next Council of Ministers in 4-5 December, perhaps the UK government is likely to favour a "field by field"

⁸⁰⁶ 'Vize dediğın Ateşten Çember' (A Visa is a wheel of Fire), *Hürriyet*, 19 Novembre 2006.

approach and a gradual transfer of competences in the area of Freedom, Security and Justice.

Initiatives such as the Treaty of Prüm are welcomed by the British government. The UK has recently participated in a different grouping of interior ministers from G6 countries, - France, Germany, Italy, Poland, Spain and the UK. Such formations of countries are seen by the UK as positive in order to address a

particular set of issues that are more relevant for some countries than are for others. For the UK, the G6 meeting was important to discuss the combat to tax fraud that could fund terrorism, to fight human trafficking, share more information about terrorist threats and make joint moves toward African countries to curb illegal migration routes. UK Home Secretary John Reid highlighted the importance of keeping these issues at the top of the European agenda.

7

Lebanon/Middle East

- **How is the EU's performance during the Lebanon war and with regard to the establishment of an international force (UNIFIL) perceived, discussed and evaluated?**
Please differentiate between the High Representative for the Common Foreign and Security Policy, the EU Presidency and the member states.
- **What are the expectations towards the EU, and which proposals for improvement are currently debated?**

Austria

In general, the performance of the EU is perceived rather satisfactorily by the Austrian government. This especially concerns the central role of the EU in ending the conflict and shaping the establishment of the UNIFIL. The dissent regarding a common EU-policy is perceived in a more critical light, as an EU unanimity right from the start would have allowed putting more pressure for a cease-fire. The trade unions on the other hand are highly critical of the EU policy in the Lebanon conflict. They would have expected a principle condemnation of the aggression on part of Israel towards Lebanon by the EU or the UN. Furthermore, they are very much concerned about the continuous lack of any bilateral or multilateral initiative so far for the implementation of a political solution and the lacking pressure on either of the conflict parties for the realisation of the UN resolution. This would further reduce the chances for a peaceful solution in the Middle-East and instead contribute to an intensification of the conflict and the use of violence. It does also not allow for a sustainable development to take root.

In the Austrian media the Lebanon conflict has received special attention with the fact that an Austrian soldier had been killed in the Israeli attack on UNTSO (United Nations Truce Supervision Organization).

Expectations and proposals for improvement

For the Austrian government, the major expectations towards the EU as regards Lebanon are mainly related to a satisfactory mission of the UNIFIL and the major contribution the EU is expected to provide for the rebuilding of the country. This also includes the pledging at the Paris conference in 2007 under the German presidency. The Austrian government will also continue to support the EU mission in Lebanon, including support with human resources in the field of mine-clearing and rehabilitation. The government also views its role in continuing to lobby and pressure for the realisation of the UN declaration 1701.

For the Green party, the war and its consequences are a clear sign of the failure on part of the conflict parties, but also of the European Union, the United States and the United Nations to find a political solution to end the conflict. The engagement of the EU in the region needs to go, however, beyond the

establishment of a peace-keeping force or the financial support for the re-construction of Lebanon or Palestine. In this respect, the Green party calls for more political engagement by the EU in the region, including the organisation of an international conference in which new ways for the realisation of the road map need to be top priority. The fact that different member states have different relations to the conflicting parties has to be regarded as a fertile source for political action rather than as an obstacle to it. This aspect is of specific importance against the background of the US policy in the region up to now consisting in nothing more than lip-service.

From the Austrian point of view, a special contribution would entail a strong diplomatic initiative for the realisation of the UN resolution and the participation in de-mining programs. This is all the more important as there has been a parliamentary initiative for the banning of mines by the Green party and the Social Democrats, but was rejected by the Christian Democrats.

Bulgaria

The Lebanon war was an important media topic in Bulgaria in the period July-August 2006. An interesting feature of the media discourse concerning the war is the fact that most of the Bulgarian media avoided calling the Lebanon war a war. In media news and comments this hot topic was called a "conflict", "crisis", "tension escalation" but very rarely a "war". Such a media approach was consonant with the position of Bulgarian executive officials, who kept a discrete position during the war. For example, Bulgarian Foreign Minister, Mr. Ivailo Kalfin, has explicitly pled for precaution in describing the Bulgarian position on the Lebanon war and on the participation of the country in UNIFIL as an outcome of the European states' positions. In his words, "right after [...] the European states demonstrate their clear stand for participation [in the Lebanon mission], then we can take our position."⁸⁰⁷

In assessing the EU role during the war and the period after it, Bulgarian media analysts

⁸⁰⁷ Interview of Bulgarian Deputy Prime Minister and Foreign Minister, Mr. Ivailo Kalfin, for Info Radio, program "Infotema" ("Infotheme"); 24.08.2006; available at: <http://www.mfa.government.bg/> (the official web site of the Bulgarian Ministry of Foreign Affairs); accessed on 03.11.2006.

have expressed opinions that the EU reaction had been very slow and the elaboration of a common position had been impeded by the different foreign policy visions of the EU member states. The articulation of these criticisms has been addressed to the EU as a whole, without paying specific attention to the role of different EU officials involved. In line with this critical approach, Bulgarian analyst Mihail Naydenov outlined that the above mentioned slow elaboration of a common EU position was the result of the intergovernmental nature of the CFSP. As a remedy, he proposed the future development of differentiated cooperation initiatives, which can make the Union more active in the foreign policy area, provoking a “spill-over” effect as a result, which would influence EU member states that had not initially been involved. According to him, differentiated cooperation will make the Union more adaptive to evolving foreign challenges within the changing international order.⁸⁰⁸

Croatia

Regarding the reactions to the situation in the Middle East during the Lebanon war and crisis, Croatian media, civil society organisations and the general public supported the official EU policy and mostly criticized Israel’s actions and the American support of them⁸⁰⁹. However, Croatian politicians have expressed a more neutral approach, having in mind the strategic goal of preserving the good but fragile relations with the USA. Nevertheless, they were still expressing disapproval with atrocities committed by both sides during the war⁸¹⁰. There was also some discussion in the Croatian media of the possible participation of Croatian soldiers in the UNIFIL forces. However, a lot of criticism was expressed towards this option. There were no indications on whether this option was politically abandoned as a result of the demands of the general public. Nevertheless, the official politics supports the deployment of UNIFIL

⁸⁰⁸ Naydenov, Mihail; “Evropejskiat sajuz kato globalen geopoliticheski igrach” (“European Union as a global actor”); available at: <http://www.becsa.org/> (the web site of the Bulgarian European Community Studies Association – BECSA); accessed on 18.11.2006.

⁸⁰⁹ Jutarnji list, July 15, Vjesnik July 18, Novi list July 20 etc

⁸¹⁰ Several statements of President Mesic or Prime Minister Sanader on the occasion of the summit with British Prime Minister Blair, HRT (Croatian Radio Television), news program, 18th July, 2006.

forces but without the participation of Croatian soldiers.

It is not entirely apparent whether reservations among the general public towards more active political and even military involvement in the Middle East crisis, through peace keeping forces, is generated by a kind of apprehension not to be exposed to the possible terrorist activities or it is really genuine. However in general, according to reported prevailing public reactions to this and other crises in the world, one can assume that the common state of mind in Croatia is not in favour of any active meddling of the country in world crises. This attitude is also somewhat reflected in recent Croatian opinion poll results on public support towards joining NATO.⁸¹¹

Further illustrative examples of such an attitude are comments on the recent initiative of Tony Blair to include Iran and Syria in the peace process in the Middle East. There is some scepticism expressed that the USA will not welcome that (which as a matter of fact has already happened), however articulation of a clear statement was avoided⁸¹².

On the political level, Croatian official policy entirely sticks to the CFSP by closing the second phase of negotiation within the Chapter 31 of the *acquis communautaire*, the phase of bilateral screening process in negotiations of Croatian accession to the EU⁸¹³. Accordingly, Croatian government policy supports all official actions of the EU regarding the solutions to problems in the Middle East.

Cyprus

Israel’s aggression in Lebanon was broadly and persistently covered by the country’s mass media. For, in addition to the profound and prolonged sorrow felt by the Cypriot people, it should be recalled that Cyprus played a key role during the war. This role included the transfer of Lebanese refugees and of European and other citizens from Lebanon, the treatment of injured persons, the deployment of UNIFIL forces, and the provision of generous humanitarian aid. For the first time

⁸¹¹ The opinion poll in September 2006 done by the agency PULS for the American International Republican Institute (IRI) shows the support of only 37% of Croatian citizens for joining NATO.

⁸¹² *Vjesnik (daily)*, November 16, 2006.

⁸¹³ Screening process of Chapter 31, Brussels, October 14th, 2006.

had such a huge population flow crossed through Cyprus, which is one of only two gateways from Lebanon after Syria. The Ministries of Foreign Affairs, Interior, Health and Communications, the Cypriot National Guard, the Civil Defence Department, the Cypriot Doctors of the World, political parties, NGOs, the Church of Cyprus and other organized groups had been actively engaged in operations to facilitate evacuees and to deploy humanitarian aid to Lebanon. As an EU member state, Cyprus proved to be a safe operational haven and an effective transportation and communication hub between Europe, the Middle East and Africa.

For weeks, the Lebanon war was the main topic in all Cypriot TV news bulletins; at times, this was the only topic broadcast in the main (evening) TV bulletins. In addition to the depressing developments in Lebanon and Cyprus' aforementioned contribution, Cypriot media recorded with evident pride the high international praise Cyprus received for managing to host the thousands of evacuees. As a matter of fact, the COREPER, the World Food Programme, EP President Josep Borrell, HR for CFSP Javier Solana, the governments of the USA, France, Belgium, Germany, Canada and Lebanon officially expressed their gratitude to the Cyprus government and society.

Cyprus also served as a docking station for the EU Commissioner for Development and Humanitarian Aid, Louis Michel, and the HR for CFSP, Javier Solana, as well as for other EU member states' government officials. The list includes the Finnish Minister for Foreign Trade and Development, Paula Lehtomaki, French European Affairs Minister, Catherine Colonna, Belgian Defence Minister, André Flahaut, Spanish Minister for Foreign Affairs, Miguel Angel Moratinos, Minister of Health of France, Xavier Bertrand, German Minister for Foreign Affairs, Frank-Walter Steinmeier, and his Greek counterpart, Dora Bakoyianni, who stopped over in Cyprus before departing for their missions to the area. Cyprus also facilitated French, Swedish, German, Swiss and UK crisis teams. It must be noted that Javier Solana's missions in the area were broadly covered.

The Cyprus Government has been in constant communication with the Finnish Presidency to address primarily two key matters: first, the repatriation of evacuees; and second, the

tackling of the massive ecological disaster that resulted from the oil spill.

During the operations for the transfer and repatriation of evacuees fleeing Lebanon, Cyprus, having exceeded the limits of its respective capabilities, called on the EU for appropriate assistance. When accommodation problems emerged, the Nicosia Government asked its EU partners to open their borders to evacuees and to provide more planes and coordination to transfer the foreign nationals back to their homelands. On July 23, President Tassos Papadopoulos noted: "Clearly, this is not a Cypriot problem, but a European problem; therefore we are expecting a response". He then thanked the Finnish EU Presidency, noting that it was the first country which responded to the Cypriot appeals. Ultimately, Cyprus received EU financial assistance, reaching around 3.5 million Cyprus Pounds (about 7 million EUR), a gesture that was warmly welcomed by Nicosia.⁸¹⁴

An intense parallel debate was also provoked after reports suggesting an oil slick was drifting northwards along the coast of Lebanon towards Syria and Turkey, possibly affecting the Cypriot and Greek coasts as well. The slick was characterized as the worst ecological disaster to hit the Mediterranean. Fearing the potentially tragic consequences on the fisheries and biodiversity of the Eastern Mediterranean, the Cyprus Government requested the EU's assistance to deal with the matter. Simultaneously, the Minister of Agriculture, Natural Resources and Environment, Fotis Fotiou, coordinated efforts with Environment Commissioner, Stavros Demas, who arrived in Cyprus to assess the situation. Greenpeace was also mobilized and representatives of the NGO met with Minister Fotiou to assess the magnitude of the disaster. Eventually, the International Maritime Organization and the UN Environment Programme adopted an action plan, whose implementation cost would amount to EUR 50 million, the EU's financial contribution reaching EUR 10 million.

UN and EU initiatives to address the ecological crisis have been closely monitored in the island-state. However, with the end of the war, the process towards the enhanced deployment of UNIFIL was graphically characterized by the mass media as "moving at a snail's pace". The leftwing AKEL party MEP, Adamos Adamou

⁸¹⁴ All newspapers, 30 July 2006.

(GUE/NGL), who chairs the European Parliament delegation on relations with the Palestinian Legislative Council, criticized the United States and the EU for their stance on Lebanon.⁸¹⁵ Adamos Adamou expressed regret for the position of the Union, describing it as solely an economic organization which is still very far from a political union and a common external policy. The EU-25, he continued, have not realized the value of a common foreign policy, which is needed in order to stand opposite the US.⁸¹⁶ The opposition Democratic Rally DISY (EPP) also declared it would have liked stronger EU intervention to counter the US supremacy and advocated the establishment of a more coherent common foreign and security policy.

The Cyprus Government, political parties and organized groups welcomed the UN Security Council's unanimous approval of Resolution 1701, which called for a "full cessation of hostilities" between Israel and Hezbollah. On the next day after the Resolution's adoption, Nicosia informed the EU that it is ready to offer all its facilities towards the task. Cyprus' contribution to UNIFIL was approved by the House of Representatives on 14 September 2006.⁸¹⁷ Cyprus dispatched "symbolically" two senior National Guard officers to Lebanon and officially announced that it will make available infrastructure facilities to Spanish and French units deployed in Lebanon. Cyprus also placed at the disposal of the EU and the UN its infrastructure for the transfer of humanitarian aid as well as of UNIFIL troops and equipment.

AKEL's spokesperson, Mr Kyprianou, argued that the EU did not play the role it should have undertaken: both by deterring the Israeli attack against Lebanon as well as by ending it.⁸¹⁸ He added: "In our view, the EU should have played a far more active role in these efforts. And we mean a *political* role. We disagree with the militarization of the EU as much as we disagree with the notion that we must arm ourselves to avoid war. When you arm yourself you may be led to war. You do not build peace by armaments. That is why we insist that the EU must adopt a political role, based on UN resolutions, to resolve the problem of Lebanon. As for Cyprus, it passed the test of Lebanon with flying colours, and this should be stressed. That is, that a small country succeeded in

meeting to a very great degree the immediate expectations and the pressing requests".⁸¹⁹

The right-of-centre DISY's spokesperson, Mr Mitsopoulos, addressed the same issue in a similar manner: "The EU failed to act appropriately in deterring the Lebanon crisis. However, it now acts as a protagonist in facing the crisis' consequences. A Member State, the Republic of Cyprus, absorbed the main volume of the hundreds of thousands of fleeing Lebanese and other citizens, and stood as the principal hub for the distribution of humanitarian aid. It is also important that the EU, in the main, carries the burden of responsibility for the peace-keeping force in Lebanon. This crisis demonstrated the importance of strengthening the CFSP so as to enable the Union to intervene proactively in crisis areas and to act in a balancing manner in our fluid world, where, quite evidently, the balances have been upset".

Czech Republic

Even under normal conditions, the conflict in the Middle East would not belong to the main topics in the Czech political debate, but given the current political impasse, the issue is even more marginalised. Hence, those who, rather reluctantly, tackle the issue are mainly those institutions which have to present the country's stance on the EU level, that is the Government and the Ministry of Foreign Affairs. The discussions proceeded in two phases:

In the first phase, Czech diplomacy confirmed its long-standing tendency to be more supportive of Israel than the vast majority of other EU members. Thus, starting in July, the Czech Republic always sided with those countries which rejected statements criticising Israel only, and instead, Prague called for "a balanced reaction".⁸²⁰ Typically, the Czech Foreign Minister Svoboda defended positions almost identical to those of the United Kingdom or Germany. For instance, unlike most countries including the most vocal critics of Israel's measures, including Spain and Portugal, the Czech Republic did not support the release of Hamas members of government. By cooperation with powerful allies, Foreign Minister Svoboda usually succeeded in

⁸¹⁵ All newspapers, 31 July 2006.

⁸¹⁶ Ibid.

⁸¹⁷ All newspapers, 15 September 2006.

⁸¹⁸ Written response to Annita Demetriou.

⁸¹⁹ Ibid.

⁸²⁰ DPA: EU rozpolčená ohledně postupu Izraele, ČR proti odsouzení (DPA: EU split in regard to Israel actions, the Czech Republic against condemnation). Czech News Agency, 13 July 2006

changing the wording of the EU declarations and in most cases expressed his satisfaction with the achieved compromise.

In the second phase, when the core of the debate moved to the establishment of UNIFIL, any substantial Czech contribution was again marred by domestic policy. On the one hand, the Government generally expressed its preparedness to contribute to the EU-led international forces, but at the same time, two conditions *sine qua non* were named: First, any decision about the mission must wait for the new Government to be formed. And second, before the decision is made, details about the mission must be disclosed: For example, the outgoing Prime Minister Paroubek asked for a clear definition of UNIFIL's mandate and Minister Svoboda also demanded details regarding the role of participating troops (observation or responsibility for disarmament of Hizballah fighters).⁸²¹

There are, nevertheless, other problems that are for obvious reasons not so loudly presented in the international stage but that further limit potential Czech participation: The speaker of the Ministry of Defence declared that the funds needed for the mission are currently not available and that the Government would have to determine where the financial means would come from. This might prove very difficult since the country already has a number of commitments of this kind in Afghanistan, Kosovo, Iraq, and Bosnia.

Among the political parties, only the Communists clearly expressed a highly critical attitude to the Israeli operations, which they labelled as "Israeli aggression". Not surprisingly, the chairman of the Communist Party Filip also criticised Czech diplomacy as contradicting the stance of the European Union.⁸²²

⁸²¹ Vláda nerozhodla o účasti v Libanonu, chce vyjasnění mandátu (Government has not decided about the participation in Lebanon, it requires a clearer mandate), Czech News Agency, 23 August 2006

⁸²² Boj za osvobození není antisemitismem (Fight for freedom is not anti-Semitism). Haló noviny, 3 August 2006. See also Česká zahraniční politika je podle šéfa KSČM v rozporu s EU (According to the head of the KSČM, Czech foreign policy is at odds with the EU). Czech News Agency, 3 August 2006

Denmark

The debate in Denmark regarding the Lebanon war focussed on the civilian casualties, the humanitarian consequences, and the evacuation of Danes from Lebanon. There was widespread support for assisting the repatriation of Danes from Lebanon and the impression was that the Foreign Ministry handled the returns well, particularly in comparison to the Tsunami response. There was also a discussion on whether EU coordination could have been better.

The political opposition has criticized the government for not having worked hard enough for a ceasefire in Lebanon because of fear of the USA and Israel. On 1 August 2006, the leader of the Social Democratic Party, Helle Thorning-Schmidt, commented on the government's handling of the Lebanon war by saying that Denmark, to a high degree, had been following the US.⁸²³ The government had been cooperating closely with France in negotiations over Lebanon within the UN. However, the opposition criticised the Prime Minister for being remarkably silent on the question of Israel and Hizbollah.⁸²⁴ With regard to the situation in the Middle East, on 15 November 2006 Prime Minister Fogh Rasmussen was cited in *Politiken* as saying that the Israel-Palestine conflict is in many ways the locus of most of other conflicts in the region. In agreement with British Prime Minister Tony Blair, the Danish Prime Minister stated that it would be a considerable contribution to improving the global security situation if the conflict between Israel and Palestine could be resolved.⁸²⁵

Estonia

With regard to the crisis in Lebanon, a rift occurred between the Estonian government and the Parliament. The government supported the positions of the Finnish EU Presidency and of the Finnish Prime Minister Vanhanen without reservations and defined the situation as "disproportional use of force" by Israel against the civilian population of

⁸²³ Aagaard, Martin and Rasmus Emborg, 'Krig i Libanon: Flere EU-lande tilbyder fredsstyrke', *Politiken*, 2 August 2006.

⁸²⁴ Mogens Lykketoft, Frank Aaen, Naser Khader and Holger K. Nielsen, 'Meld du: Oppositionen kræver dansk mellemøstinitiativ', *Politiken*, 7 August 2006.

⁸²⁵ Michael Seidelin and Thomas Bo Christensen, 'Vestlig kovening: Palæstina nøglen til fred i hele Melleøsten', *Politiken*, 15 November 2006.

Lebanon, which should be stopped immediately and without any preconditions. Prominent members of the Estonian Parliament's Foreign Affairs committee, however, called this approach "one-sided," emphasized Israel's right to self-defense, and stressed the need to find broader solutions to the conflict in the Middle East.⁸²⁶ The editorial of one of the main dailies, *Postimees*, condemned the attempt by certain members of parliament to avoid any criticism of Israel as an "incomprehensible domestic game" with negative external consequences.⁸²⁷

There has not been much discussion of the EU's performance during the crisis, although the main dailies portrayed the EU's reaction as slow and covered, in some detail, the squabbling of the European leaders over the precise wording of the declaration on the conflict. Part of the reason why criticism has been restrained probably stems from the fact that Estonia's own contribution to the solution of the crisis has been relatively modest: Estonia has not sent any military personnel, given that it is already involved in four international missions, two of which are of high intensity (Afghanistan and Iraq). However, Estonia contributed humanitarian aid through the UN Refugee Agency and has promised to help finance reconstruction activities in Lebanon.

Finland

In the months of late July, August and early September the Lebanon crisis all but dominated the Finnish media. Finnish interest in the crisis was obviously boosted by the fact that the escalation took place on Finland's "watch" as EU President. Finland's leadership of the EU during the crisis was perceived domestically as a test by fire of our leading politicians and the media and opposition leaders kept a close watch on the events.

EU as an International Actor

Also, the whole credibility of the EU as a unified international actor was viewed to be at stake in dealing with the situation in Lebanon. At the same time some commentators perceived EU involvement in the region as an

opportunity for the Union to claim more political leverage in the Middle East and in world politics in general. Assessments vary on how the Union as a whole fared in the situation. Some analyses view Lebanon as ushering in a crisis of EU foreign policy: the Union is unable to project an image of unity outward and speak with one voice. Centralised EU foreign policy-making is called for, be it through strengthening the office of the High Representative for the Common Foreign and Security Policy (CFSP) or creating one for an EU "foreign minister". The Union was called hesitant regarding its reaction to the crisis, and the UNIFIL international force was characterised as toothless, but these failures were also attributed to a weak and unclear mandate from the UN.⁸²⁸ More optimistic commentators do not speak of an EU crisis and point to the fact that a common stance was articulated and an international reaction force created which increased the credibility of the EU.⁸²⁹ Despite these polarizing views the public debate on EU foreign policy quieted down somewhat after the crisis dissolved.

High Representative for the CFSP

The attention of the media and the public in Finland was chiefly directed at the Foreign Ministry's efforts at the helm of the EU during the Lebanon crisis. The actions of the High Representative for the CFSP, Javier Solana, were considerably less under the loupe. Two articles in the biggest daily, *Helsingin Sanomat*, called for the streamlining and unifying of the CFSP through the strengthening of the office of the High Representative.⁸³⁰

EU Presidency and the Role of Other Member States

The performance of the Finnish Presidency during the crisis, especially its Foreign Ministry, was domestically generally viewed in a positive light. Finland, through the Ministry, managed its role effectively in difficult circumstances: indeed, the success of the EU President was assessed as somewhat distinct from the success of the EU as a whole. The leader of the biggest opposition party the National Coalition, Jyrki Katainen, commended the actions of Foreign Minister Erkki Tuomioja (Social Democratic Party) but noted that

⁸²⁶ Toomas Sildam, „Poliitikut hoiduvad Israeli suhtes karmidest sõnadest.“ *Postimees*, 1 August 2006.

www.postimees.ee

⁸²⁷ „Juhtkiri: Eesti huvid Lähis-Idas,“ *Postimees*, 1 August 2006. www.postimees.ee

⁸²⁸ See e.g. Suomen Kuvalehti, 28.7.2006; Aamulehti, 25.8.2006.

⁸²⁹ See e.g. Uutispäivä Demari, Editorial, 7.9.2006.

⁸³⁰ *Helsingin Sanomat*, Editorial, 3.9.2006; *Helsingin Sanomat*, Column, 6.9.2006.

Finland could have assumed a stronger leadership position as President during the crisis: core states of the Union were dominant in dealing with the conflict (bar Germany for historical reasons). For instance, France's influence on the EU resolution on Lebanon was decisive and Italy initiated the EU Foreign Ministers' Lebanon meeting. In Katainen's opinion, Finnish Prime Minister Vanhanen's (Centre Party) failure in rallying Europe's leaders behind the Lebanon agenda was to blame for Finland's relative inertia. The Prime Minister of each Presidency country carries to a large extent the responsibility for EU foreign policy, as long as the vision – also enshrined in the TCE – of the office of an EU foreign minister remains unrealised. In Katainen's opinion a foreign minister is needed to streamline EU foreign policy.⁸³¹

During the crisis Foreign Minister Tuomioja pondered the volatile situation in the Middle East also on a general level. In interviews Minister Tuomioja has stated that creating a Palestinian state would remove the causes of conflict in the region. There could be a significant role for the EU in this process as the Union, unlike the USA, has credibility vis-à-vis the Palestinian Authority.⁸³²

France

“Europe once again paralyzed in the face of violence in the Middle East⁸³³.” That title of a leader published by one of the most important national French newspapers gives a fair idea of the general assessment of the action of the Union in the Middle East. “Powerlessness”, “lack of capacities”, “no room for action” are the words most often used by the media.

The reaction of the Union during the Lebanon war was not assessed more favourably. Some commentators stressed that the Union did respond, which was, at least, a start. “The European Union is demonstrating that it is becoming a political union” declared Philippe Douste-Blazy, the French Minister for Foreign Affairs⁸³⁴. But they were only a minority. President Chirac criticized the “absence of the

European Union” during the Lebanon crisis⁸³⁵. According to him, the Union failed to rally around a coordinated action the efforts of the member states.

Commentators also stressed that Europeans accepted new responsibilities that might prove difficult to fulfil. The member states that accepted to send troops have only limited military capacities, particularly at a time when the United Kingdom cannot help. Everyone remembers the prevarications of the French government about the extent of its participation. The reason is simple: France is already present in many areas (Africa, Afghanistan, etc.) and all this is starting to stretch its capacities to their limits. This is why the creation of a European army around a Franco-German core is a popular idea in France. “The Union will waste its chance to impose itself if it does not manage to increase its military capacities⁸³⁶.”

Germany

Germany's policy towards the Middle East region and the conflict between Israel and the Arab states follows the overall logic of the country's approach to embed its foreign and security policy into the EU framework. Or as Chancellor Merkel put it recently during the parliamentary debate on German participation in UNIFIL: Germany's foreign policy is based on fundamental values which also express themselves in the EU integration process. Germany's interests can best be achieved collectively with others and most preferably with the EU member states even though with regard to the Middle East conflict government sources also underline that the EU alone is not strong enough to achieve progress and needs to cooperate with the United States in particular.⁸³⁷

Within the EU-25 Germany traditionally belongs to the more pro-Israeli camp. Due to German history each government has underlined the particular responsibility of German politics for the security of the Jewish state and its right to exist within safe borders. At the same time, however, Germany acknowledges the Palestinians' right of self-

⁸³¹ Jyrki Katainen, Speech, 30.8.2006, <http://www.jyrkikatainen.fi/main.site?action=news/view&id=8&ngid=1>.

⁸³² Suomen Kuvalehti, 28.7. 2006; Turun Sanomat 15.7.2006.

⁸³³ Leader of *Le Figaro*, 16 December 2006.

⁸³⁴ 27 August 2006, quoted by *La Tribune*.

⁸³⁵ Speech at the annual Conference of French ambassadors, 28 August 2006

⁸³⁶ Bernard Guetta, *L'Express*, 31 August 2006.

⁸³⁷ Intervention of Chancellor Merkel in the debate of the Bundestag. Stenographische Berichte, 50.Sitzung, 20.9. 2006.

determination and to live in a state of their own.⁸³⁸

The outbreak of war between Israel and the extremist Hizbollah in Lebanon in summer 2006 was answered by the 25 with a clear call for de-escalation and the cessation of hostilities.⁸³⁹ Insofar as the Council conclusions were of the same language as the G8 Summit statement of St. Petersburg which, however, included the idea of an international security and monitoring force in Lebanon already. While the Finnish EU President Matti Vanhanen indicated European support for a UN force⁸⁴⁰ several days later, and individual EU member states (like Italy, Spain and France) signalled their readiness to participate in such a force at a very early stage of the discussions, German Foreign Minister Steinmeier argued that a decision of his own country could only be taken after in-depth parliamentary consultations and with the consent of the German *Bundestag*.⁸⁴¹ This was also the position of Chancellor Merkel, while CDU Minister of Defence Jung had been too quick to announce that Germany could not refrain from participating in case the UN would submit such a request.⁸⁴² Irritations inside the coalition government and criticism from the parliamentary opposition forced him to correct his statement and line up with the official language quickly.⁸⁴³

While leading newspapers⁸⁴⁴ spoke of certain turbulences inside the Common Foreign and Security Policy (CFSP) at that time to agree on a common line⁸⁴⁵ official sources in Germany remained silent about this. According to press reports the Berlin government (with the full support of the coalition parties from SPD and CDU/CSU)⁸⁴⁶ was said to have been among those inside the EU who reacted sensitively towards any criticism of the Israeli side, for

⁸³⁸ See <http://www.auswaertiges-amt.de/diplo/de/Aussenpolitik/RegionaleSchwerpunkte/NaHost/NO-DeutschePolitik.html>, 25.11.2006.

⁸³⁹ See the Conclusions of the General Affairs Council; Agence Europe, 18.7.2006.

⁸⁴⁰ Agence Europe, 21.7.2006.

⁸⁴¹ Frankfurter Allgemeine Zeitung, 2.8.2006.

⁸⁴² Frankfurter Allgemeine Zeitung, 26.7.2006.

⁸⁴³ Frankfurter Allgemeine Zeitung, 14.9.2006.

⁸⁴⁴ Like e.g. Frankfurter Allgemeine Zeitung, 2.8.2006; similarly Das Parlament, 11.9.2006 and Financial Times, 26/27.8.2006 as well as Agence Europe, 2.8.2006.

⁸⁴⁵ Frankfurter Allgemeine Zeitung, 2.8.2006.

⁸⁴⁶ while opposition leaders like Lafontaine took a more critical view, which later on became also visible in coalition circles where e.g. the Minister for Development, Mrs. Wierczok-Zeul, blamed Israel for an inadequate use of force in the conflict. Günter Bannas: Diplomatische Semantik, in: Frankfurter Allgemeine Zeitung, 27.7.2006.

example as launched by the Finnish Presidency.⁸⁴⁷ And together with other member states the German government insisted on modifications of the draft text of the Finnish Presidency in the extraordinary ministerial meeting convened on 1 August 2006 at the request of Portugal.⁸⁴⁸

When the 25 officially agreed to participate actively in the deployment of a UN force to Lebanon, Foreign Minister Steinmeier judged this as the most important decision of the Europeans in many years.⁸⁴⁹ Like France, Germany was not in favour of a mainly American proposal to send a Nato-based force to Lebanon.⁸⁵⁰ According to the German understanding it was also clear that Unifil and its accompanying UN Security Council Resolution 1701 could not be more than the first step towards a revitalisation of the peace process. The Middle East Quartet is seen as a key player here and within it the Presidency and the High Representative for the CFSP⁸⁵¹, whose mandate (in the EU's Middle East policy) might be extended, the German Foreign Minister once said without, however, going into details.⁸⁵² Generally, the work of the High Representative is well received in German government circles and recent speculations in the German press that Solana might quit his job in Brussels were answered in the hope that the High Representative would be in office also during the German Presidency in 2007.⁸⁵³ More far-reaching initiatives along the provisions of the Constitutional Treaty (i.e. the installation of a Union Foreign Minister) seem unlikely during the German Presidency in the first half of 2007, first of all because the Berlin government is against any form of "cherry picking" of the treaty provisions and wishes to stick to the main parts of the reform package as a whole, and secondly because earlier investigations in other EU member states have led Berlin to believe that the potential for institutional reform in the area of the CFSP is rather low at the moment.

The domestic debate on the pros and cons of German participation in Unifil was not

⁸⁴⁷ Frankfurter Allgemeine Zeitung, 2.8.2006; Horst Bacia: Die wichtigste Entscheidung seit Jahren, in: Frankfurter Allgemeine Zeitung, 4.9.2006; Agence Europe, 21.7.2006..

⁸⁴⁸ Agence Europe, 1. and 2.8.2006.

⁸⁴⁹ cited in Frankfurter Allgemeine Zeitung, 4.9.2006.

⁸⁵⁰ Agence Europe, 28.7.2006.

⁸⁵¹ See <http://www.auswaertiges-amt.de/diplo/de/Aussenpolitik/RegionaleSchwerpunkte/NaHost/NO-DeutschePolitik.html>, 25.11.2006.

⁸⁵² as cited in: Frankfurter Allgemeine Zeitung, 2.8.2006.

⁸⁵³ Horst Bacia: Das Amt erst richtig geschaffen, in: Frankfurter Allgemeine Zeitung, 17.10.2006.

surprisingly dominated by German history and the impact such a decision might have on Germany's relations with Israel.⁸⁵⁴ Arguments in favour of a military presence in the region – limited to a naval taskforce to police Lebanese waters⁸⁵⁵ – had mainly to do with Germany's special responsibility toward Israel and the German interest to reduce conflicts in its immediate neighbourhood⁸⁵⁶ whereas the EU dimension of German foreign policy was practically not referred to. This line of the Merkel Cabinet was supported – with few exceptions –⁸⁵⁷ by the leading political parties in parliament, i.e. the Social Democrats (SPD) and the Christian Democrats (CDU), while inside the latter's sister party (CSU) some concern issued earlier by Bavarian Minister President Edmund Stoiber seemed to exist. Massive opposition against the cabinet decision came from the smaller parties in the German *Bundestag*: The Left (Die Linkspartei) argued that mediation in the Middle East conflict requires neutral third parties, and since Germany cannot be neutral due to its history, it must therefore abstain from participation in Unifil.⁸⁵⁸ The Liberals (FDP) also voted against (though eight FDP parliamentarians voted "yes") and accused the government of sacrificing certain fundamentals of German foreign policy, i.e. not deploying German soldiers to the Middle East.⁸⁵⁹ Bündnis 90/ Die Grünen, though traditionally less in favour of applying military means in international politics, supported the approach of the government and underlined the importance of Unifil and in more general terms the role of the UN to help restore the peace process in the region.

Public opinion obviously does not fully share the approach of the government and the majority in the German *Bundestag*. Opinion polls suggest that less than 60 per cent were in favour of the German contribution to Unifil at the time the mandate was passed in parliament.⁸⁶⁰ Others polls conducted at an

⁸⁵⁴ Germany and European Policy Towards the Lebanon Conflict, in: www.deutsche-aussenpolitik.de, 7.11.2006.

⁸⁵⁵ As for details of the German forces (with a maximum of 2400 soldiers) see: Das Parlament, 18. and 25.9.2006.

⁸⁵⁶ Deutscher Bundestag: Antrag der Bundesregierung. Beteiligung bewaffneter deutscher Streitkräfte an der UN Interim Force in Lebanon, Drucksache 16/2572, 13.9.2006.

⁸⁵⁷ In the final vote in the German Bundestag there were 442 „yes“ votes, 152 „no“ votes and 5 abstentions. 32 parliamentarians from SPD and 12 from CDU/CSU did not line up with the government position.

⁸⁵⁸ See the interventions in the German Bundestag. Stenographische Berichte, 49.Sitzung, 19.9.2006.

⁸⁵⁹ as it was argued by the President of the Liberals, Westerwelle. Frankfurter Allgemeine Zeitung, 7.9.2006.

⁸⁶⁰ according to Spiegel online, 14.9.2006.

earlier stage in the debate indicated even less support (26 %) for a German military presence in the Middle East while almost 60 per cent were against such an engagement.⁸⁶¹

Greece

Greece took actively part in the Lebanon humanitarian-cum-pacification efforts, dispatching two frigates and a number of other vessels from the very first evacuation day, while teams for health assistance and infrastructure reconstruction support were also agreed. Greek foreign policy strongly insisted on the multilateral character of the international presence; public opinion expected “more” from the CFSP, both at an initiatives-taking when cease-fire was delayed time and again at the level of helping with on-the-field presence. In fact, Lebanon has operated, insofar as Greece is concerned, as a further eye-opener as to the limitations of “Europe” (whatever the institutional niceties) in international affairs when the going gets tough. Thus, the wish that the EU would work as a catalyst for a more permanent détente in the Middle East looks even more just like wishful thinking. It is only through the front-line presence of major powers and the willingness of a few other Member States (in the case of Lebanon, France from one side and Cyprus from the other) that tangible initiatives are taken. Lastly, Lebanon served to stress once more the effective dependence of European options and overall position from US priorities and decisions on the Middle East.

Hungary

First of all, the official Hungarian position (of 14 August) concerning the UN Security Council Resolution on the Settlement of the Situation in Lebanon must be cited here⁸⁶²: “Hungary welcomes UN Security Council Resolution 1701, accepted on 11 August, calling for an immediate end of hostilities between Hezbollah of Lebanon and Israel. This will establish the conditions for ending the suffering of the innocent civilian population and end the war destruction in the two countries. We find it important that both the Lebanese and the Israeli governments have committed

⁸⁶¹ according to ZDF – Politbarometer. www.welt.de, 19.8.2006.

⁸⁶² http://www.mfa.gov.hu/kum/en/bal/actualities/spokesman/statements/060814_situation_in_lebanon.htm

themselves to the Resolution. In the present situation the consequent execution of those contained in the document is necessary for the Lebanese army and the UN forces to control the whole area of South Lebanon completely. We hope that the Resolution opens the possibility for the establishment of a permanent ceasefire and a lasting settlement to the crisis.”

Furthermore, Hungary welcomes the establishment of UNIFIL⁸⁶³ and the fact that nearly half of these special forces will be provided by EU member states: 7000 out of 15000 (Hungary offered 12 border guards and 6 military doctors in the framework of UNIFIL). Moreover, the command of UNIFIL operations will be fulfilled by EU member states: first by France, then by Italy. Hungary agrees that the EU has a special responsibility regarding peace and security in the Middle East region and would like to see the EU acting as united and efficient as possible. Hungary also welcomes the commitment of the Commission and the member states to offer financial sources for humanitarian aid. So, in the Hungarian view the two approaches: engaging in common action and providing common humanitarian aid should both be reinforced in the future and the High Representative should be given stronger competences in the elaboration and representation of the EU's complex Middle East strategy.

Ireland

The response to the EU's role in the Lebanon war has been positive and politicians have welcomed the fact that the EU is heading up the UNIFIL force. Ireland agreed, after some discussion, to participate in UNIFIL, but there has been no public debate on the EU's role. One Irish MEP commented that providing assistance to rebuild the infrastructure of Lebanon would also help to rebuild the reputation of the EU in the Middle East. Following the meeting between EU Foreign Ministers and Kofi Annan, which paved the way for thousands of troops to be deployed to oversee the fragile ceasefire in Lebanon, Irish Foreign Minister, Dermot Ahern, said that the increased size of the EU commitment to a maximum of 15,000 troops meant that Ireland

could consider “making a substantive contribution to the mission”. The deployment of troops in three waves suggested that Irish troops would be deployed in the second or third wave. According to Prime Minister Ahern, Ireland was among the more positive of the small countries in terms of what it could do and that he would have discussions with other like-minded countries such as Sweden, Finland and Austria.

In a debate in the Joint Committee on Foreign Affairs, Defence Minister, Willie O’Dea, said that the Irish Defence Forces have limited resources to contribute to this mission. Hence, an option was identified whereby Ireland might partner Finnish troops and provide protection detail to a planned Finnish engineering company in the eastern sector of Lebanon. On 3 October 2006, the Irish government authorised, subject to approval by the Dail (Irish Parliament), the despatch of a contingent of forces to UNIFIL. The contingent would consist of 150 Defence Forces personnel – five personnel currently deployed at the force headquarters would continue their postings. The troops were deployed on 31 October for one year subject to renewal for a maximum of one more year.

The opposition party supports the commitment of Irish troops although it means that 830 of the maximum of 850 Irish Defence Forces personnel are deployed abroad. Ireland has a long and distinguished record of service with the UN and in Lebanon and the opposition party, Fine Gael, feels Ireland should play a role in underpinning stability and supporting the ceasefire in the region. Fine Gael is pleased to see the UN taking a stand after months of diplomatic waiting. At the National Forum on Europe, Enda Kenny, Leader of Fine Gael, expressed his belief that peace in the Middle East will not be achieved until the Palestinian issue is settled. He called on the EU to address “the diminution of the power of international law to prevent war and ... how that diminution could actually be minimized. Green Party Chairman and Foreign Affairs spokesperson John Gormley TD, praised the initially “cautious approach adopted by Minister for Foreign Affairs, Dermot Ahern, as: “both understandable and welcome. The rules of engagement, he added, for any UN force need to be studied carefully and debated fully in the Dáil. The situation in southern Lebanon is still extremely volatile and serious doubts have been expressed about the durability of the ceasefire. Under these circumstances and

⁸⁶³ The answers are based on information from the Department for European Policy of the Hungarian Ministry of Foreign Affairs completed with information from Bruxinfo, the first Hungarian electronic EU news agency (<http://www.bruxinfo.hu>).

while there is still a lack of clarity about the rules of engagement it makes little sense to deploy members of the defence forces". He continued: "The Minister now needs to bring what influence he has to bear on his counterparts in the EU to press for a lasting peace settlement in the region, which would involve all of the parties – including Syria and Iran – and examine aspects of the conflict such as the Golan Heights and the future of the West Bank."

There is full support for Javier Solana and his policy recommendations as well as for the Finnish Presidency under the guidance of Foreign Minister Tuomioja. Irish Minister for Foreign Affairs, Dermot Ahern, has stated that the crisis in Lebanon can only be resolved through political dialogue. The Irish view is that the EU must continue to express its support for a viable two-state solution as the only way forward for both the Israelis and Palestinians. The prevalent view is that the EU should take an active role in initiating a return to the peace process and assisting people to improve their daily lives. A military solution is not viewed as sufficient – rather a comprehensive creative approach needs to be adopted and the EU is seen well placed to achieve this. The role of the Finnish Presidency has been praised and the Irish government hopes that the EU can work together to identify how to implement concrete material as well as political support. Although the EU will have to work closely with the Quartet, the view in Ireland is that the EU must craft its own position carefully. The forthcoming German Presidency will be presented with further challenges in this regard, and Germany's deployment of troops in the region and the role of the German navy in leading the entire maritime force in the region is seen as indicative of how traditional foreign policy taboos can be broken and how the EU can be used as a force for peace. With regard to President Abbas, the Irish government view is that the EU must offer him explicit support in his negotiations with Hamas so that he will be in a position to negotiate with Israel.

Italy

The Italian government, which played a central role in the negotiations for sending European forces to Lebanon, was obviously very satisfied about what Prime Minister Prodi called "Europe's return as a strong political actor,

able to develop a univocal foreign policy"⁸⁶⁴. The decision that Italy would lead the Unifil 2 mission in Lebanon gained wide – almost bipartisan - consensus in the country, and the almost unexpected fact that Europe was in the end capable of developing an independent initiative sparked positive remarks. The fact that European countries were able to speak with a single voice was also appreciated. Many experts, such as the president of the foreign affairs committee of the Italian chamber of deputies, Umberto Ranieri⁸⁶⁵, noted that a European failure to intervene in Lebanon and to show that it is actually worth having a functional European Union would have worsened the attempt to relaunch the integration process. "A victory for Europe, a success for Italy", the authoritative newspaper *La Stampa* summed up⁸⁶⁶. The fervour about Europe and Italy's leadership was only partially mitigated by the awareness of the risks of the Unifil mission and the dangers that Italian soldiers are going to face, pointed out particularly (but not only) by circles close to the opposition.

On the one hand, the crisis in Lebanon showed that Europe is able to accept a serious engagement in foreign policy, on the other side it also underlined the flaws of European integration and the need for Europe to acquire more efficient foreign policy instruments and mechanisms. For example, experts noticed the difficulties in recruiting ten thousand men to deploy in Lebanon, remembering that the EU was supposed to create a 60.000-man strong force, which is still not available in practice. But the most noted deficiency was that of a European foreign minister. Europe would have intervened much faster had it had a foreign minister able to call a Council meeting and to propose, as the Commission's vice-president, concrete foreign policy initiatives. The High Representative for Common Foreign and Security Policy cannot play such a role. A European Foreign Minister, moreover, would have been present at the United Nations in New York and would have been able to stimulate European countries to adopt a common position.

Some criticism was also expressed of the EU Presidency and Commission. The Finnish

⁸⁶⁴ Interview with Romano Prodi, "In Libano è solo l'inizio, ora l'Italia ha un nuovo ruolo", *La Repubblica*, August 27, 2006

⁸⁶⁵ Umberto Ranieri, "L'Europa, l'Onu e la missione italiana in Libano", *Affari Esteri* n. 152, October 2006

⁸⁶⁶ Emanuele Novazio, "L'Europa manda in Libano 7 mila soldati", *La Stampa*, August 26, 2006

Presidency was criticized for being largely absent. A few extemporaneous declarations were even judged counterproductive. A stable Presidency would probably have been more effective and supportive. The same criticism was voiced against the Commission. The Commission is supposed to stimulate and spur national governments, but its performance in the Lebanon crisis was judged largely ineffective: this case confirmed that one of the EU's main problems is a lack of leadership, both from Member States and from European institutions.

Latvia

Not having strong historic, cultural, or economic ties with the Middle East, Latvia has not elaborated a policy toward that part of the world, though diplomatic relations exist with some countries in the region, such as Israel. Nonetheless, Latvian media have covered the recent conflicts in the Middle East from various perspectives and the general feeling is that the EU's performance in Lebanon deserves to be commended. The populace does not differentiate between the contributions of different representatives and institutions. There is no public debate going on in Latvia about the conflicts in the Middle East; this a topic of interest only for a few political analysts and university students.

Lithuania

The EU's performance during the Lebanon war is not widely discussed in Lithuania. European Parliament member from Lithuania, Aloyzas Sakalas, declared his strict opinion on the issue during the meeting of the socialist political group: according to him, it is becoming a rule, that whenever one non-EU member state destroys something in another state, this demolition is repaired by the EU. The first example of this practice is that the USA has destroyed Iraq and it is being rebuilt by the EU. The second example is that Israel has destroyed the infrastructure of Lebanon without a sanction by the United Nations and it is again the EU which will rebuild after the destruction. He said that we cannot be sure that, after having rebuilt Lebanon, Israel would not attack and destroy this country once again. He questioned why it is the EU that pays for

the destruction and not the states that are responsible for it⁸⁶⁷.

Concerning its actions in Lebanon, Lithuania has already donated some money to those who have suffered during the conflict. Nevertheless, as the Lithuanian Defence Minister, Juozas Olekas, and Foreign Affairs Minister Petras Vaitiekūnas have declared there is no possibility of Lithuania joining the mission sanctioned by the United Nations in Southern Lebanon. According to the ministers, Lithuania will keep an interest and will follow the situation in the region and the course of the mission. Lithuania does not reject the possibility of joining the mission later, and this decision will depend both on the needs of the mission and the Lithuanian capacities⁸⁶⁸.

Luxembourg

During the recent Lebanon conflict Luxembourg's Prime Minister made an appeal to both sides, Hezbollah and Israel, to cease fighting. The Prime Minister condemned the attacks by Hamas and Hezbollah on Israel, but he also severely criticised Israel's "disproportionate" response, as he called it. The Luxembourg government announced that it had freed up some 125,000 euros for humanitarian aid for refugees in Lebanon. Minister for Aid and Cooperation Jean-Louis Schiltz said that the funding was agreed on following an appeal for help from the international Red Cross. The money will be used to help the international Red Cross and the Lebanese Red Cross in their efforts to provide shelter and sustenance to civilians who have been forced to flee the danger area.⁸⁶⁹

The Luxembourg Army will put one officer and two minesweeper trainers at the disposal of the Belgian contingent of the UNIFIL force sent to Lebanon. The decision was revealed after the

⁸⁶⁷ A.Sakalo kalba Socialistų frakcijos posėdyje dėl Artimųjų rytų problemos [A speech on the Near East problem delivered by A. Sakalas during the meeting of socialists' political group], press release of European Parliament member from Lithuania A. Sakalas, 31 August 2006, <http://sakalas.infolex.lt/?item=pran&id=12298>

⁸⁶⁸ ES šalys patvirtino įsipareigojimus paremti JT laikinąsias pajėgas Libane [EU member states have confirmed their obligations to support the UN interim force in Lebanon], News agency Baltic News Service, 26 August 2006, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5029&LangID=1>

⁸⁶⁹ 352news 27.7.2006 Luxembourg sends aid to Lebanon as 27 citizens are evacuated

meeting between Luxembourg Armed Forces Minister Jean-Louis Schiltz and Belgian Defence Minister André Fléhou. Foreign Affairs Minister Jean Asselborn confirmed the decision at the extraordinary meeting of the EU foreign ministers in Brussels, at which United Nations General Secretary Kofi Anan was also present. Minister Asselborn disclosed that the Luxembourg government had freed up of a total of 750,000 euros in aid for Lebanon. The foreign minister responded to a question asked by Christian democrat MP, Laurent Mosar.⁸⁷⁰ Mr Asselborn regrets the permanent humiliation the Arabs have to face, a feeling his last trip to Israel and Lebanon, as well as the talks with Prime Minister Fouad Siniora confirmed again. In Asselborn's view Israel has recognized that military options alone cannot really provide security in the region.

Jean Asselborn insisted in a declaration before the National Parliament that solving the situation in the Middle East is largely tributary to a lasting solution of the Israeli–Palestinian conflict. During the Luxembourg presidency of the EU in the first semester of 2005, Luxembourg - as a member of the so-called quartet - had been supporting a relaunch of the peace process in accordance with the "roadmap". Furthermore, Luxembourg favoured a stop of the wall building, the Israeli settling programs on the occupied West Bank and the Israeli activities around East Jerusalem. On the other hand Luxembourg continues to be a strong supporter of Israel's right to live in peace and security with its neighbours within the borders of 1967⁸⁷¹.

Any peace initiative (e.g. the opening of the border passage to Egypt in November 2005) is a step in the right direction according to Jean Asselborn, i.e. a step aiming at the foundation of an independent sovereign Palestinian state⁸⁷². The economic perspective must in no way be neglected. Luxembourg supported the Palestinian authorities until the elections in January 2006, which ended in a Hamas victory. Subsequently, all programs were frozen in accordance with its EU partners. Before that date, Luxembourg had sponsored

several programs furthering economic cooperation.

Malta

Malta was in favour of a cessation of hostilities from the outbreak of the war between Israel and Hizbollah and consistently condemned the killing of innocent civilians. The EU's direct diplomatic contribution to halting the war and the deployment of the majority of the 10,000-member international peacekeeping force in Lebanon is perceived as a harbinger of the potential international peacekeeping role that the EU should aspire to play at a global level. In fact, Malta has regularly advocated that as a member of the Quartet, the EU should assume a higher profile in seeking a resolution to the Israeli-Palestinian conflict.

Netherlands

In the debate on external affairs between the Minister of Foreign Affairs, Bernard Bot, and members of the parliamentary committees on European Affairs and on Foreign Affairs at end of August, the possible participation of The Netherlands – at the request of the Lebanese government - in the maritime operation of UNIFIL was among the matters discussed. At that stage the minister stated that the government judged the mandate of UNIFIL robust enough to participate. Participation will be on the condition that all parties involved in the conflict support this mission. In early October the participation in this operation became a fact. The operation is directed at combating illegal maritime arms trafficking to Hezbollah. Concerning the role of the EU, the minister stated that Western Europe is the right party to mediate between Israel and Lebanon in the conflict over the hostages, since the United States of America is perceived as a friend of Israel and therefore no party to the talks. He stated that strong support for Prime Minister Siniora's sensible policy should be combined with careful listening to Israel, and that he expected the same positions from other EU member states.⁸⁷³ During the informal Gymnich meeting, there was a common understanding that the large European involvement in strengthening UNIFIL and aid programmes in the region will lead to more political involvement. And that close

⁸⁷⁰ 352news 31.8.2006 Three Luxembourgers to join Lebanon force

⁸⁷¹ RTL RADIO *Letzebuerg* –Luxembourg language service- 17.10.2006 Interview with Jean Asselborn on EU Council "General affairs and Foreign relations"

⁸⁷² Déclaration de politique étrangère 29.Novembre 2005 présentée par le vice-premier ministre, ministre des Affaires étrangères et de l'Immigration à la Chambre des députés

⁸⁷³ 'RAZEB', Kamerstuk 2005-2006, 21 501-02, nr. 704 and 707, 27 September and 4 October 2006. (Letters to parliament on GAREC)

cooperation with the Quartet and the League of Arab States is important in this respect. A broad, regional approach towards sustainable peace is favoured, and concerning Lebanon, the implementation of UNRC 1701 is central. The proposal by the Presidency to invite Prime Minister Siniora to the next GAREC meeting received full support.⁸⁷⁴

Poland

The EU performance during the Lebanon war did not enjoy much public debate in Poland. The official statements by the President of the Republic and the Minister of Foreign Affairs at the time of the Israeli-Lebanese conflict concentrated more on the question of the Polish position vis-à-vis the Middle-East conflict in general.

During the negotiations within the framework of Extraordinary General Affairs and External Relations in Brussels on 1 August 2006, Poland supported the British stance in negotiations with the support for Israel's right to self-defence and the disarmament of Hezbollah⁸⁷⁵.

Speaking at the 61st Session of the UN on 19 September, President Lech Kaczyński summarised the Polish standpoint as one that, on the one hand, supports Israel's rights to security and at the same time supports right of the Palestinians to build an independent state⁸⁷⁶. Speaking with the Associated Press on 18 September, President Kaczyński also declared Poland's readiness for mediating if requested⁸⁷⁷. The same was declared by the President earlier during his visit to Israel in the meeting with Israeli President, Moshe Kacaw, on 11 September 2006⁸⁷⁸.

As for the participation of Polish forces in the stabilising mission in Lebanon, the decision was taken by the President of the Republic (on 15 September 2006) to increase the number of

Polish forces in UNIFIL from 200 (already present) to 500 soldiers⁸⁷⁹.

The reactions of Polish MEPs stressed on the one hand the importance of the EU decision to send 7000 troops to Lebanon for the improved visibility of the EU in the Middle East region and the need for EU involvement in a joint global-scale action together with NATO and the US in search of a complex mid- and long-term solution to the Middle-East conflict. The EU should also increase financial support for Lebanon (for infrastructure rebuilding and the development of democratic institutions), while in the long term the EU should undertake actions for a peaceful solution for the region, which means dialogue with Syria and negotiations with Iran over the nuclear programme as well as the involvement of the EU in support for an education system that will allow solutions based on the co-existence of Palestinian and Israeli states. The Union should also insist that Russia present a definite stance as to the Middle East situation. Some Polish MEPs – on the other hand - stressed that the Israeli reaction against the abduction of Israeli soldiers was disproportionate and difficult to accept even by Israel's friends⁸⁸⁰.

As regards the public opinion on the Lebanon conflict, according to the respondents of a Public Opinion Research Centre survey published in August 2006, 71% of Poles saw the Lebanese conflict as threatening to world peace. 28% declared Israeli the military operation as *rather unjustified* and 42% as *totally unjustified*, while the total number of those seeing the action as *rather justified* and *totally justified* amounted to just 14% (9% and 5% respectively). According to the same survey, 50% of interviewees perceived sending international forces to Lebanon as *rather needed* (with 31% *rather not* and 19% *hard to tell* answers). 51% of the interviewees supporting the peacekeeping action in Lebanon pointed to the UN as the organisation that should take patronage over the joint forces, with 29% pointing to NATO and 10% to the EU. 28% of all interviewees supported the participation of Polish troops in the

⁸⁷⁴ „RAZEB”, Kamerstuk 2005-2006, 21 501-02, nr. 702,27 September 2006. (Letter to parliament on GAREC)

⁸⁷⁵ source: Polska Agencja Prasowa [Polish Press Agency] internet daily, www.dziennik.pap.com.pl, downloaded on 8 Nov. 2006.

⁸⁷⁶ source: Osrodek Informacji ONZ w Warszawie [United Nations Information Center in Warsaw]; www.unic.un.org.pl, downloaded on 8 Nov. 2006.

⁸⁷⁷ source: Official website of the President of the Republic of Poland, www.prezydent.pl; downloaded on 8 Nov. 2006.

⁸⁷⁸ source: website of Biuro Bezpieczeństwa Narodowego [State Security Office] www.bbn.gov.pl, downloaded on 8 Nov. 2006.

⁸⁷⁹ source: website of Ministerstwo Obrony Narodowej [Ministry of National Defence], www.mon.gov.pl, downloaded on 8 Nov. 2006.

⁸⁸⁰ source: Polish language press service of the EP; http://www.europarl.europa.eu/news/expert/infopress_page/030-10302-247-09-36-903-20060901IPR10250-04-09-2006-2006-false/default_pl.htm, downloaded on 8 Nov. 2006.

international forces with 17% opposing Polish involvement in the action⁸⁸¹.

Portugal

The EU's performance (or the absence thereof) in Lebanon was viewed primarily through national eyes in the Portuguese press, from the day that the government decided to contribute troops to UNIFIL II. Portugal's troop contribution then became the dominant focus of media attention, and to some extent also official discourse, somewhat overshadowing the larger picture. There is no question Portugal would have preferred UNIFIL II to be a EU-led operation, and that there was some 'lobbying' for a meaningful EU initiative from the early stages of the war. "I would have liked to see an EU flag over this operation", the Defence Minister stated in a televised interview.⁸⁸² Portugal contributed a 140-strong company of non-combat engineers tasked with infrastructure rebuilding, which gives the troops' mission what is described as a "humanitarian" dimension. The decision on the size and specific mission of the force was taken according to a mix of risk, cost and feasibility considerations, in the light of prior troop commitments in Afghanistan, Kosovo, Bosnia, and the Congo, which involved a reduction slightly ahead of schedule in the latter two.

In spite of the absence of the EU flag, EU-members' contribution to UNIFIL II is seen as enhancing the EU's role in a region where its political clout continues to be no match to the level of humanitarian involvement, and which is viewed as the new "security border" of Europe, and hence of Portugal, the modern equivalent of Berlin in the Cold War days.⁸⁸³

The Mediterranean, and in particular the Middle East, have clearly moved upward in Lisbon's foreign policy priorities, both in a 'national' and a 'European' context. Helping stability to take hold in the Middle East, characterised as the main source of conflict, fundamentalism and terrorism which constitute the gravest threats to European – and therefore national – security and where the

prospect of a major regional war is not entirely ruled out, is associated primarily with hard security as well as energy security concerns. Lisbon is keen on capitalising on its warm relations with Arab countries (which were a further justification for the moral necessity of contributing to the UN force in Lebanon) in order to contribute to increasing the EU's political influence in the Middle East, which is seen as a vital outcome of initiatives towards the region.

Romania

The Lebanon war has had, if not limited, at least very specific echoes in Romania, linked to the local areas of interest. There was, on the one hand, the emotion caused by the fact that about 1,000 Romanians, tourists and residents alike, were "trapped" in Lebanon, triggering the first ever organized evacuation of Romanian citizens abroad (about 600 of them). From an EU perspective, one should note the instructions issued to those Romanian citizens unable to make use of the means made available by the Romanian Embassy to the effect of joining ports "where there are ships belonging to EU member countries"⁸⁸⁴ – one of the first tangible public expressions of European solidarity encompassing Romania.

On the other hand, there were some internal controversies concerning the possible participation of Romanian troops in the peace-keeping force deployed in Lebanon. The issue was particularly delicate in the context of internal disputes between the President and the Prime Minister concerning the extent of external involvement of Romanian troops and the privileged locus of Romania's loyalties. The final outcome was that, constrained in its possibilities to contribute simultaneously to all the major areas of conflict – Iraq, Afghanistan and Lebanon – Romania chose to shun the mission with the highest "European content", while keeping unchanged its presence in Iraq and recently reinforcing the one in Afghanistan (with the additional deployment of a 200-strong force).

The assessment of Europe's involvement in the settlement of the crisis was not an important issue on the public agenda. However, in those few instances when this happened (typically, by editorials in newspapers), the emphasis was put on

⁸⁸¹ source: Postawy wobec sytuacji w Libanie [*Positions vis-à-vis Lebanon situation*], Centrum Badania Opinii Społecznej [*Public Opinion Research Center*], Survey Communiqué, Warsaw, August 2006, www.cbos.com.pl

⁸⁸² Nuno Severiano Teixeira, Defence Minister, excerpts reprinted in *PÚBLICO*, 30 October 2006.

⁸⁸³ *Ibidem*.

⁸⁸⁴ Romanian Presidency Press Release, 19 July 2006

Europe's ineffective action on the international arena. The following quotation is representative for the mood regarding this issue, with the caveat that very few people have actually given a thought to this matter: "Those claiming that Romania must make a choice in its foreign policy – between the Americans and the Europeans – should think again. The EU will help us in other areas, not in this one. *There is no European foreign policy, there are no dilemmas we ought to have.*"⁸⁸⁵

Slovakia

The Middle East does not rank among the foreign policy priorities of the Slovak Republic and, generally speaking, conflicts in this part of the world do not evoke too much discussion in Slovakia. Therefore, there was no official governmental standpoint on the Lebanon war or an evaluation of UNIFIL performance. No discussion took place on the role the EU should play in the conflict. The "public debate" was reduced to media coverage of the situation in the region, mainly through the repeating of foreign press agencies' news.

Slovenia

In the debate regarding the EU's performance there is no distinction made between different EU institutions. The media rather refer to the 'EU' meaning mostly the activities accepted by the EU Council of Ministers. The debate has rather focused on the Slovenian position on the issue and Slovenia's contribution to the peacekeeping force. After UNIFIL was established the issue virtually disappeared from the public debate.

The Slovenian government has supported the idea of peacekeeping troops from the very beginning of the debate on the establishment of a peace mission.⁸⁸⁶ Slovenia was also prepared to contribute some troops. However, since Slovenia is limited in its military capabilities it was ready to help foremost with humanitarian aid.⁸⁸⁷ Slovenia already participates in the Middle East with two military observers in the United Nations Truce Supervision Organization (UNTSO) mission.

⁸⁸⁵ *Cotidianul*, 24 August 2006

⁸⁸⁶ Radio Slovenija 1 (17 July 2006) *Radijski dnevnik* [Radio news].

⁸⁸⁷ POP TV (1 August 2006) 24 *ur* [24 hours].

One of UNTSO's tasks is also support to UNIFIL.⁸⁸⁸

The Slovenian foreign minister has noted disagreements between EU member states just prior to the General Affairs and External Relations Council (GAERC) meeting at the beginning of August. He stated that a joint policy of all EU member states is a precondition for an effective policy of the EU in the region. It is also necessary for the EU to coordinate its activities with NATO and the UN.⁸⁸⁹ At the Extraordinary GAERC Meeting on August 25, held to coordinate individual contributions of member states to the reinforced UNIFIL, he expressed the readiness of Slovenia to participate in UNIFIL within its capabilities. Slovenia has been considering deploying 10 to 20 members of the Slovenian armed forces. "The number is not large, but it is proportional to the size of Slovenia and the capacities of its armed forces, which have already been engaged in numerous peacekeeping missions worldwide," stressed the Minister.⁸⁹⁰ At the beginning of September the Government decided to deploy up to 12 soldiers to the mission.⁸⁹¹

The foreign minister deems the peacekeeping mission as extremely important for the EU. It represents an important decision that shows that the EU is determined to play a greater role in the region.⁸⁹² Despite that fact, he doubts that the EU can contribute to the disarmament of Hezbollah, which remains one of the greatest problems.⁸⁹³

⁸⁸⁸ Press release of the Slovenian Foreign Ministry, *Talks within the UN and EU frameworks concerning deployment of international peace forces in South Lebanon*, 17 August 2006,

[http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11421&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11421&tx_ttnews[backPid]=141) (7 November 2006).

⁸⁸⁹ Press release of the Slovenian Foreign Ministry, *Minister dr. Rupel na novinarski konferenci o krizi v Libanonu* [Minister Dr. Rupel at the press conference about the crisis in Lebanon], 1 August 2006,

[http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11377&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11377&tx_ttnews[backPid]=141) (7 November 2006).

⁸⁹⁰ Press release of the Slovenian Foreign Ministry, *Minister Rupel in Brussels about deployment of UNIFIL in Lebanon*, 25 August 2006,

[http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11469&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11469&tx_ttnews[backPid]=141) (7 November 2006).

⁸⁹¹ Mladina (7 September 2006) *Slovenija bo v Libanon poslala do 12 vojakov* [Slovenia will deploy up to 12 soldiers to Lebanon], on

<http://www.mladina.si/dnevnik/87205> (15 November 2006).

⁸⁹² Radio Slovenija 1 (1 September 2006) *Radijski dnevnik* [Radio news].

⁸⁹³ TV Slovenija 1 (1 September 2006) *Dnevnik* [News].

One of the rare media commentaries of EU policy in the Middle East welcomed the decision of EU foreign ministers to send troops to Lebanon. That is positive not only for Lebanon and Israel but for the EU as well. Member states showed that they are still able to have a common foreign policy at least on some issues. If they did not agree, they would not have a say in the Middle East any more, which would also mean losing their leading role in resolving the Iranian nuclear crisis.⁸⁹⁴

Iranian nuclear program

The Iranian nuclear problem became more important to Slovenia when Slovenia took over the presidency in the Board of Governors of the International Atomic Energy Agency (IAEA) at the end of September. The Slovenian position on the Iranian nuclear program is in line with the position of the EU. Slovenia strongly supports the activities of the Troika – Germany, France and Great Britain.⁸⁹⁵

The Slovenian Ambassador to Austria, Ernest Petrič, who is presiding over the Board of Governors, defines the situation as extremely complex and complicated. The situation in Iran is connected to the Lebanon crisis, and that makes it even more complex and dangerous. The readiness of the UN Security Council members to act against Iran is questionable, which makes Iran a relatively strong actor in the international arena. If sanctions are to be effective, they have to be unanimously supported by the entire international community. It is necessary to do everything possible in order not to let the situation in the Middle East escalate any further, since the whole world would feel consequences of that.⁸⁹⁶

The Slovenian foreign minister, Dimitrij Rupel, was rather pessimistic after the General Affairs and External Relations Council (GAERC) meeting at the beginning of September. He stated that nothing is certain and that there will be no turning point in the near future.⁸⁹⁷ The Slovenian member of the European Parliament, Romana Jordan Cizelj (European Peoples Party), pointed to a dilemma between the short-term energy interest and human

rights in the relation of the EU towards Iran. If the EU decides to strive for the democratisation of Iran, it will contribute to long-term stability. Consistent efforts to spread democratic values will strengthen its reputation in the world and make it a truly global actor.⁸⁹⁸

Spain

The Spanish government wants the EU to play a relevant role in the Middle East, especially as regards the conflict in the Lebanon. Foreign Minister Miguel Ángel Moratinos, who was formerly a European representative in the area, has said that it is necessary to review European strategy towards the Middle East, including the Road-Map. According to Moratinos, vital and strategic European interests (political, economic, human and security-related) are at risk. Spain wants the EU to maintain a clear position in favour of diplomacy and political dialogue between the actors in the conflict. Spain was one of the first European countries to call Israel's reaction to the kidnapping of two Israeli soldiers disproportionate and, as a result, relations between Madrid and Tel Aviv dipped. Israel's position over Lebanon was backed by the conservative opposition Popular Party (PP).

Regarding the EU's performance so far, Spain believes that the agreement over the peacekeeping mission for Lebanon is a success for the EU's common security policy. Nevertheless, the difficulty in assembling the troops, the rivalry between France and Italy and the limited role of the High Representative (HR) Javier Solana during the crisis due to the lack of special competencies to speak and act on behalf of the 25 member countries has shown how far Europe still has to go before it can claim to have a common foreign policy.

The internal division was evident. While France, Spain and Italy criticised the disproportionate Israeli reaction, the UK and Germany recognised Israel's right to self-defence.

The perception is that the HR Javier Solana has not had a relevant role during the crisis, essentially because of the lack of unanimity within the EU about providing him with a special mandate to speak on behalf of its Member States.

⁸⁹⁴ Darja Kocbek (2006) *EU ni imela izbire* [EU did not have a choice] Delo, p. 1, 2 August 2006.

⁸⁹⁵ Mihael Šuštaršič (2006) *Petrič: Iran vendarle ne zapira vrat popolnoma* [Petrič: Still Iran did not close all the doors yet] STA – Slovenian Press Agency, 22 August 2006.

⁸⁹⁶ *ibid.*

⁸⁹⁷ Radio Slovenija 1 (2 September 2006) *Danes do trinajstih* [Today till Thirteen].

⁸⁹⁸ Romana Jordan Cizelj (2006) *Je Iran lahko partner EU* [Can Iran be a partner of the EU], *Demokracija*, p. 10, 15 June 2006.

There were divergent opinions over the aims and composition of the military operation. Spain, along with France and Italy, supported an extensive mission in terms of mandate and numbers of troops. Accordingly, Spain is to send more than 1,000 troops to Lebanon as part of the UN's peacekeeping mission and has pledged €31 million of the €735 million raised by donor countries at the Stockholm Conference. Spain is the third contributor in numbers of troops to the UNIFIL, after France and Italy, and will command a brigade that includes troops from Poland, Belgium, Finland and Portugal.

European analysts believe that the most important proof of the EU's incapacity to act and remain together in controversial foreign and security issues, such as the Lebanon conflict, is that Europe's Member States preferred to participate individually in the UN peacekeeping force rather than acting jointly under the framework of an ESDP mission.

Finally, it should be pointed out that this is the first time that the Spanish Congress has had to approve –on this occasion unanimously– Spain's participation in UNIFIL. A new Organic Defence Law came into force in November 2005 that requires the authorisation of Parliament for armed intervention abroad. However, despite its vote in favour of Spain's contribution to the mission in Lebanon, the main opposition party, the centre-right Popular Party, criticised UN Resolution 1701 and the lack of clarity of the UNIFIL mission as it considers they could increase the risk to Spain's troops.

Sweden

Prime Minister Fredrik Reinfeldt stated in his first government declaration to the Riksdag on October 6 that it remains one of the most important issues for the EU in the coming years to contribute to overcoming and resolving the conflicts in the Middle East, and reiterated the Swedish standpoint that a durable conflict resolution must include a two-state solution with secure and recognized borders.⁸⁹⁹ The Social Democratic Party points in the same direction that the EU can and should play a role in the Middle East.⁹⁰⁰

⁸⁹⁹ Government declaration to the Riksdag, 2006-10-06, p. 5, www.regeringen.se.

⁹⁰⁰ Website of the Social Democratic Party, www.socialdemokraterna.se.

Turkey

The war in Lebanon had serious repercussions in Turkey. Various dimensions of the war and Turkey's contribution to UNIFIL were debated very comprehensively. Though the developments and debates at different levels of society reflected aspects with respect to Turkey's candidacy to the EU and the EU performance, the public in general was largely concerned with the way that Turkey would be involved in the region. This stemmed from the concerns of the political and economic elite regarding the special position that Turkey holds within the region and the fact that Turkey enjoys good relations with all the parties to the conflict.

The war in Lebanon was perceived as illegitimate, unjust, not defensible and not conforming with the norms of international law. The public at large in Turkey, including the political and economic elite, was deeply affected by the scenes of war in Lebanon and strongly protested the indiscriminate and Israel's disproportionate use of force through rallies, demonstrations and other activities. The government, the opposition parties as well as the intellectuals and the NGOs called for an immediate ceasefire on several occasions and condemned the Israeli aggression that caused significant civilian suffering. Specifically, the humanitarian dimension of the war in Lebanon was constantly emphasised and Turkey actively pursued policies in this respect. Turkey was also one of the main hubs for the evacuation of foreigners from Lebanon.

In Turkey, the approaches of the UN and the European Union were perceived as essential to bringing an end to the war and achieving peace in the Middle East. Although Turkey is ambivalent about its role within the CFSP and ESDP, it is possible to see in recent years that Turkey is increasingly aligning itself with the European Union's foreign policy orientations. For some time, Turkey has been putting an emphasis on multilateral approaches and on the utilization of diplomatic and economic tools in relation to solving the main conflicts in the Middle East. This was a policy approach that was shared by both the EU and Turkey, which could be seen in the content and also the style of foreign policy-making regarding the critical issues of Iraq, Syria, Iran and the Arab-Israeli conflict. The Israeli-Lebanese and the Israeli-Palestinian conflicts are also perceived to form only a part of the complex and inter-linked disputes of the Middle East, which should be

dealt with through political dialogue. However, the EU involvement and policy towards the region during the war was regarded as disappointing, both for the public at large and for the political and economic elite, which led to a questioning of the importance of the EU as a 'soft power' in the world. Within this context, the EU's inaction and inability to reach a common position/decision, always falling short of making explicit demands for an immediate ceasefire, created further doubts in Turkey about the ability of the EU to respond in times of crisis.

It was possible to see Turkey pursuing an active diplomacy, within the framework of the Organization of the Islamic Conference, with the Arab, the European and the regional countries working towards the immediate establishment of a ceasefire and the halt of clashes. Although Turkey enjoys good relations with Israel and has been a military ally since the two signed a military cooperation deal in 1996, Turkish politicians and the Turkish public have severely criticised and condemned Israel's policies and its offensives in the Palestinian territories and Lebanon from the very beginning. The international community was also severely criticised for remaining silent and indifferent in the face of Israel's aggression. It was perceived in Turkey that, the prestige of the UN has seriously been hurt and confidence in the UN Security Council's ability to safeguard global peace has fallen victim to US interests. This perception was further strengthened by the UN's failure to act, urgently push for a ceasefire and even to condemn the killing of four UN peacekeepers in southern Lebanon by Israel. The stance and the statements of the US administration, specifically the statement by US Secretary of State Condoleezza Rice in which she said that the time had come for a "new Middle East" were seen as justifying Israel's invasion in Lebanon and providing Israel with additional time to finish off Hezbollah. The US position was perceived to be supported by many allies in Europe, especially the UK, and the Middle East. The government firmly stated that it is against the imposition of democracy in a country by the use of force. The Foreign Minister of Turkey, Abdullah Gül, strongly criticized the US saying that Washington's inaction had greatly harmed efforts for a democratic transformation of the Middle East. This is an approach that is largely shared by the political and economic elite and the public at large in Turkey.

With respect to the establishment of an international force, UNIFIL, Turkey's concerns were quite similar to the concerns of some EU members, namely France, Italy, and Greece, which voiced a willingness to join an international force in Lebanon after the July 2006 Rome Summit, but only under the following conditions: a ceasefire must be in place before any forces could be deployed, and a political agreement and a clear mandate from the UN Security Council must exist. However, it was perceived in Turkey that the European rhetoric, enthusiasm and willingness, especially in the beginning, could be matched neither with an active policy to end the war nor with a commitment of military forces to contribute to the establishment of the UNIFIL.

Turkey's participation in UNIFIL and the possible mandate of the disarmament (of Hezbollah) was the major issue that led to controversy and created a rift between the government and the opposition as well as between the government and the civil society organisations, the intellectuals and the public. Such a mandate was evaluated to create the possibility of a clash between the UN forces and Hezbollah. For the opposition, a mandate on disarmament could lead to Turkish involvement in the 'ring of fire' in the Middle East and force Turkey to be a party in a wide-scale conflict, harming the good relations it enjoys with all the parties involved in the conflict. This perception was also linked to the evaluation that the environment in Lebanon was not correct for peacekeeping as Hezbollah and Israel could not provide any firm guarantees on sustaining the ceasefire. Disarming Hezbollah, although the necessity is acknowledged, was perceived as carrying forward US and Israeli interests. The government promoted sending troops "as a matter of prestige" for Turkey, arguing that the reverse would create the image of an isolationist approach adopted by Turkey. For some groups sending troops was evaluated as an important opportunity to demonstrate how important Turkey is for European security. It was put forward that the disarmament of Hezbollah was a job for the Lebanese army. To ease public concerns over the issue of disarming Hezbollah, the government declared that Turkish troops would be withdrawn if ordered to carry out such a mandate. It should also be added that the parliamentary vote on whether to dispatch troops was seen as an opportunity by some parties to weaken the government, arguing that this was to

compensate for Turkey's March 2003 "failure" to allow the US to use Turkish territory as a base for attacks on Iraq.

Although the EU could not efficiently respond to stop the war in Lebanon, in Turkey it is still seen as an important institutional setting for furthering economic, cultural and political relationships both within and around the Union. In this respect, further enhancing Turkey's involvement within the Euro-med and European Neighbourhood Policies as a partner, not as a target country, may contribute substantially to the EU itself and to the development of economic, cultural and political relationships in the Middle East. This will also contribute to the initiative of the "Alliance of Civilisations" led by the UN, Spain and Turkey, which aims to fight radical Islam and close the breach between the Western and the Islamic worlds.

United Kingdom

The European Union's performance during the Lebanon war and the establishment of an international force under the auspices of the United Nations Interim Force in Lebanon (UNIFIL) is essentially perceived as a significant undertaking by the Italian and French governments rather than a "European Union" performance. It is the member states France, Italy and now Germany, that are seen in the UK as making a difference in Lebanon and not the High Representative for the CFSP nor the EU Presidency.

In the aftermath of the Lebanon crisis, while

the French President Jacques Chirac was writing a letter to the Finnish Presidency asking for a bigger mandate for Javier Solana, the High Representative for Europe's Common Foreign and Security Policy, Prime Minister Tony Blair was unwilling to give the impression that Solana was actually negotiating on behalf of Europe. Mr. Blair clearly sided with the US government whilst opposed the majority of EU states who were urging an immediate ceasefire.

At the outbreak of the crisis, Britain announced that it could not contribute with troops to the UNIFIL because of it had large numbers of its troops deployed in Iraq, Congo and Afghanistan. Yet, the UK government supported UN secretary-general Kofi Annan's efforts in solving the impasse on sending peacekeeping troops to Lebanon and who would take on the leadership of monitoring the force.

British diplomacy was recently taken by surprise by a public announcement of a joint peace initiative from France, Spain and Italy, which envisages a leading role for Europe in ending the conflict. The initiative has received broad media coverage in the UK as it was seen as an attempt to outflank Mr. Blair, who has been wedded to the US administration and its Middle East policies. Although so far no public statements have been made in the Foreign Office and in Downing Street, the UK government is expected to support the peace plan by early December in the forthcoming European Council.

8

Russia and the European Neighbourhood Policy

- **The first Partnership and Cooperation Agreements (PCA) with Russia and the Ukraine will expire soon. What should be the legal and political framework and key elements of the new agreements?**
- **How is the German initiative for a new Eastern Policy (Ostpolitik) of the EU received?**

Austria

For the Austrian government, the new agreements envisaged with Russia and Ukraine are not perceived as replacements of the old ones, but are perceived as a continuation of a deepened and complex cooperation in many fields over the years. These include political dialogue and external security, trade and investment (creation of a free trade area, but only after the accession of Russia to the WTO), energy, an increased cooperation in justice and home affairs, the promotion of sustainable development and environmental protection, a close cooperation in the field of education, research and culture, and a closer cross border cooperation. This cooperation shall be based on commonly shared values for democracy, the rule of law and human rights. As regards Russia, the four Common Spaces are seen as the substantial basis on which the new agreement shall be developed further. As regards the Ukraine, the Austrian government also urges for the inclusion of a passage on a closer cooperation in the field of organised crime, migration and terrorism in the PCA.

The major concern of the Green party is the political climate in Russia, which is narrowing down the space for the democratic development of the country, based on the rule of law and respect for human rights. Against the background of an extensive control of the Russian press, NGOs and civil society organisations, the imprisonment of political enemies and the massive human rights violations in Chechnya, for the Green party it is highly questionable if a new agreement based on commonly shared values and norms can be realised.

This also concerns the strategic partnership in the field of foreign policy, where again common values are hard to find (see the different reactions by the EU and President Putin as regards the outcome of the elections in Belarus). As regards energy cooperation, there is a big concern that the ecological dimension is almost not mentioned in the energy policy paper, especially climate protection and measures to improve the efficiency of energy and reduce the use of it. Moreover, the Green party also raises questions regarding Russia as a reliable partner for the EU in the provision of energy. The political climate and the reactions of Russia to bottlenecks in the provision of energy within the European Union render the

reliability of Russia highly questionable. The Green party therefore argues for an integration of the Russian energy market, based on transparent, non-discriminating and mutually binding rules.

For the Federal Economic Chamber, a new agreement with Russia is highly desirable. This concerns especially the creation of a common free trade zone, which is of specific importance for Austria. The rising role of Russia as one of the most substantial trading partners for Austria would render the dissolution of trading barriers, such as the high financial and time-consuming burdens for EU-businesses related to customs clearance and certification when exporting to Russia, high priority issues.

The accession of Russia to the WTO is however considered a precondition for the negotiation of a free trade agreement, as it would ease the process substantially. The accession should only be granted if the Russian system is in conformity with WTO regulations. This especially concerns the economic and legal sphere, such as customs proceedings, tariffs, the protection of Intellectual Property Rights, Sanitary Regulations, etc. Apart from the common market, the core concern of a new agreement with Russia is energy. The development of a common and strong strategy in the field of energy supply is indispensable to ensure a sufficient supply for the citizens of the European Union and for the growth of its economy. Areas of cooperation shall therefore include reciprocity of market access, infrastructure, investment and environment.

The German initiative for a new Eastern policy (Ostpolitik) of the EU

The Austrian government and the Foreign Ministry consider the German initiative for an overall policy framework as an important step to further promote key interests of the EU, which are the Neighbourhood Policy, the fostering of relationships with Russia and the elaboration of a Central Asia Strategy.

No matter within which framework – in the form of new agreements with Russia and Ukraine or in the form of the German initiative for a new Eastern policy – in the view of the Austrian trade unions the cooperation should not remain confined to economic and energy concerns only. It also needs to encompass a social dimension, including an active labour market policy and the creation of a strong

social security network based on public insurance schemes. In this respect the EU also has to include the trade unions and employers' organisations as important counterparts in the policy initiative. Another important element of the initiative should be the creation of a "European atomic bomb free zone"⁹⁰¹ from the Atlantic to the Urals.

Bulgaria

Russia

EU-Russian relations, in their complexity, have been attentively watched in analytical and academic spheres in Bulgaria, but have failed to enjoy the status of a high priority topic in the Bulgarian media and in the public debate. This situation, however, has started to change in 2006 as a result of the disputes between Brussels and Moscow on the future development of their energy relations. The influence of this debate in Bulgaria has caused the gradual formation of a debate about Bulgarian energy dependence from Russia. Thus, for the first time since the period of government of the Union of Democratic Forces (UDF) (1997-2001), economic relations between Bulgaria and Russia have been interpreted in their broader security aspect. As a result, the Lahti Summit between EU member states and Russian President Vladimir Putin turned into a political event provoking commentaries of several Bulgarian newspapers and TV media. The opinion of Bulgarian media expressed in response to the summit includes two important conclusions. First, the EU is not able to coordinate its positions and speak with a common voice with its powerful neighbour.⁹⁰² Second, the business approach to Kremlin "doesn't work" because Russia very often uses its energy as a "powerful geopolitical weapon"⁹⁰³. In addition, an outspoken Bulgarian commentator has recently described Russia's President as "the gas dictator"⁹⁰⁴.

⁹⁰¹ Questionnaire Austrian Union of Trade Unions 2006

⁹⁰² "Moskva ne otstapi pred iskanjata na ES v Lahti" ("Moscow didn't give in to EU demands in Lahti"); "Dnevnik" newspaper; 22.10.2006; available at: <http://evropa.dnevnik.bg/>; accessed on 12.11.2006.

⁹⁰³ "Sreshtata ES-Rusia v Lahti. Predizvesteno razocharovanie" ("The Lahti Summit EU-Russia. A Notified Disappointment"); "Dnevnik" newspaper; 19.10.2006; available at: <http://evropa.dnevnik.bg/>; accessed on 12.11.2006.

⁹⁰⁴ Radev, Milen; "Gazoviat dictator" ("The Gas Dictator"); Mediapool electronic journal; 27.10.2006; available at: www.mediapool.bg/; accessed on 28.10.2006.

On the basis of the recent development of relations between Bulgaria and Russia, we will try here to outline the main goals, which the EU should include into the new Partnership and Cooperation Agreement (PCA) with Russia. First and most important, the EU must not stop promoting its democratic and human values in partnership negotiations with Russia and neighbouring countries. The continuing support of the EU for the establishment of the values of democracy, freedom of expression, transparency and rule of law in Russia and its neighbour countries has to be the guiding light of the EU policy in the region. The EU should engage itself with the role of a promoter of these values in the neighbourhood countries. Second, the EU has to strengthen its support for democratic government and movements in Ukraine, Moldova, Georgia, and Belarus, including the active use of European Neighbourhood Policy tools. Taking into consideration the political ambitions of Russia in the Balkans, it is important for the EU to support the democratic development of Western Balkan countries by guaranteeing their EU membership perspective. Third, the "new pragmatic approach" to Russia underlined by some EU member states must firmly stand upon EU political values. Otherwise, this "new pragmatism" will be a demonstration of a very shortsighted approach, leading to the gradual erosion of the EU political role not only within the neighbour countries but in the world as a whole. Therefore, if the EU wants to develop its economic relations with Russia, the only stable background should be the founding EU values. Any attempt by Brussels or by (some of the big) member states to artificially separate economy and politics in EU relations with Moscow will have a long-term negative effect for the EU in terms of both economic and political security. Last but not least, the EU has to speak with one voice to Russia. This will strengthen the position of every single member state and will considerably limit the advantages of Kremlin in the bilateral negotiations with EU member states.

ENP – Southern dimension

Bulgarian positions and actions on issues related to the implementation of the European Neighbourhood Policy (ENP) in the second half of 2006 have demonstrated a clear priority of the Eastern dimension of ENP over its Southern dimension. Bulgarian foreign policy activism towards the Southern and the Eastern coasts of the Mediterranean (that is, the ENP's

Southern dimension) has been blocked by difficult relations with Arab countries at the beginning of the 21st century. This has happened for one general and one specific reason – respectively Bulgarian support for and participation in the US-led “coalition of the willing” in the war in Iraq in 2003, and the trial in Libya against Bulgarian nurses, which started in 1998 and has not yet ended. Such a passive attitude towards the Southern Mediterranean at the political level is complemented by the absence of a public or even an academic debate, which would develop approaches or generate ideas to facilitate Bulgarian participation in the ENP. A recent conference on “Islam and Politics” held in Sofia⁹⁰⁵ could serve as an example: Although the formulation of the conference title included the notion of a “wider Europe”, the ensuing debate was not focused on EU policy in that country group / geographic area. The Southern dimension of ENP was barely mentioned and its shortcomings could not even “earn” any substantive criticism coming from the audience. Increased attention to political Islam as a field of study detached from the ENP remains problematic.

ENP – Eastern dimension

On the contrary, the ENP’s Eastern dimension has gained importance in the Bulgarian foreign policy community and at the official government level, as well. Particular attention is paid to the Black Sea area, which seems to have come into fashion as a region in terms of geopolitical and foreign policy thinking. In a situation where Bulgaria’s accession brings the EU to the shores of the Black Sea, Bulgarian foreign policy demonstrates traditional prudence and “suivisme” and a growing sense of responsibility of the country as a new EU member from 1 January 2007. This trend in the direction of Bulgarian foreign policy thinking can be traced between the country’s participation in the Black Sea Forum for Dialogue and Cooperation held on 5 June 2006 in Bucharest on the initiative of Romania and the inspiration and support of the US, on one hand, and the development of a policy paper (launched in November 2006) dedicated to “Bulgaria and the Black Sea Region”, on the other hand.

Bulgarian Vice Prime Minister and Minister of Foreign Affairs, Mr. Ivailo Kalfin, delivered a speech at the Bucharest forum. The event was attended by ambassador-level representatives of the US, the EU and other international organizations, by line ministers from Greece and Turkey, and by the heads of state or government of Romania and the remaining Black Sea littoral states, except Russia. Moscow did not send a representative to the forum. The level of Bulgarian attendance at the Bucharest forum signaled a moderate approach, which would demonstrate support for an initiative that would gather almost all Black Sea littoral countries without giving it disproportionate weight in a situation where a key state – Russia – was not present.

The “Bulgaria and the Black Sea Region” policy paper, which is still in the pipeline, aims at defining government priorities and strategies towards a key geographic area where Bulgaria has vested interests motivated by geopolitical, security, economic, and, last but not least, human arguments (Bulgarian diasporas), where Bulgaria has already started taking responsibilities in a NATO framework (Sofia is the liaison for NATO relations with Georgia), and where the country will face an increasing responsibility as a new EU member from 1 January 2007 onwards. The final version of the policy paper is expected to be produced as an official government document in January-February 2007 after inter-ministerial consultations. At the current draft stage of the paper, it is possible only to outline some of its major features and sketch further challenges. Sound and balanced analysis presents a lucid picture of the major players in the Black Sea area and their interests, points at a key dilemma on the approach to be taken for further action (“closing” / encapsulating the region versus opening / integrating it in broader formats), focuses on the limitations for Bulgaria’s role but also on the open niches that can and should be exploited. In terms of analysis and argumentation, the draft paper reflects a dominant security perspective on the region. Pending inter-ministerial coordination will have to enrich its content with more policy options and possibly achieve comprehensiveness. Further efforts could be directed at substantiating the regional dimension of inter-national and supra-national interaction around the Black Sea and at exploiting the region-building potential. Offering a clear vision on a more vibrant and integrated region will become a key asset of the final draft of the policy paper.

⁹⁰⁵ International conference “Islam and politics in a wider Europe” organized on 20-22 October 2006 in Sofia by the Centre for Intercultural Studies and Partnership – Sofia (www.cisp-bg.org).

Forthcoming EU membership magnifies Bulgarian ambitions for an increased role in the conception and implementation of EU external policies, especially in the Union's immediate neighbourhood. Making such ambitions come true will be successful if two major challenges are met.

First comes the challenge of delivery – at two levels. Within foreign policy proper, proposing and carrying out concrete action on the ground should unequivocally take the lead over declaratory policy making. Declarations of expertise and experience (for example, in South Eastern Europe or in the Black Sea area) should be replaced by demonstrations of expertise and experience. In that respect, the draft policy paper mentioned above comes as a belated demonstration. At a higher EU level, Bulgaria should aim at delivering in the broader spectrum of domestic community policies. A new member state will not be perceived as a serious player in EU foreign policy making, if its credibility is compromised in a significant number of internal EU policies.

Second comes the challenge of balance. One should not mistake the balance with the pendulum. Oscillating between the interests of global players – and in the Bulgarian East European / Black Sea area case these are the US, Russia and the EU – while making positive gestures towards one or the other across the policy spectrum will not automatically produce a balanced foreign policy and will not be regarded as an asset for the EU as a whole. The trend of demonstrating prudence in all aspects of foreign policy has to be strengthened. Prudence and moderation, in turn, should result from the enlightened formulation of (the) national interest(s) on the basis of strategic choices that Bulgaria has made.

Croatia

The EU policy towards Russia and a possible new Partnership and Cooperation Agreement with EU is not extensively debated in Croatia by analysts and politicians. Recently there were some political and media reactions and comments on a possible Polish veto in the case that Russia does not approve and ratify the Energy Charter on Special Access to the Energy and Oil Market. Some media extracted the conclusion that, through this somewhat “nervous reaction”, Warsaw wants to demonstrate its disagreement with the

construction of the new Russian-German pipeline on the Baltic Sea, which will bypass Poland, as well its discontent with the obstruction of Polish vegetable and meat exports to Russia⁹⁰⁶. The media also frequently mentions the pivotal reason for renewing the Partnership and Cooperation Agreement with Russia and that is in the interest of the EU to keep the access to the Russian network of gas supply as much as possible. There are also some analyses and comments on the new EU strategy aiming to be less dependent on Russian oil and gas and searching for new partners, for example in Norway⁹⁰⁷.

In short, both Croatian politicians and the general public are becoming increasingly aware that the new PCA will be more in favour of Russian interests than before, due to the fact that Russia, thanks to its energy and gas resources, has become a more relevant political factor on the global scene than before⁹⁰⁸. In view of that there are a lot of echoes and comments on the big anxiety present in the EU and NATO, emerging from the Russian plan to form a big gas cartel on the global level.

As far as Croatian official policy is approached, it is predominantly concerned with how to make the country's energy supply safer in the case of a possible energy crisis between Russia and EU. Croatian gas supply also depends to a great extent on Russian oil sources and therefore the construction of new domestic gas pipelines is being prepared in order to prevent possible collapses in supply.

As for the European Neighbourhood Policy, there is not much debate going on in Croatia apart from occasional comments on some impacts of this policy, such as for instance on a possible massive migration of Moldavian workers to the EU when Romania becomes a full-fledged member. Many Moldavians have already applied for Romanian citizenship, which would possibly enable them to access the EU labour market more easily⁹⁰⁹. Dealing with such developments is instructive for Croatian policy-makers, once the country gets closer to the EU accession.

⁹⁰⁶ *Vjesnik (daily)*, November 13, 2006, *Vecernji list*, November 14, 2006.

⁹⁰⁷ Business daily *Poslovni dnevnik*, October 31, 2006.

⁹⁰⁸ In daily *Slobodna Dalmacija*, November 14, 2006.

⁹⁰⁹ *Vecernji list*, October 25, 2006-11-16

Cyprus

Ten years after the first Partnership and Co-operation Agreements (PCAs) with Russia (2007) and Ukraine (2008), the EU-25 are called upon to elaborate on a new set of agreements which will draw lessons from the ten-year experience and incorporate the Union's current expectations.

Cypriot civil servants and public opinion have not yet exhibited profound knowledge of this issue; hence, it has been difficult to draw specific conclusions on the PCAs in question.

It should be noted, however, that Cyprus has traditionally close relations with Moscow, given that the latter has kept consistently a principled position on the Cyprus problem based on the UN Resolutions. Therefore, the Republic of Cyprus has one more reason to officially support a closer cooperation between the EU and Russia. In addition, Cypriot diplomats believe that, considering the vital and escalating role Russia plays in EU energy supply policies, it is in the Union's best interest to have stable and long-lasting relations with Russia.

Our interlocutors conveyed to us the sense that they can understand the criticism raised against Russia in the PCA, regarding respect for democracy and human rights, as well as the energy market dimension that some EU member states tend to bring up. Simultaneously, however, they commented that, unfortunately, they do not see the same concerns being expressed and the same objections being raised by certain quarters, regarding the blatant violation by Turkey of human rights and international law in Cyprus for the last 32 years.

Furthermore, some political analysts point out that a mutually satisfactory relationship between the EU as a consumer and Russia as a supplier of energy is not furthered by a fruitless discussion on the ratification of the TCE. To be sure, they also agree that there is a need for all countries cooperating with the EU to adopt and respect a specific set of basic values. Only then will future misunderstandings be avoided between the EU and the other parties.

Some civil servants we have interviewed, while admitting that they were not deeply informed about the issue, expressed some skepticism about the European Parliament's recent call on

the European Commission and the EU-25 to take a principled stand in the negotiations on a new Partnership and Cooperation Agreement (PCA) with a view toward placing democracy, human rights and freedom of expression at the core of any future agreement and instituting a clear mechanism to monitor implementation. They pointed out that Russia is an important partner to the EU, considering that it is the source of 25 percent of the Union's oil and gas supplies.

German *Ostpolitik* enjoys great support in Cyprus. As we noted above, the Nicosia Government encourages similar policies between Russia and other EU member states. Nevertheless, our own interlocutors stated that bilateral political deals, such as the ones between Germany and Russia, must also embrace the interests of other EU member states, such as the Baltic States and Poland. Only then – and through enhanced cooperation – can the problems between those states and Russia be solved.

AKEL spokesperson, Mr Andros Kyprianou, stated: "We support a new Agreement between the EU and Russia. This agreement should take into account any concerns expressed during the life of the previous Agreement. We also hold that it is clearly beneficial for the EU to collaborate with Russia on the basis of equality and mutual respect. In fact, the relationship between the Union and Russia is very important, since such collaboration will constitute a counterweight to the United States".⁹¹⁰

For his part, DISY MP, Mr Mitsopoulos, stated the following: "I agree on the need for a new *Ostpolitik*. Similarly, a *Nordpolitik* is also required. The Union's relations with Russia and the Ukraine are of strategic importance. While the latter aims at joining the EU, Russia has not declared such an intention. A framework agreement with Moscow should include the mutual commitment to respect absolutely the EU's code of principles and values – freedom, democracy, human rights, political liberties – as well as including the need to build a common space of free movement of persons, capital and goods, and, as far as possible, the common treatment of international challenges".⁹¹¹

⁹¹⁰ Written response to Annita Demetriou, op.cit.

⁹¹¹ Interview conducted by Annita Demetriou with Mr Tassos Mitsopoulos, Larnaka, 16 November 2006.

Czech Republic

There is a widespread consensus among the Czech political elite that the main priority of the country in the EU's neighbourhood should be the Balkan countries. As a result, the European Neighbourhood Policy receives relatively little attention. Nonetheless, there are two areas of the ENP where the Czech Republic is more active than elsewhere: The country vigorously promotes the democratisation of Belarus, and although the intellectual exchange and the number of seminars dedicated to Belarus does not reach the level comparable to Poland, Prague belongs to the most outspoken critics of Minsk's policies. Secondly, the Czech Republic started to exert more efforts in Moldova, which has become one of the eight priority countries for Czech diplomacy. The Czech Republic was one of the first EU members to set up an embassy in Moldova last December, a seminar on the problem of Transnistria was organised in Brussels and recently Prague also suggested a facilitated EU visa regime with the country.⁹¹²

This said, Czech diplomacy seems to be hesitating with regard to the future after the Partnership and Cooperation Agreement with Russia expires. Czech priorities for the Finnish presidency also reflect the uncertainty about the right position: "In its relationship with Russia, the Czech Republic will actively participate in the preparation of the mandate for the EC and in the subsequent negotiations about the future legal framework of the EU-Russian relationship."⁹¹³

Denmark

Denmark has been in the EU mainstream when drafting the mandate for the new agreement with Russia and Ukraine. Despite the rebuke over human rights made by Prime Minister Anders Fogh Rasmussen to the Russian president at the European Council in Lahti, Denmark has supported the common

line. 'The EU will speak with one voice,' the Prime Minister stated just before the meeting with Russia in Lahti: 'The Finnish Prime Minister will make it clear that there is a certain concern in the EU about the democratic development in Russia. He will mention the recent murder of a Russian journalist. He will mention the tensions between Russia and Georgia. He will also mention the situation in Chechnya. That's what we wanted'.⁹¹⁴ More recently, the government has stuck to the common EU line, while the Danish press comments on the Polish veto to the common EU mandate in very understanding terms.

When it comes to the content of a new agreement, energy security is of course a Danish concern – even though Denmark is a net exporter of energy (see section 5). Another Danish concern is securing a stable environment for business relations with Russia. Reciprocity in conditions for investments will be a key issue, the ultimate aim being that the EU and Russia become more and more like one large market. Small EU companies should also feel welcome in Russia.⁹¹⁵

Denmark was a fervent supporter of the Eastern enlargement. But even if the 2004 enlargement is perceived as a success, the appetite for further enlargement is less present. The state of preparedness of Bulgaria and Romania has been questioned in the public debate, and it is recognized that institutional reforms are needed before new member states could join. Whereas membership is not questioned when it comes to the Western Balkans, Denmark is unlikely to see new countries (Ukraine, Moldova or others) in quite the same way. Relations with the EU's new neighbours are high on the agenda: Denmark has recently reopened an Embassy in Kiev, and a bilateral programme has allocated 40 million Danish Kroner to Ukraine from 2004 to 2007. The financial assistance is expected to increase as of 2007. The renewed focus on the European Neighbourhood Policy should be seen in that context. Seen from a Danish perspective it is important that the upcoming German Presidency make a priority out of the ENP by transforming into action the June 2006 European Council conclusions on strengthening the Neighbourhood Policy. The

⁹¹² The Czech Republic suggests EU visa facilitation with Moldova. Ministry of Foreign Affairs, <http://www.czechembassy.org/www/mzv/default.asp?id=40952&ido=13925&idj=2&amb=3&prsl=true&pooc1=5>

⁹¹³ Postoj ČR k prioritám finského předsednictví v Radě EU a další důležité otázky pro ČR (The stance of the Czech Republic to the priorities of the Finnish presidency in the Council of the EU and other questions important for the Czech Republic). Ministry of Foreign Affairs, <http://www.mzv.cz/servis/soubor.asp?id=19645>

⁹¹⁴ Press statement quoted by *Veje Amts Folkeblad* on 21 October 2006.

⁹¹⁵ Article in *Erhvervsbladet* by the Minister for Foreign Affairs Per Stig Møller: 'Ny aftale mellem EU og Rusland', 9 November 2006.

Danish reflections can best be illustrated by a passage from Prime Minister Anders Fogh Rasmussen, who would be in favour of what he calls a pan-European economic area:

'Naturally, the question of the external borders of the EU is becoming more urgent. I do not believe that it is possible, once and for all, to draw a line across Europe and say, 'that's it!' However, we will have to give far more serious consideration to the ability of the EU to include new members. In terms of the Union's decision-making powers, its common policies, and the support of its citizens. We will therefore have to make a much greater effort to develop an attractive neighbourhood policy. A policy that offers instruments for reform to countries that may not be considered for membership of the EU in the immediate term. I envisage that we, over time, will be moving towards a true pan-European economic area, an area of free trade and economic cooperation between the EU and its neighbouring countries. A pan-European economic area would also require a strengthening of its neighbourhood policy.'⁹¹⁶

Estonia

Estonia attributes great importance to the EU's ability to communicate with Russia in a unified voice. Given the poor state of relations between Estonia and Russia, the EU framework is increasingly seen as a more promising channel for dealing with Russia than bilateral talks. The newly elected president of Estonia, Toomas Hendrik Ilves, has explicitly stated that from now on, Estonia's Russia-policy should be made "via Europe." Since both the EU and Russia have said they are ready to extend the current PCA, Foreign Minister Paet has argued that there is no need to rush with a new agreement: "The content is important, and the new agreement must be stronger than the existing one."⁹¹⁷ Paet emphasizes that the new agreement should be "a solid, legally binding, comprehensive document" and that the current PCA should remain in force while the new agreement is

prepared.⁹¹⁸ In terms of substance, Estonia continues to emphasize the common values that should underlie any such agreement and insists on a "uniform implementation of all the aims agreed upon according to the roadmaps."⁹¹⁹

Estonia strongly supports the enhancing and renewing of the European Neighbourhood Policy (ENP), and in particular, the efforts to strengthen the Eastern dimension of the ENP.⁹²⁰ Estonia's own initiatives and efforts, both bilateral and in the EU framework, have focused specifically on the development of democracy and the reduction of poverty in Moldova, Georgia and Ukraine. During his visit to Moldova in October 2006, Foreign Minister Paet affirmed Estonia's commitment to helping Moldova carry out reforms and pursue cooperation with the EU and Euroatlantic bodies. In addition, Estonia has taken concrete actions to support the democratic opposition in Belarus, as evident, for instance, from a new government-sponsored scheme to admit to Estonian universities Belarussian students expelled from their home universities for their political views or activities. Estonia has raised the topic of Belarus at EU meetings on a regular basis and will continue to do so.⁹²¹ Estonia supports the continuation of the double-track policy towards Belarus and finds it important to increase financing to promote civil society.⁹²²

Substantively, the renewed ENP should attach great importance to the increased application of the "four freedoms" in relations with the neighbourhood countries.⁹²³ In addition, the Estonian government claims that the EU should assume a more active role in solving the so-called frozen conflicts (e.g. the issue of Transnistria), "which are a major obstacle to stability and progress in some countries of our Eastern neighbourhood."⁹²⁴ Within the European Security and Defence Policy, Estonia already participates in the EU border assistance mission on the Moldovan-Ukrainian border.

⁹¹⁶ Speech by Prime Minister Anders Fogh Rasmussen at the Europe Conference 2006 in Frederiksdal, on 19 May 2006.

<http://www.stm.dk/index/dokumenter.asp?o=2&n=0&h=2&t=14&d=2600&s=1> (located on 24 November 2006)

⁹¹⁷ Ministry of Foreign Affairs Press Release, „Paet: European Union Neighbourhood Policy's eastern dimension needs work.“ 31 October 2006. www.vm.ee

⁹¹⁸ Speech by Minister for Foreign Affairs of Estonia Urmas Paet "Europe, thinking forward" in the Institute of European Affairs in Dublin, 31 October 2006. www.vm.ee

⁹¹⁹ Ibid.

⁹²⁰ Ministry of Foreign Affairs Press Release „Paet: European Union Neighbourhood Policy's eastern dimension needs work“. 31 October 2006. www.vm.ee

⁹²¹ Ibid.

⁹²² Speech by Minister for Foreign Affairs of Estonia Urmas Paet "Europe, thinking forward" in the Institute of European Affairs in Dublin, 31 October 2006. www.vm.ee

⁹²³ Ibid.

⁹²⁴ Ibid.

Finland

One of the foci of the previous Finnish EU Presidency in 1999 was the EU Northern Dimension policy cooperation framework. The Northern Dimension is implemented within the framework of the Partnership and Cooperation Agreement (PCA) with Russia. The current government has been relatively reticent on the Northern Dimension framework as a whole although it is prioritised on the Presidency agenda.⁹²⁵ Of course, at the same time, issues that fall under the Northern Dimension have featured high on the agenda such as EU-Russia relations and energy cooperation.

On the 27th of October Finland hosted the EU-Ukraine Summit in Helsinki under the auspices of the PCA with Ukraine. Finland endorses the conclusions of the summit which centered on issues of trade, energy and foreign policy. In a joint press statement the parties stated to have agreed on the importance of political and economic reforms in Ukraine and on the need for Ukraine to finalise the World Trade Organization (WTO) accession process which would allow the development of stronger trade relations with the EU. The parties agreed on a joint comprehensive approach to the new Enhanced Agreement (as a successor to the PCA) between the EU and Ukraine, including a deep free trade area. The parties also welcomed progress made in reforms in all fields covered by the EU - Ukraine Action Plan and agreed on the need to continue the implementation of the Action Plan. Furthermore, enhancement of the security of energy supplies in Ukraine and the gas transit to the EU market was deemed important.⁹²⁶

The EU-Russia Summit on 24 November lies still ahead. Eero Heinäluoma (Social Democratic Party), as Minister of Finance of the Presidency country, has stated the following on the PCA with Russia: he argues that the PCA has not functioned properly in the last years. Many of the goals of the Agreement remain unfulfilled as cooperation has been inactive. Cooperation between the Union and Russia should be long-term by nature. The two parties have in fact already agreed on a new framework for cooperation, the so-called four Common Spaces. These Common Spaces include cooperation, among others, in the

fields of the economy, security, education and culture. These Spaces should now be bound into a new agreement arrangement. This new agreement should reflect the EU's desire to cooperate with Russia in the promotion of human rights, the anti-proliferation of weapons of mass destruction and in fighting terrorism. The focal point for the agreement should be Russia's membership in the WTO; this would enable a kick-off for EU-Russia negotiations on a free trade area.⁹²⁷

The German initiative for new "Ostpolitik" has not drawn any attention to it or prompted any reactions yet.

France

Towards Russia, the French public is divided between the condemnation of Putin's regime and the will to keep good relations with such a powerful, and potentially threatening, neighbour. There are calls, particularly from the left and among human rights activists, for a tougher attitude toward the Russian government. These calls found echoes in the wider public after the murder of Anna Politkovskaïa. But generally speaking, Chirac's policy is accepted. Like Germany, he is in favour of a rather "conciliatory" approach toward Russia. The German initiative for a new Eastern policy is supported by the French government. It must be pointed out that it has a low salience outside government circles.

Germany

The coalition agreement underlined the growing significance of a "further development of an ambitious and differentiated EU Neighbourhood Policy"⁹²⁸ (in the context of contributing to peace and stability on the continent) and the Presidency Programme says that the EU shall make full use of its room for manoeuvre and make an attractive and broad offer of cooperation vis-à-vis its partners in the neighbourhood.⁹²⁹ On this the Presidency wants to take the initiative and present concrete proposals. Moreover, a deepening of the partnership in the framework of the four common spaces and the

⁹²⁵ Hufvudstadsbladet, 3.9.2006.

⁹²⁶ Finland's EU Presidency, Joint Press Statement, 27.10.2006,

http://www.eu2006.fi/news_and_documents/press_release/s/vko43/en_GB/1161940819448/.

⁹²⁷ Eero Heinäluoma, Speech, 5.6.2006, SDP.fi.

⁹²⁸ Coalition Agreement between the CDU, CSU and SPD, p. 124.

⁹²⁹ Cf. Federal Government [Bundesregierung]: „Europa gelingt gemeinsam“, Programme of the German EU Presidency, p. 22.

development of a successor agreement to the Partnership and Cooperation Agreement (PCA) with Russia are envisaged.⁹³⁰

ENP will be a prominent issue on the agenda of the German Presidency, especially in April and May 2007. Immediate tasks are: To start negotiations on a new contractual relationship with Russia based on the four common spaces; to prepare for an enhanced agreement with Ukraine; to give more attention to Central Asia and develop an EU Central Asia Strategy.⁹³¹ For this triptych the term "Ostpolitik"⁹³² was initially introduced in non-papers of the Federal Foreign Office and in some speeches; but the term was quickly abandoned because it was misleading and caused irritations outside Germany.⁹³³ Foreign Minister Steinmeier travelled to many countries in the European neighbourhood in the second half of 2006, also with a view to the coming presidency.⁹³⁴

In a non-paper that was leaked on the occasion of the informal Foreign Minister Council in Laappeenranta (Karelien, Finland)

the Federal Foreign Office outlined a deepening of the strategic partnership between the EU and Russia.⁹³⁵ It set out a comprehensive approach based on "realist" assumptions taking into account of both mutual but also diverging interests. The approach was described as "rapprochement through gradual association"⁹³⁶, with the expectation of developments towards good or better governance as an intended side effect. The basic idea is to engage Russia in a constructive relationship through offers for "cooperation and integration" and to "anchor Russia irreversibly in Europe"⁹³⁷. The new agreement with Russia shall contain legally binding commitments and develop further the four common spaces and road maps. As mid-term objectives, a free trade area, energy partnership, close relations in research, education, culture and people-to-people contacts were named in the non-paper. Moreover, closer cooperation in ESDP, (natural) disaster relief, and at a later stage probably also joint stabilisation or peace-keeping missions were envisaged. Other key elements are cooperation in energy security and the elaboration of an international regime and a rule-based governance structure between producers, transit and consumer countries, particularly in connection with Germany's (double) presidency also in the G8 in 2007.

The new strategy for Central Asia shall focus on stability, crisis and conflict prevention. It shall not be restricted to energy security but shall also include intensified trade relations, economic cooperation and a political dialogue in a region where other players – China, Russia, India, Japan, the US – are very active and where the EU needs to raise its visibility and influence.⁹³⁸ Germany is well placed because it is the only EU member, together with the UK, that has embassies in all central Asian countries. The intention is the onset of a

⁹³⁰ Cf. Federal Government [Bundesregierung]: „Europa gelingt gemeinsam“, Programme of the German EU Presidency, p. 22.

⁹³¹ Cf. Opening speech by Foreign Minister Steinmeier at the ambassador conference at the Federal Foreign Office, Berlin, 4.9.2006, p. 3; see also speech by State Secretary Silberberg "A Preview of Germany's EU Presidency: The Status of the Federal Government's Preparations", Berlin, 4.10.2006, p. 5.

⁹³² "Rethinking Europe", speech by Foreign Minister Frank-Walter Steinmeier at the 35th Anniversary of the Heinz Schwarzkopf Foundation, Berlin, 30.8.2006, p. 4.

⁹³³ Cf. Markus Wehner: „Steinmeiers Moskauer Karte. Mit einer ‚neuen Ostpolitik‘ will der Außenminister von sich reden machen. Der Zeitpunkt dafür ist ideal – die Erfolgsaussichten sind gering“, in: Frankfurter Allgemeine Sonntagszeitung, Nr. 38, 24.9.2006, p. 8.

⁹³⁴ Cf. on the Mediterranean countries Johannes Leithäuser: „Ein Gürtel von Kiew bis Rabat. Im Maghreb trifft Außenminister Steinmeier auf hohe Erwartungen an die Europäische Union“, in: Frankfurter Allgemeine Zeitung, Nr. 270, 20.11.2006, p. 6; on Central Asia (30.10.-04.11.2006) cf. interview with State Secretary Erler in: Frankfurter Allgemeine Zeitung, 27.12.2006,

<http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Interviews/2006/061227-ErlerZentralasien.html> (last access: 5.1.2007); on Ukraine (28.2.2006) cf. speech by Foreign Minister Steinmeier at the Mohyla-Akademy in Kiev, <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Reden/2006/060301-ReiseUkraine.html> (last access: 5.1.2007); on Russia (20.12.2006) Cf. statement by the Federal Foreign Office „Bundesaußenminister Steinmeier führt Konsultationen in Moskau“, <http://www.auswaertiges-amt.de/diplo/de/Infoservice/Presse/Meldungen/2006/061220-Russland.html> (last access: 5.1.2007), on Russia see also Wulf Schmiere: „Tadello in Moskau. Steinmeier zu Gast bei beleidigten russischen Freunden“, in: Frankfurter Allgemeine Sonntagszeitung, 24.12.2006, Nr. 51, p. 4.

⁹³⁵ Cf. „Berlin schlägt in der EU-Rußlandpolitik ‚Annäherung durch Verflechtung‘ vor“, in: Frankfurter Allgemeine Zeitung, Nr. 205, 4.9.2006, p. 5.

⁹³⁶ An allusion to the Brandt/Bahr formula: "Wandel durch Annäherung" [change through rapprochement] from the mid-sixties and the ensuing New Ostpolitik in the 1970s.

⁹³⁷ Frankfurter Allgemeine Zeitung, interview with Foreign Minister Steinmeier, „Wir sollten Rußland unumkehrbar an Europa binden“, Freitag, 10.11.2006, http://www.bundesregierung.de/nn_1500/Content/DE/Interview/2006/11/2006-11-10-interview-steinmeier-faz.html (last access: 5.1.2007).

⁹³⁸ Cf. [Fn. 28]; see also speech by State Secretary Silberberg "A Preview of Germany's EU Presidency: The Status of the Federal Government's Preparations", Berlin, 4.10.2006, p. 5.

coherent approach towards the East with a perspective of ten years or so.

Also in the case of “ENP proper”, the Federal Foreign Office was not lucky in inventing new labels for a high profile policy towards the eastern neighbours. Thus, the notion „ENP plus“⁹³⁹ was also abandoned because it raised false expectations and had the connotation as if ENP should start anew from scratch or should be completely revised. What the “plus” really meant was: a more visible, more focussed, more binding and better received and perceived ENP in both partner countries and member states. So it is all about giving new impetus to an intensified ENP. Considering the initially high level of ambition in both the Foreign Office as well as the Chancellery one can say that the government is rowing back and is now presenting a more limited approach.

However, the government was quite successful in influencing the Commission as far as concrete elements and also the overall approach of the strengthened ENP⁹⁴⁰ is concerned. The Commission’s strategy paper reflects and takes up ideas spread by German administration and politicians. With regard to the most controversial aspects of ENP between member states and also in relations with the neighbours, one can interpret the position of the German government as follows: *On geography* and the single policy framework the German government acknowledges that it is unrealistic to give up the ENP as a roof and single framework for dealing with very diverse and heterogeneous countries and neighbours in Europe and of Europe. Differentiation as a principle will allow tailor-made relations with bilateral action plans and the deepening of relations according to the neighbour’s performance and merits. Germany supports an “ENP language” which is neutral on geography. The German government criticises, however, that so far the EU’s approach has not been balanced. It argues, that the East should get more weight because over the past years it has been neglected both politically and in

terms of resources. The aim therefore is to upgrade relations with the East Europeans without downgrading relations with the South. It is exactly this re-adjustment or new balance with special emphasis on the east which the Commission did not take up in its strategy paper.⁹⁴¹ In order to make ENP more visible the German Presidency wants to establish a special format with high-level meetings for Eastern ENP countries and to launch a structured dialogue for Black Sea countries including Turkey and Russia.⁹⁴²

On membership/European perspective: The government agrees that ENP is not about membership and apart from enlargement policy. Across parties there is however a hesitation, for example, to explicitly say “No” forever to the membership aspirations of the Ukraine. In the debate a trade-off occurs between Turkey and Ukraine - if Turkey then also Ukraine. If Turkey why not Moldova, etc.? Because of its central position Germany will most likely adopt the role of a mediator between say the French and the Polish position on the European perspective for Eastern neighbours.

Concrete offers: As far as structures are concerned, the German government supports the proposal of the Commission to strengthen political dialogue and to open institutions (Council and working groups) to observers (models of Switzerland or Norway) on certain conditions. Inside the CDU, which is looking for alternatives to enlargement, ideas like gradual membership are discussed.⁹⁴³ As far as the *acquis* is concerned, the government supports the proposal of a deep Free-Trade-Area (including the regulatory policy of the EU, harmonization with technical norms and standards, competition rules, intellectual property rights, etc.); nonetheless, one has to expect strong opposition and difficult intra-German and EU bargaining on sensitive issues like trade in agricultural products and the asymmetric opening of markets. Other offers should relate to areas where the EU has strong interests and where more symmetric

⁹³⁹ „Berlin entwickelt neue Nachbarschaftspolitik“, in: Frankfurter Allgemeine Zeitung, 03.07.2006, Nr. 151, p. 1; cf. also Markus Wehner: „Steinmeiers Moskauer Karte. Mit einer ‚neuen Ostpolitik‘ will der Außenminister von sich reden machen. Der Zeitpunkt dafür ist ideal – die Erfolgsaussichten sind gering“, in: Frankfurter Allgemeine Sonntagszeitung, 24.9.2006, Nr. 38, p. 8.

⁹⁴⁰ Cf. European Commission: Communication from the Commission to the Council and the European Parliament on Strengthening the European Neighbourhood Policy, COM(2006) 726 final, Brussels, 4.12.2006.

⁹⁴¹ Cf. European Commission: Communication from the Commission, European Neighbourhood Policy. Strategy Paper, COM(2004) 373 final, Brussels, 12.5.2004; see also [Fn. 32].

⁹⁴² Statement by representative of the Federal Foreign Office at the IEP Presidency Conference “Moving the EU forward: Priorities for the German EU-Presidency”, 30.11./01.12.2006, Federal Foreign Office, Berlin. See also [Fn. 31].

⁹⁴³ Cf. Resolution of the 20th party convention of the CDU Germany, p. 4.

solutions have to be found in the area of JHA (visa, re-admission), research, environmental policy, investment climate, cultural relations, education, energy, and CFSP and ESDP issues. The government does not subscribe to “EEA plus” proposals (i.e. German inspired Brok-concept on “EWRplus”⁹⁴⁴ and the European Parliament⁹⁴⁵). The government, particularly the Federal Foreign Office, thinks that additional efforts are needed in the East for multilateral and/or regional cooperation with special attention for Black Sea cooperation and the use of new financial instruments for interregional cooperation (linked to the northern dimension). In academic circles, there are proposals for a new overarching pan-European organisation: Confed Europe.⁹⁴⁶ The German government thinks that success and progress of ENP also depends on ENP’s compatibility with the EU’s policy towards Russia. The German government welcomed the mandate from the December summit for further developing and intensifying the ENP.⁹⁴⁷

Greece

Relations with Russia are of paramount importance for Greece. Both “hard” -politics aspects of international affairs (e.g. the Cyprus issue, the Aegean) and economic relations (major fields: the energy sector – see also chapter 5 – but also, increasingly, the armaments sector) have led to increased contacts. The Karamanlis Government has been through an intensive exchange of official visits program at the Prime Minister, Foreign Minister, Defense Minister and Economics/Industry/Trade Minister level; at all such meetings, Greece has reiterated support for Russia’s close/closer ties with the EU. (The Ukraine, notwithstanding an important influx of immigrants to Greece, is very much in a second tier of interest; when the Russian-Ukrainian natural gas episode occurred, there was only token Greek sympathy to Kiev). It is, thus, to be expected that the German “new European Ostpolitik” initiative will be supported

⁹⁴⁴ Cf. Elmar Brok: Glaubwürdigkeit statt “Alles oder Nichts”. Bei der Erweiterung stößt die EU an ihre Grenzen, in: Union in Europa, 5/2006, p. 4-5.

⁹⁴⁵ Cf. European Parliament 2006: Resolution of the European Parliament on the European Neighbourhood Policy, P6_TA(2006)0028, Strasbourg, 19.1.2006, point 35.

⁹⁴⁶ Cf. Barbara Lippert: Beefing up the ENP: Towards a Modernisation and Stability Partnership in a Confed Europe, in: The International Spectator, no. 4, 2006, p. 85-100.

⁹⁴⁷ European Council: Presidency Conclusions, 16879/06, Brussels, 15.12.2006, point 46.

from the Greek side - but, to this point, there are no official positions to that effect. It should also be noted that there might arise both from political and from media circles support for “privileged” Greece-Russia relations, overstepping EU overtures. To the joint “near abroad”.

Hungary

In the spirit of continuity and renewal, Hungary⁹⁴⁸ would like to see a new bilateral EU-Russia Agreement which would contain the same four spaces (the economic aspect, the foreign policy aspect, the justice and home affairs aspect and the cultural aspect), but cooperation in the framework of these “spaces” should become legally binding on the parties. There is also need for a detailed road map for the realisation of the four common spaces. Further key elements of the forthcoming Agreement should be cooperation in the energy sector, environmental protection and a greater emphasis on human rights issues. It is also desirable to cooperate towards a more efficient joint crisis or conflict management in the post-Soviet region, similarly to the well functioning cooperation in the Western Balkans. In terms of institutional cooperation, the so-called Partnership Council should continue to operate but – in order to enhance its efficacy – one meeting per year might suffice instead of the present two occasions.

Hungary actually supports the “rapprochement” of the Ukraine to the EU and would like the new bilateral Agreement to offer a “European perspective” to Kiev. In the Hungarian view the new Agreement replacing the expiring PCA should reflect a deeper cooperation, especially in the fields of political dialogue, economy and trade as well as common foreign and security policy. The future Agreement might resemble an association agreement, which would not exclude membership of the Ukraine one day. Hungary is aware that this position is not widely supported by the other member states but hopes a good consensus can be found.

Hungary welcomes the German initiative for a new Ostpolitik and is looking forward to see its details proposed. It seems that the new approach will concentrate on neighbourhood policy, on a reinforced and deepened Russia-policy and on the newly emerging Central

⁹⁴⁸ The answers are based on an interview with a diplomat of the Department for European Policy of the Hungarian Ministry of Foreign Affairs.

Asian dimension. Hungary is looking forward to participating in the development of the details of the future Ostpolitik. Given Hungary's geographic position, as well as past and present ties, Budapest has high interests in a well functioning Eastern policy of the EU.

Ireland

The consequence of the enlargement of 2004 to include 10 new Member States and the forthcoming accession of Romania and Bulgaria have changed the geopolitical coordinates of the EU and refocused the EU's interest on developing relations with its post-enlargement new neighbours. The German initiative for a new Eastern policy, or Ostpolitik, is regarded in Ireland as an interesting way of capturing the need for the EU to look particularly to its neighbours in the East as distinct from the South in its ENP.

Traditionally Ostpolitik is associated with the motto "change by rapprochement" and it is understood that Foreign Minister Steinmeier has altered this motto to change by interlinkage, which suggests perhaps a more "interests'-based approach. Either way, looking East involves from an Irish perspective first looking to Ukraine, Moldova and Belarus, then to the Caucasus and only further down the line to the Central Asian countries. ENP as the new Ostpolitik involves looking further to the East to Russia, which is a key player in the region although not itself a participant in the ENP. Another interesting aspect of the ENP is that the new member states are keen to support the idea of a European perspective for their near neighbours. The question therefore arises as to whether ENP should not be clearly promoted as an extension of CFSP (the RELEX Commissioner covers both areas of policy) than as an extension of enlargement. This would allow the question of content and goals and procedures to be defined in a different manner to those of the EU's enlargement strategy which promised accession as the end product. This of course begs the question of whether exporting stability, security, good governance and improving living standards would be a sufficient carrot for the stick of necessary reforms.

Russia

Russia is perceived as a key strategic partner for the EU, but Ireland would like the EU to have a comprehensive partnership based on

shared interests and common values, not just a pragmatic partnership. There are concerns in the policy community that a new PCA would just comprise declaratory diplomacy with little substance.

President Putin tends to be irritated by the perceived tendency of the EU to "lecture" Russia and its perceived wish to dictate the terms of energy relations between Russia and individual EU Member States and dislikes the EU's rhetoric in relation to ENP states and the democratisation of the Russian system of governance.

The relationship between the EU and Russia must take account of the fact that there are huge differences between Russia and the neighbourhood partners with which the EU is involved.

- Russia is much bigger, more populous and much richer in resources than any of the others.
- Russia effectively has more choices as to the model of governance it adopts, and there is, as yet, no compelling internal reason why it should adopt a western model.
- Russia does not aspire to become an EU Member State.
- Russia sees itself as (at least) an equal of any other major state or grouping of states.

The EU Commission's draft negotiating mandate for a post-PCA Agreement explicitly sets out to be "more ambitious" than the current PCA. Russia, however, has shown itself less than enthusiastic in the matter. Furthermore, Poland has effectively blocked further discussion pending the resolution of a trade dispute with Russia and Russian ratification of the Energy Charter Treaty.

Russia's difficulties in connection with the Transit Protocol in the Energy Charter Treaty and with the terms of participation of Western energy companies in the exploitation of Russia's energy resources and President Putin's stance (particularly during the Lahti encounter) in relation to internal developments and a number of "frozen conflicts" suggest that the EU's grander ambitions for a post-PCA Agreement are unlikely to be regarded in Moscow as an acceptable basis for negotiation.

Some argue that there is therefore no obvious or compelling reason why Russia should accept a basis for a relationship with the EU

that is comparable with the partnership basis adopted for potential EU Members or for the ENP countries. Others argue that the dialogue should be one of equal partners with a self-confident EU speaking with one voice and argue that for both Russia and the EU the approach of enlightened self-interest should be adopted, given the interdependence between Russia and the EU.

The official Irish government position is that the EU should pursue a coherent policy towards Russia and it supports the Finnish Presidency in its efforts to open the post-PCA agreement with Russia.

Ukraine, Moldova and the Caucasus

As the European Union enlarges, relations with Russia and with the Union's new neighbours - Ukraine, Belarus and Moldova - as well as the countries of the southern Mediterranean and the Caucasus are also areas of increasing importance for Ireland and its EU partners.

Ireland has begun developing the nucleus of a relationship with Belarus, Ukraine and Moldova and the Caucasus to complement the ENP. However, this is a slow process and communications on both sides are slow and at times difficult. Ireland supports the EU approach of offering aid in exchange for promotion of human rights, good governance and liberalisation of these economies without the perspective of future membership.

The Orange Revolution moved the Ukraine up the political agenda of the EU and the first ENP action plan with Ukraine was agreed in 2005. Ukraine received an enhanced package of aid after the Orange Revolution and has held two free elections, has increased media freedom and has helped to block off smuggling across the Transdniestrian border. The EU/Ukraine - relationship is perceived in Ireland as "performance driven", i.e. they have a lot to do in terms of preparing their economy for membership of the WTO and in terms of fighting corruption. It is not clear if the new PM, Victor Janukovich, will show as much commitment to pursuing Ukraine's European vocation as his predecessor. Some see Ukraine as currently looking in two directions at once.

Caucasus: The Irish view is similar to that of Commissioner Ferrero Waldner, who has only guarded hopes that they will achieve optimal results from their new association. It is felt that these countries need to realise the limits to

which the EU will get involved either between them and Russia or in Nagorno-Karabagh.

Italy

Traditionally, Italy's policy towards Russia tends to be in line with Europe's general policy, so it is expected that Italy will be in line with major European powers regarding the Partnership and Cooperation Agreements. However, the Prodi government has underlined several times how cooperation and friendship with Russia is of great importance to Italy. After all, Russia is Italy's first energy supplier.

Latvia

Latvia strongly supports a common EU policy toward Russia and to the countries East of the EU borders. Latvia also welcomes the signs of greater EU interest in the further development of the ENP. Convinced of the mutual benefits of treaty-based relations between the EU and Russia, Latvia would like to contribute actively toward the drafting of a new EU-Russia PCA, regardless of what name might be given to the new document. The focus of the new agreement should be on cooperation that is based on common values, rather than merely on economic interests. Recognising that the drafting and ratification of a new treaty will take several years, some Latvian political analysts have recommended that, in the meantime, the EU draft a common strategy toward Russia that is modelled after the EU strategy paper on Russia that was in effect from 1999 to 2004.

Lithuania

Russia and Russian politics is a very widely discussed issue in Lithuania. Nevertheless, it has to be noticed that this issue is discussed much more in the national than in the EU context.

Concerning the opinions of the Lithuanian officials on EU-Russia relations, Lithuanian Foreign Affairs Minister, Petras Vaitiekūnas, emphasized that the cooperation between EU and Russia will have a big strategic influence on the development of Europe and the world⁹⁴⁹. Speaking about the new EU-Russia

⁹⁴⁹ Lietuvos užsienio reikalų ministras: Europos balsas bus geriau girdimas, jei sudėtingesni klausimai bus keliami bendradarbiaujant su Amerika [Lithuanian Foreign Affairs

cooperation agreement, the Deputy Chairman of the Committee on European Affairs of the Lithuanian Parliament, Petras Auštrevičius, noticed that the current EU-Russia Partnership and Cooperation agreement might already be obsolete as far as the new interesting fields and aspects of cooperation emerged which have to be included into the future cooperation and partnership agreement⁹⁵⁰. During an informal meeting of the EU foreign ministers, the Lithuanian Foreign Affairs Minister declared that it is crucial to thoroughly prepare for the negotiations on the new EU-Russia partnership and cooperation agreement, since it is this agreement that will define the relations between these actors for a long time⁹⁵¹. He claimed that the EU has to strengthen its cooperation with Russia and stimulate this state, while not forgetting the importance of democratic reforms and the creation of a market economy. The Minister proposed to focus not only on formal relations with the Russian authorities, but also to take into consideration the needs of the Russian citizens, for example, by lowering the prices of visas. As he observed, it should not be forgotten how important it is to “win” the hearts of common Russians⁹⁵². Deputy Chairman of the Lithuanian Parliament and the former Chairman of the Committee on European Affairs, Vydas Gedvilas, emphasized that respect for democratic values should not be forgotten in the new agreement between the EU and Russia⁹⁵³.

The cooperation in the field of energy between the EU and Russia is given a high importance

by Lithuanian politicians. The Lithuanian Foreign Affairs Minister emphasized that constructive EU-Russia cooperation in the energy field is necessary⁹⁵⁴. Lithuanian President Valdas Adamkus claimed that energy relations are a test of the partnership between Russia and the EU⁹⁵⁵. Lithuania seeks provisions matching Lithuanian energy security interests in the new cooperation agreement⁹⁵⁶. In a meeting with the Deputy Chairwoman of German Bundestag, Susanne Kastner, the Lithuanian Prime Minister, Gediminas Kirkilas, declared that, in the new agreements with Russia, the EU must require the guarantees of opening the markets and achieving transparency⁹⁵⁷.

During the meeting of the EU foreign affairs ministers in Brussels on 13 November 2006, the Lithuanian Foreign Affairs Minister emphasized that Lithuania has an interest in reaching a “compromise” in the debate about the new cooperation agreement between the EU and Russia. According to him, the text of the document prepared for the start of negotiations was good enough⁹⁵⁸.

The German initiative for a new Eastern policy it is not publicly discussed in Lithuania.

Luxembourg

The purchase of Russian proliferation rights in relation to the Kyoto agreement and of Russian energy supplies for Western Europe were primordial in the bilateral discussions between Luxembourg and Russia. Luxembourg needs to purchase the Russian

Minister: European voice would be heard better if more complex issues will be raised together with America], 2006 09 18, 18 September 2006

⁹⁵⁰ Discussion organized by European Club of Lithuanian Parliament and European Information Centre of the Committee on European Affairs of Lithuanian Parliament “European Union and Russia relations”, 5 October 2006

⁹⁵¹ P. Vaitiekūnas ES užsienio reikalų ministrus paragina gerai pasirengti deryboms dėl naujos sutarties su Rusija [P. Vaitiekūnas has urged EU foreign affairs ministers to prepare well for the negotiations on the new agreement with Russia], News agency Elta, 3 September 2006, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5051&LangID=1>

⁹⁵² Vaitiekūnas: ES turi pasirengti naujai bendradarbiavimo sutarčiai su Rusija [Vaitiekūnas: EU has to prepare for a new cooperation agreement with Russia], News agency Baltic News Service, 4 September 2006, <http://www.delfi.lt/archive/article.php?id=10598041&categoryID=2045412&date=1157317200>

⁹⁵³ Vydas Gedvilas: energetinė priklausomybė tarp Rusijos ir ES yra abipusė [Vydas Gedvilas: Energy dependence between Russia and EU is mutual], Lithuanian Parliament press release, 20 October 2006, http://www3.lrs.lt/pls/INTER/w5_show?p_d=60045&p_r=618

⁹⁵⁴ Būtinias konstruktyvus Europos Sąjungos ir Rusijos bendradarbiavimas energetikos klausimais [A constructive cooperation between the European Union and Russia on energy issues is necessary], Lithuanian Foreign Affairs Ministry press release, 20 September 2006, <http://www.urm.lt/index.php?-464765576>

⁹⁵⁵ „Energetika yra ES ir Rusijos partnerystės testas“, - teigia Prezidentas [“Energy is a test of EU and Russia partnership” – claims the President], Lithuanian President press release, 20 October 2006, <http://www.president.lt/lt/news.full/7189>

⁹⁵⁶ Lietuvos diplomatijos vadovas pareiškė solidarumą su Lenkija [The head of Lithuanian diplomacy has expressed solidarity with Poland], Lithuanian Foreign Affairs Ministry press release, 16 November 2006, <http://www.urm.lt/index.php?-1252399653>

⁹⁵⁷ Ministras Pirmininkas su vizitu vieši Berlyne [Prime Minister is visiting Berlin], Lithuanian Government press release, 22 September 2006 http://www.lrv.lt/main.php?id=aktualijos_su_video/p.php&n=3859

⁹⁵⁸ P. Vaitiekūnas: Lietuva nepritaria Lenkijos veto dėl ES ir Rusijos derybų pradžios [P. Vaitiekūnas: Lithuania does not support the Polish veto on the start of the EU-Russia negotiations], News agency ELTA, 13 November 2006, <http://www.euro.lt/ivykiai/readnews.php3?ItemID=5500&TopMenuID=1&MenuID=180&LangID=1>

proliferation rights to compensate for the proliferation caused by petrol products sold to foreign drivers⁹⁵⁹.

Russia expressed its gratitude to Luxembourg for the Grand-Duchy's positive role it played during its EU presidency. The latest visa agreement for Russian citizens entering the EU zone gives satisfaction to both sides. The Russian fuel and gas supplies are essential for the European energy market, as it represents 35 % of the consumption. The Russian energy exports may well grow in a foreseeable future after the German-Russian Baltic Sea gas pipeline becomes operational⁹⁶⁰. The 'gas' agreement may be seen as a profit resulting from the new German "*Ostpolitik*", although the German government does not seem to be very happy with the expression "new *Ostpolitik*".

The European Neighbourhood Policy (ENP) faces a fundamental dilemma. The absorption capacity for any new enlargement of the EU is already overstretched in the eyes of a large part of the Luxembourg population as well as that of many other European countries. No membership perspective is foreseeable for the Eastern European nations. So, the ENP has little to offer since the EU budget opens up only few new financial perspectives. The human dimension of the ENP can be improved by better visa regulations, new trade agreements, and student exchange programs. The critics of the ENP argued in the past that this policy was "too little, too late" and thus the results were not very tangible. Luxembourg was not opposed to the general mood in the USA and Western Europe, which preferred military integration into NATO to economic and political integration in the EU.

Moreover, Foreign Minister Jean Asselborn expressed his and the EU countries' worries in relation to the gas price dispute between Russia and the Ukraine and the interruption of gas supply to the Ukraine. Sergej Jastrchembski – the EU-Russian Relations Adviser to President Putin – turned down these anxieties and explained the interruption as a result of the disagreement over the gas price. He excluded any political retaliation by President Putin against the newly elected president of the Ukraine, Viktor Jutchenko.

Russian-Luxembourg relations could have suffered a serious blow after the Severstal bid on Arcelor steel was turned down by the

companies' shareholders, who preferred the offer of the Indian steel magnate, Lakshmi Mittal.⁹⁶¹ The sympathies the Arcelor management as well as the Luxembourg government offered for the Severstal bid were in vain. Luxembourg's Minister of Foreign Affairs, Jean Asselborn, recalled the European critiques against the new Russian NGO legislation. His Russian counterpart, Sergej Lawrow, did not exclude that this law might be adopted in the future. But he was very clear in his outright opposition against a possible NATO expansion on the southern flank of Russia. Asselborn showed some understanding in that matter.⁹⁶²

Concerning the legal and political framework of the new Partnership and Cooperation Agreements (PCA) with Russia and the Ukraine, Luxembourg's attitude coincides with the agreed-on position of the EU member states.

Malta

Malta believes that strengthening the existing legal and political nature of the existing framework with Russia should be sought, given the major contribution Russia can make to projecting stability in its immediate vicinity and also throughout Europe. A strong cooperative EU-Russian relationship is regarded as essential if the European Neighbourhood Policy is to be successful along the EU's eastern borders.

Netherlands

The Netherlands supports the European Neighbourhood Policy as an effective instrument to create a ring of friends, instead of alienating neighbouring countries and creating new dividing lines. Especially in a period when the EU itself cannot afford to make any new commitments to its neighbouring states concerning EU membership. They welcome the action plans for Moldova and Ukraine adopted in 2005 and the progress already made.⁹⁶³

Given the experience of the current Partnership and Cooperation Agreement

⁹⁵⁹ See question 5 on energy policy

⁹⁶⁰ *Luxemburger Wort* 12.7.2006 Es dreht sich um Energie

⁹⁶¹ See question 9 on current/upcoming events

⁹⁶² *Letzebuurger journal* 13.7.2006 Asselborn zeigt Verständnis

⁹⁶³ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 39-40.

(PCA) with Russia in which subcommittees have been inactive since 2003 because Russia failed to participate, The Netherlands government deems it necessary to make the cooperation more effective in a following PCA, for example, by broadening the cooperation from the political level to the technical level. The negotiations on a new PCA offer the opportunity to discuss important issues in the EU-Russia relationship and to include, for example, agreements on energy. In this respect, the ratification of the Energy Charter is a priority. The Netherlands also wants to address the question in which form the EU-Russia Energy Dialogue should be continued.⁹⁶⁴ With regard to the preparations for the EU-Russia summit on 24 November in Helsinki, which will determine the start of the negotiations on a new PCA, The Netherlands attaches great importance to a unanimous position of the EU and hopes that Poland can agree on a negotiation format soon. It also attaches importance to a unified position on the discussion on the four common spaces with special attention for democratic principles, human rights and fundamental freedoms in relation to the murder of the Russian journalist Politkovskaya and the treatment of Georgian citizens in Russia. The same goes for the important energy relationship, with special attention to energy security, fair competition, the investment climate, market access and access to transport networks, and frozen conflicts in neighbouring countries.⁹⁶⁵

Poland

There has been no public debate on those agreements among political parties in Poland yet. So, the general position of the Polish government, the Polish political class and the Polish public opinion can be described only roughly and on the basis of the experts' point of view. It is as follows:

Russia

The PCA with Russia is not publicly debated yet in Poland. One can hardly determine the government's or the opposition's position on that issue. It is obvious however that everything that concerns EU relations with Russia is felt as of the utmost interest to

Poland (see other points of this Questionnaire).

The PCA is to be prepared during German presidency of the EU and is therefore perceived as one of the most important priorities of Berlin's leadership, which Poland should have an influence on.

Considering the unfavourable evolution of the political situation in Russia since the 1994 signing and 1997 implementation of the PCA, as well as since 1999 (*the EU Common Strategy on Russia*) and the impasse in the implementation of the *Four Common Spaces EU-Russia* of 2005, one should expect that Poland would like the EU not to concentrate on "high policy" issues usually limited to "great declarations" but on solving practical problems, such as:

1. Human rights observation in Russia;
2. Equal treatment of the old and the new EU Member States by Russia;
3. EU solidarity in relations with Russia-EU structures and Member States support for the solution of practical problems of the EU Member States bordering Russia, e.g. the Russian ban on Polish meat exports to the Russian Federation, Polish (free access to the sea route from the Pilava Pass to the Polish port of Elbląg, which is blocked by Russia), and the Estonian (Petseri and Jaannilinn) and Latvian (Abrene) border disputes with Russia.
4. The fight against cross-border criminal activity, illegal immigration, people-friendly border crossing procedures.
5. A solution to the Transdnistria problem (fulfilment of the Istanbul OSCE summit commitments of 1999) – the issue will get new impetus with the Romanian accession to the EU.

The idea to establish a principle, according to which the European Commission representative should participate in each meeting of more than one EU Member State and Russia, was discussed last year among the Polish members of the European Parliament (of the EPP-ED group). Such a step was perceived as a tool of co-ordination of the EU-Russian policy, which should be based on the principle of solidarity of the EU and not on bilateral relations between European great powers and Russia.

⁹⁶⁴ 'Staat van de Europese Unie 2006-2007', Kamerstuk 2006-2007, 30802, nr.1, p. 39-40.

⁹⁶⁵ RAZEB', Kamerstuk 2005-2006, 21 501-02, nr. 710 and nr. 714, 26 October and 24 November 2006. (Letter to parliament on GAREC)

ENP

The German initiative on the new *Ostpolitik* is perceived with a mixture of hope and concern. Germany is the largest EU country and the only large “old” EU Member State, whose foreign policy priorities are concentrated in the East. This is the source of the hope that more EU political attention will be devoted to the problems of Central and Eastern Europe, especially to Ukraine, Belarus and Moldova during the German Presidency. From that point of view, no other presidency but the German one will offer such a unique base for the promotion of the Polish concept of the ENP and generally the EU Eastern Policy. The close co-operation with Germany would be the *condition sine qua non* of the success of Polish lobbying in the EU for the interests of the East.

On the other hand, the German “strategic partnership” with Putin’s Russia - however not as close as during Schroeder’s times - is a matter of deep Polish concern. The recent changes in German energy policy are perceived more as rhetorical than substantial.

Although the details of the German initiative on the new EU *Ostpolitik* have not been publicly debated in Poland yet, as far as ENP is concerned, it is however not Russia but Ukraine, Belarus and Moldova that are perceived as the key countries of importance for Poland.

Ukraine

The EU did nothing to support the pro-European camp in Ukraine before the elections of March 2006. The pro-European Ukrainian government was unable to present any “European” achievements to the electorate during its electoral campaign. The modified *Action plan* was out of the public perception and was an argument for experts but not for common people. Therefore, there are still a lot of steps to be taken. No official governmental plan for the European Ukrainian policy of Poland has been proclaimed, yet still the first principle of the Polish concept of the ENP is the one of conditionality. Ukrainian advancement in democratic reforms and the rule of law implementation, as well as the Ukrainian willingness to co-operate with the EU has been demonstrated both by the government and by the people in a way completely unparalleled in Russia. Therefore, the EU offer for Ukraine should be wider than

for Moscow. Experts - while pointing out what should be done - name:

1. Visa facilitation – visas free of charge for Ukrainian citizens.
2. EBRD (European Bank for Reconstruction and Development) and EIB (European Investment Bank) loans for Ukraine to help the country to maintain the independent gas and oil transit system in spite of Russian pressure.
3. Enhanced cultural, educational and scientific EU-Ukraine co-operation

The Polish government supports Ukrainian ambitions for accession to the EU. Warsaw admits of course that the process will be long. Still, the doors for Ukraine must be opened and that fact should be clear, i.e. Ukraine must be offered a clear European perspective.

Belarus

Belarus, being the last dictatorship in Europe, is perceived as one of the most troublesome neighbours of the EU and of Poland. It is perceived both as a problem in itself and as a polygon for Russian political experiments to be tested and then implemented in Russia.

The main principle of Polish policy towards Belarus is to “isolate the regime and not the people”. Thus, the liberalisation of the Schengen visa system for common Belarusian citizens will be welcomed by the Polish government as well as by the society. There are two reasons for the societal interest in Belarus: first is development of economic contacts and the second is historical roots (resulting from the existence of the Polish minority, whose rights are constantly and severely violated) and persistent family relations. Poland would expect greater support of the EU for the programs of free information distribution for Belarusians (radio and TV).

The upcoming Belarusian-Russian conflict on gas prices (prices are to be raised five times starting 1 January 2007) should be politically anticipated by the EU. It is highly probable that the conflict will have an impact on gas transit through Belarus to Poland and further to the “old Union”. Therefore, European energy solidarity and the EU Eastern policy are likely to be tested again soon. No expectations as to the efficacy of the EU reaction to that challenge have been officially formulated yet. The weakness demonstrated thus far by the EU policy in that field probably inclines the

Polish political class to neglect the EU as a structure capable of solving the upcoming Belarusian-Russian crisis, however Poland, having had the positive experience of EU involvement in Ukraine in 2004, will probably see with satisfaction the strengthening of the EU role in that field.

Moldova

Moldova's importance for Poland stems from three reasons: its historical and ethnic ties with Romania, which enters the EU on 1 January 2007; the need for a solution to the Transdnistrian conflict; and the poor economic condition of the country that makes it the poorest nation in Europe, ¼ of which has dual citizenship (Moldavian and Romanian, i.e. European soon).

The EU involvement in the solution of the Transdnistrian problem is highly desirable, and Poland supports European-Ukrainian co-operation on the border monitoring mission at the Ukrainian-Moldavian (Transdnistrian) frontier. No more detailed position of Poland on the EU policy towards Moldova has been published, yet one should still expect Warsaw to co-operate with Bucharest on that issue and to take into consideration the Ukrainian position too. Any possibility of recognition of the independence of Transdnistria or its incorporation to Russia would be perceived as dangerous in Poland. The upcoming determination of the status of Kosovo may become a playground for Russia in the context of the status of Transdnistria (as well as of Abkhazia and Southern Ossetia – both in Georgia), which may involve the EU interest in both areas – the Balkans and Eastern Neighbours – thus making the solution even more complicated.

Portugal

Portugal does not have a specific policy towards Russia, and official positions taken in this respect will continue to be in line with those held by the EU and NATO, as illustrated by the Foreign Minister's speech in Moscow to the effect that Portugal wants "to promote a new and dynamic relationship with Russia"⁹⁶⁶.

⁹⁶⁶ Former Foreign Minister Diogo Freitas do Amaral, speech delivered at the Moscow State University of International Relations in October 2005.
http://www.portugal.gov.pt/Portal/PT/Governos/Governos_Constitucionais/GC17/Ministerios/MNE/Comunicacao/Inter_vencoes/20051018_MENE_Int_Portugal_Russia.htm

Portugal, unlike other EU Member States, faces no strategic dilemmas arising from energy dependency towards Russia, and trade is quite modest.

Portugal is aligned with the EU with respect to the ENP. As noted above, however, there are concerns for keeping the right East-South balance, and ensuring the perceived Eastward drift is not consummated to the detriment of southern neighbours.

Romania

The political debate in Romania is still impregnated by the reflexes of an outsider to the EU, hence the positioning vis-à-vis other third countries, like Russia and Ukraine, is not yet informed by the prospects of using the "collective weight" of the (soon to be) 27 Member States. Although the relations with Russia have not recorded a single significant crisis since the demise of the Cold War political and security arrangements, the Romanian public opinion continues to see Russia – in the words of Prof. Mihail Ionescu – "as an obstacle to the country's occidentalization"⁹⁶⁷. The perception of a Russian threat, albeit diffuse and not related to any particular objective vis-à-vis Romania, is still very strong, and has surfaced recently in rather excessive forms on the occasion of the scandal that erupted in connection with the privatization of several energy companies. Gazprom's gas pricing policy is another signal of Russia's hidden agenda. President Basescu has recently admitted that Romania may not be considered by Russia as a friend, "as long as we do not have an explanation for the large price differences practiced by Gazprom"⁹⁶⁸, and this may substantiate the assertion that Gazprom uses the price as a political lever"⁹⁶⁹.

Objectively, however, the two sides have very few bilateral problems pending which may trigger dilatory tactics by Romania in the context of the negotiation and endorsement of a new agreement between the EU and Russia subsequent to the PCA. Trade relations are very thin (with the exception of energy imports by Romania) and, in spite of assertions to the contrary occasionally heard in the domestic

⁹⁶⁷ Mihail E. Ionescu, Director of Institute for Defense Political Studies and Military History, Debate held in Bucharest, November 2005

⁹⁶⁸ 160-240 EUR/'000 cm for various European countries, 310 EUR/'000 cm for Romania and Poland.

⁹⁶⁹ Interview, *Evenimentul zilei*, 27 November 2006

debate, unlikely to record any significant increase, mainly because of non-regulatory barriers, the cultural ones being most important.

As concerns the content of such an agreement, while there has been no internal debate specifically dealing with it, various official views made public can offer some good suggestions. First, the existence of a significant external security component, making reference to the need of solving the “frozen conflicts” of Moldova and Georgia, should be welcomed by Romania, whose President has very recently made another public reference to this thorny issue.⁹⁷⁰

Second, Romania is objectively interested in any provisions that a new agreement would dedicate to the energy issue, in particular to the aspects concerning the security of access to energy. It should be acknowledged, though, that a balanced deal in this area would need to include not just the opening of, in particular, the Russian transit infrastructure to third-country suppliers, but also the elimination of restrictions to reciprocal direct investments in the energy sector. Positions recently expressed by the Romanian authorities seemed to contemplate very reluctantly the possibility of Gazprom taking controlling stakes in local energy companies.

Third, as concerns the eventuality of setting the goal of a free trade area in the future agreement, there are no objections to be expected from the Romanian side. A bilateral such arrangement has already been contemplated in the past and was deemed a useful way for “claiming back the lost markets of the Former Soviet Union”. As for the formal impediment arising from Russia’s still delayed accession to the WTO, there are few chances of Romania invoking it: following the European Commission’s relentless insistence, Romania has in the recent past entered into free trade agreements with non-WTO members (e.g. Bosnia-Herzegovina and Serbia). Given this precedent, the current legal reservations shown by the Commission vis-à-vis the conclusion of a free trade deal with Russia should be difficult to understand in Romania.

⁹⁷⁰ “The only winner from a prolongation of the frozen conflicts is the country who does not like a democratic development [...] the country who still believes that other countries can be controlled for the next decade or the next century”. *Associated Press*, apud. *Gardianul* 2 nov.2006

The relationship with Ukraine, although certainly more affected by genuine disputes (the Bistroe canal; the legal status of the Snakes Island; and the treatment of the Romanian minority in Northern Bukovina), has looked warmer as a result of much more frequent bilateral contacts at high governmental levels. It should be noted, however, that unlike in the case of Russia, Romania has already addressed itself to the international community in general (and the EU, in particular) with a view to obtain support for its own positions vis-à-vis Ukraine. We thus have a precedent attempt to “internationalize” the disputes with Romania’s northern neighbor. As there is little hope that these will be settled shortly, we have a realistic prospect of Romania using its *de facto* veto power on the conclusion of agreements with third parties that exceed the limited sphere of commercial policy (as the next generation PCAs are bound to be) in order to try to “soften” the Ukrainian stance in bilateral dealings. There is no precedent for such an attitude by Romania, which has never been in the position to decisively influence the position of a club able to bestow or withhold significant privileges on third parties, hence we cannot assess how much will matter the perceived risk of denting one’s own reputation by a too obstructionist attitude in the course of negotiations.

Besides, while the option of a free trade component in the future agreement with Ukraine has been evoked much more forcefully, Romanian views about its opportunity might be more ambivalent. Unlike in the case of Russia, there are trade irritants in the bilateral relation with Ukraine, especially as concerns the imports of unduly cheap semi-finished steel products and chemical fertilizers.

Slovakia

Slovakia’s new coalition government led by Prime Minister Robert Fico declared in its program manifesto in August 2006 that the government “will activate relations with the Russian Federation – an important factor of stability and security in Europe.”⁹⁷¹ This passage of the program manifesto was criticized by former Foreign Minister Eduard Kukan, now an opposition Member of Parliament who suggested that such a formulation of further developments of relations with Russia was unnecessary. At the same

⁹⁷¹ Author’s translation from *Programové vyhlásenie vlády Slovenskej republiky*, August 2006.

time Kukan pointed out the current government's lack of an explicit attitude toward undemocratic regimes, such as Belarus for example.⁹⁷² Yet, at the elite level there has not been much of a substantive debate on the future of the European neighborhood policy or on relations with Russia, apart from declarations of a more intensive engagement with Moscow, which in diplomatic terms led to the official visit in Russia by Slovakia's President Ivan Gašparovič on 6 – 10 November 2006.

On 9 – 12 November 2006 Bratislava became a place for discussing the future of the European Neighborhood Policy (ENP) when the Research Center of the Slovak Foreign Policy Association together with other partners organized an international conference "Strategic Framework for the EU's Eastern Policy". While Slovakia's official circles remain generally silent on the subject of the future ENP, experts debating this issue expect that the German Presidency could help reform and revive the European Neighborhood Policy, which would engage the EU's neighbors more actively both politically and economically. Yet, Slovakia's experts worry that overarching emphasis on the EU's relations with Russia in the debate on the ENP Plus initiative discussed among German policy planners could potentially create a new dividing line within Europe rather than foster reform in the EU's neighborhood, especially in Ukraine and Moldova.⁹⁷³

Slovenia

Relations with Russia are debated extensively in Slovenia but not so much in the EU framework. Most actors consider improvements in economic relations with Russia as a question of Slovenia's strategic interest. This is mainly due to securing the gas supply. Russia is namely, besides Iran, Qatar, and Algeria, the only country that is able to make long-term contracts on gas supply.⁹⁷⁴ In this energy context Partnership and Cooperation Agreements with Russia and

⁹⁷² „Vláda podľa Kukana nevyužila dobrú východiskovú pozíciu“, *SITA*, 3 August 2006.

⁹⁷³ For the program of the conference "Strategic Framework for the EU's Eastern Policy" as well as for the policy paper assessing Germany's debate on possible initiatives within the ENP during Berlin's Presidency, see http://www.sfpa.sk/sk/programy/RC_SFPA/odborne-podujatia/696?rok=2006.

⁹⁷⁴ Radio Slovenija 1 (22 June 2006) *Studio ob sedemnajstih* [Studio at seventeen].

Ukraine are not regarded as important. The same goes for the German *Ostpolitik* of the EU.

One of the rare actors mentioning relations with Russia in an EU context was the Slovenian foreign minister, Dimitrij Rupel.⁹⁷⁵ He addressed relations with Russia at the meeting with the Portuguese foreign minister, Amado. According to both ministers, this will be a very demanding area to be tackled by the three Presidencies. They have touched upon the neighbourhood policy on which they will endeavour during their respective EU presidencies.⁹⁷⁶ The Slovenian foreign minister linked European foreign, energy and neighbourhood policies. This is a very challenging combination, which the EU tries to implement in developing cooperation with Caucasian and Central Asian countries.⁹⁷⁷

Spain

First of all, this issue is not a high priority for the Spanish government and it therefore does not have a definitive position related to this topic.

Secondly, Spain considers that there are several issues to be taken into account: difficulties in Russia's negotiations towards its membership in the WTO during the next months, the divide within the EU regarding a consensus on a European Energy Policy, the unpredictable and unclear political situation in Russia and the different European Member States' interests in relation to Russia. In this context, Spain aims to maintain a position of prudence.

Thirdly, Spain supports the idea that relations between Russia and the EU must be based on a legal instrument. Such an agreement should be based on common values in political,

⁹⁷⁵ Press release of the Slovenian Foreign Ministry, *EU foreign ministers meet Russian Foreign Minister Lavrov*, 21 September 2006,

[http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11587&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11587&tx_ttnews[backPid]=141) (7 November 2006).

⁹⁷⁶ Press release of the Slovenian Foreign Ministry, *Minister Rupel pays a working visit to Portugal*, 2 October 2006,

http://www.mzz.gov.si/index.php?id=13&type=98&no_cache=1&tx_ttnews%5Btt_news%5D=11627&tx_ttnews%5BbackPid%5D=141 (7 November 2006).

⁹⁷⁷ Press release of the Slovenian Foreign Ministry, *Minister Rupel at the European Strategic Forum on formulation of EU priorities*, 30 September 2006, [http://www.mzz.gov.si/index.php?id=13&tx_ttnews\[tt_news\]=11624&tx_ttnews\[backPid\]=141](http://www.mzz.gov.si/index.php?id=13&tx_ttnews[tt_news]=11624&tx_ttnews[backPid]=141) (7 November 2006).

economic and social aspects. The Spanish government believes the agreement must include a perspective of shared responsibility (EU-Russia) in the stability of the European continent and in the solution of frozen conflicts (Transdnistria, Chechnya, etc.). Spain will back all the initiatives to reinforce cultural, social and academic ties between Russia, Europe and Spain.

Regarding cooperation in the Common Space of Justice and Home Affairs, the Spanish government has been active in the negotiation of the Agreements on the facilitation of the issuance of visas and readmission between Russia and the EU. Spain intends to replicate this model of agreement with countries in this area of interest.

As regards Germany's initiatives towards the East (Ostpolitik), the Spanish government is watchful but calm. It believes this is not the moment to move forward more than with a simple revision of the Neighbourhood Policy. Spain thinks it will be possible to find common ground between the needs of the Eastern and Mediterranean countries, and that proposals of both Germany and the Commission will be reasonable in terms of Spain's interests.

Finally, it should be pointed out that these issues are of little relevance to Spain's public opinion and that news about Russia does not appear frequently in the mass media.

Sweden

Russia has been a longstanding issue of importance on Sweden's EU agenda. The new government is thus continuing along the same lines as the previous government in stressing the need for a long-term strategy for cooperation, encompassing an internationalist logic of interdependence against the background of strategic dependence, rather than isolation. This is not least evident in the energy sector, as the summit in Lahti earlier in the fall showed.⁹⁷⁸ At the same time, the government seeks to encourage but also demand reforms in the direction of democracy and other values embraced by the EU. Prime Minister Fredrik Reinfeldt recently argued: "We must make it clear [to Russia] that European

⁹⁷⁸ See for instance Prime Minister Fredrik Reinfeldt's government declaration to the Parliament, 2006-10-06, p. 5, www.regeringen.se; "EU:s beroende av Ryssland ökar" 2006-10-20 and "EU enades om energisamarbete" 2006-10-21, both in Svenska Dagbladet, www.svd.se.

cooperation concerns important values such as democracy and a well-functioning constitutional system. Simultaneously, we need to meet Russia in trade and economic exchange".⁹⁷⁹ Recent developments need to be reversed.⁹⁸⁰ Much the same position is taken by the Social Democratic Party, now in opposition, which argues that "cooperation with Russia should be extended in all areas of society" while simultaneously stressing the need to encourage democratic ambitions and voice clear criticism when Russia breaks the rules and values that unite the democratic countries in Europe.⁹⁸¹

Regarding the ENP, this is viewed as a positive arrangement by all major political actors in Sweden. Providing a link between the ideas of enlargement and the EU as a soft power – both of which "Sweden" embraces – the ENP is seen as tool for stability and security in Europe. It is not clear at this moment, however, how different Swedish actors view the details and future developments of the ENP, but the government stresses that the ENP needs to be developed in the direction of individualized cooperation with individual neighbouring countries.⁹⁸²

Turkey

Turkey considers Russia as an important partner and pays special attention to the further development of its bilateral relations. Turkey is Russia's second largest trading partner after Germany. Trade between the two countries rose by almost 60 per cent in 2004 and came to a figure of around USD 11 billion. Officials and businessmen set the goal of bringing the bilateral trade up to a level of at least USD 25 billion over the next few years. Russia is Turkey's largest supplier in natural gas; taking into account the annual 14 billion cubic meters (bcm) of Russian gas supply across the Balkans and the 16 bcm planned through the Blue Stream⁹⁸³, over the next decade Russian gas will comprise 70-75 per cent of Turkey's domestic consumption. The Blue Stream will increase the annual amount to 30bcm by 2010. The Russian media estimates that total earnings from natural gas

⁹⁷⁹ "Reinfeldt vill få fart på EU", Svenska Dagbladet, 2006-11-25, www.svd.se.

⁹⁸⁰ Speech by Cecilia Malmström, "Tal på Utrikespolitiska Föreningen i Uppsala", 2006-12-04, www.regeringen.se.

⁹⁸¹ www.socialdemokraterna.se.

⁹⁸² Speech by Cecilia Malmström, "Tal på Utrikespolitiska Föreningen i Uppsala", 2006-12-04, www.regeringen.se.

⁹⁸³ 1st Blue Stream pipeline completed on March, 1st, 2002

exports to Turkey will reach at least USD 7 billion annually by 2020.

Turkish-Russian relations have gained considerable visibility since the end of 2004. Turkish Prime Minister Erdogan and Russian President Putin have met four times between November 2004 and July 2005. These meetings have been widely publicised, and Turkish and Russian press dedicated significant coverage to these events. The public diplomacy dimension was at the forefront. President Putin was eager to address directly the Turkish business community and the population as a whole, and the Turkish public reacted very receptively. It is being stressed widely that bilateral relations are developing steadily in a very warm atmosphere. After the last meeting of the heads of the states in Sochi in July 2005, a decision to organise a *Year of Turkey in Russia* and a *Year of Russia in Turkey* was taken.

Turkey is keen to associate Russia with regional initiatives to be developed in the neighbourhood and particularly in the Black Sea. For Turkey inclusiveness has been the main criterion. Engaging Russia has been the guiding principle in Turkey's approach to the Black Sea region. The fear that a massive non-regional intervention will have far-reaching, destabilizing effects on the neighbourhood is widespread. The EU's inclusive and pragmatic regional approach, emerging with the development of the Neighbourhood Policy, is valued positively in Turkish policy circles.

Turkey has taken the decision to take part in the Black Sea Cross-Border Cooperation Initiative of the European Neighbourhood Policy. The issue of a linkage between the ENP Black Sea initiative and the Black Sea Economic Cooperation (BSEC), established in June 1992 and under consideration, would be the best option from a Turkish perspective. Turkey is attached to the BSEC format and is keen to make it the umbrella organisation for Black Sea strategies. The BSEC meets the Turkish inclusiveness criteria since it is the most comprehensive organisation in the region. It might be argued that this all-inclusiveness is behind the overall inefficiency of the structure. The BSEC offers nevertheless a unique platform, which includes, among other countries, Armenia and Azerbaijan, Russia, Turkey and Greece.

Turkey is eager to extend the BSEC role in the energy field with the creation of a working

group for oil exploration in the Black Sea region. Addressing energy security issues will foster the internal solidarity among BSEC members. Turkey can also become a transit country for the export of Russian gas. Russia is considering Turkey as a potential transit point for Russian natural gas exports to EU. The Commission has recommended that certain volumes of Russian natural gas could also be transported to Europe through the South Eastern Gas Ring connecting Turkey to Greece. The multilateralisation and institutionalisation of Turkey's energy relations with Russia within the BSEC format can contribute to efforts aimed at ensuring energy security.

United Kingdom

The revitalisation of EU-Russian relations is one major component of the new German initiative for a new Eastern policy ("Ostpolitik") for Europe that the UK supports. It has been difficult to find an articulated policy towards Russia. At an informal meeting of EU Heads of State and Government in Lathi, Mr. Blair stressed the need to build a close and legally binding partnership with Russia based on energy. A constructive relationship with Russia should be one where rules are clear for both sides, which is primarily a business relationship and political considerations should do not come to the fore. The legal framework for the new Partnership and Cooperation Agreement (PCA) should have as core principles those defined in the Energy Charter Treaty and the declaration agreed at the G8 Summit in St Petersburg in July: market based rules, market opening, transparency and reliability.⁹⁸⁴

With regards to European Neighbourhood Policy (ENP), the British government believes it constitutes a promising start for those countries that do not have the prospect of membership. Although the effectiveness of ENP might be questioned by some policy commentators when looking at Ukraine's difficulties in implementing the agreed plan of political and economic reforms, it is important in the UK government's view to proceed negotiations with Ukraine within the EU-ENP framework and maintain momentum for change. The readmission agreement recently signed in the last EU-Ukraine Summit points in

⁹⁸⁴ Tony Blair, Written Ministerial Statement about EU Heads and Government, 23rd October 2006, accessible at <http://www.number10.gov.uk/output/Page10265.asp>

this direction. The UK government agrees that the EU will need perhaps to provide more tailor-made action plans to meet individual specific needs of countries like Ukraine and Moldova. In the ENP, better incentives should, in the government's view, also be provided, for instance offering harmonisation in selected sectors such as transport or energy, as well as tougher conditionality and more differentiation among the participating countries.

With regards to the German proposal for an EU Central Asia strategy, the UK sees the elaboration of such a strategy of great strategic importance. Even though there is little political support in Britain for the countries of the Caucasus to join the EU, a "faint" EU perspective appears to be important for these countries to sustain their reforms and to foster stability in the region.

9

Current/Upcoming events and issues in your country

- **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? Do they bear any influence on your country's positions in key issues on the EU level?**

Austria

The most dominant factor of political life currently is the ongoing negotiation process to form a new Austrian government following the elections of 1 October 2006. At the moment of the writing, a Social Democrat-Peoples Party coalition seems to have come into reach.

As regards EU policy and decision-making processes, little is expected to change however, as there is a lot of convergence in EU policies between the possible coalition partners. The only significant policy changes in contrast to the former Democrat-Peoples government concerning the content are expected in a greater emphasis on the social dimension of the EU, both as regards the constitutional process and secondary legislation (e.g. labour market policy). In the election program of the Social Democrats, priorities in EU policy concern the protection of existing employment and the creation of new employment, the creation of common social standards, and the harmonization of the tax policy with the aim of creating a stronger auto financing capacity of the EU. Furthermore, the Social Democrats emphasise the need for more financial means for research, development, innovation and the development of infrastructure.⁹⁸⁵

Another factor that is expected to change with a new coalition government is the change of the decision-making process, both as regards structure and personnel on EU-level. This might not only change the quality and quantity of the decision-making processes, but also influence the setting of priorities. While migration and enlargement were expected to dominate the EU policy in case one or both right wing parties came into power, it appears that these issues – albeit to a lesser extent – will also remain prominent issues in the case of a coalition government. Despite the clear position of the EU commission as regards the accession of Turkey, enlargement and migration will remain major areas of concern within the Austrian population.

Especially for the Green party, the major consequences of the ongoing negotiation process in relation to the EU is the fact that current policy decision in Brussels are taken by the representatives of a government which does not have any legitimacy any more. In this

⁹⁸⁵ Manifest der Sozialdemokratischen Partei Österreichs 2006: 22

respect, they urge for the creation of a new government as soon as possible, also in the interest of European Union.

For the trade unions, hopes are high that a coalition government with the participation of the Social Democrats will contribute towards a more socially balanced economic and social policy on EU-level. This concerns especially the ongoing liberalisation policies in the field of labour regulations and social service sector, largely to the detriment of the workers. The national endeavour for a basic social security for all and a new education policy are thereby seen as important national initiatives that may also set an example for EU-policies in these sectors.⁹⁸⁶ As regards the social sector, the trade unions expect the new government to take initiative against the plans of the commission to further liberalise the health and social service sector. The new government will however, have to be judged as to how it will implement the service directives. The trade unions argue for a service directive that takes advantage of the national bargaining space as regards its implementation, also as regards the creation of efficient control and sanctioning mechanisms.

Belgium

National elections will take place on 10 June 2007.

Reforms are to be among the top priorities of the political agenda: institutional reforms should take place in order to find compromises in several fields, such as the procedure of voting for the “Brussels-Hal-Vilvorde area” and the continuation of the process of regionalization.

As far as the socio-economic situation is concerned, the priorities are close to the ones discussed at the European level, with respect to the Lisbon criteria: the struggle against unemployment and competitiveness. The recent events in Volkswagen-Forest have stressed the need for more European cooperation in this field.

⁹⁸⁶ See in this context, the proposal of the prime minister of Luxemburg Jean-Claude Juncker for a basic social security for all, as had been agreed upon among the future coalition partners. The proposal by Juncker also included the setting of a minimum standard for salaries in order to counter the de-regulation and liberalisation of labour regulations (DIE PRESSE, online, 21 November 2006).

A reform of social security, which is also of great importance throughout the Union, will also have to be discussed in order to prepare the country for the aging of its population.

The question of the legalization of illegal immigration will also be of great concern to the Belgian political authorities, with the number of demonstrations continuing to increase steadily.

Security will also be part of the major issues of the Belgian government in the context of increasing violence in public areas in general, especially following of the murder of a young man last April.

Bulgaria

Without any doubt, the most important political event for Bulgaria in 2007 will be EU accession. This is an event expected with lots of attention and hopes both by the Bulgarian political elite and society. Bulgarian EU membership will have its strong impact on the political, economic, and social development of the country in the long term, influencing the lives of several generations.

Taking into consideration the political debate in Bulgaria, we have to underline in the first place the politicians' understanding of the EU as an important political, economic and social project. Coming Bulgarian accession is best summarized by the Bulgarian President, Mr. Georgi Parvanov: "This [EU membership] is the most successful political project, which has been realized within the whole new Bulgarian history..."⁹⁸⁷. Bulgarian Prime Minister, Mr. Sergei Stanishev, has described EU accession as a "huge opportunity, and chance"⁹⁸⁸ for the country.

Bulgarian politicians have paid particular attention to the normative dimension of the EU. The Union has been very often described as a "Union of rules"⁹⁸⁹, and a "community of

values"⁹⁹⁰. According to the Bulgarian Prime Minister, "the big effect [from membership] will be to learn living on the basis of commonly binding rules"⁹⁹¹. This "normative approach" towards the future Bulgarian EU membership is not surprising if we consider public surveys, according to which Bulgarians associate future membership with more justice and security in their home country. Other benefits for the country are the economic ones, coming as a result of the access of Bulgarian companies to the huge EU market, and the use of EU funds for the country's modernization. According to an opinion poll carried out in September 2006, public support for EU membership is still very high: 71% of respondents.⁹⁹² A higher level of support can be found among younger people with a high level of education, who point out as benefits from accession the opportunity to travel, to study, and to work abroad. In a political perspective, they expect from EU membership positive changes in the political and economic system of the country, and "better rules".⁹⁹³

On the basis of the above mentioned public survey, we can outline the most expected costs from EU membership. The most diffuse public fears are connected with the expected rise in prices, future bankruptcy of small and medium enterprises, and as a result – a rise in the level of unemployment in the country. Older people, with a low level of education, some small entrepreneurs, and low skilled workers demonstrate more negative attitudes to integration.

Political events with a shorter-term influence are:

First, as a result of recent presidential elections (October 2006) Bulgarian President, Mr. Georgi Parvanov, will start his second consecutive office term in 2007. Thus, for the first time after the fall of communism, a Bulgarian politician at the highest level of the

web site of the Bulgarian Ministry of Foreign Affairs); accessed on 17. 11.2006.

⁹⁹⁰ Interview of Bulgarian Prime Minister, Mr. Sergei Stanishev, with "La Croix"; "Old and New Europe Should Not Stand in Opposition"; 18.10.2006. available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 05.11.2006.

⁹⁹¹ Interview of Bulgarian Prime Minister, Mr. Sergei Stanishev, for Bulgarian National Television (BNT); program "Panorama"; 29.09.2006;...

⁹⁹² Survey of September 2006, conducted by ALPHA Research Agency; published in Dnevnik.bg; "Podkrepat za evrointegraciata ot novo se e pokachila" ("Support for EU integration is rising again") on 28.09.2006; available at: <http://www.evropa.dnevnik.bg/>; accessed on 22.10.2006.

⁹⁹³ Ibidem.

⁹⁸⁷ Interview of Bulgarian President, Mr. Georgi Parvanov, for BTV; 27.09.2006; available at: <http://www.president.bg/> (the official web site of the President of Bulgaria); accessed on 12.11.2006.

⁹⁸⁸ Interview of Bulgarian Prime Minister, Mr. Sergei Stanishev, for Bulgarian National Television (BNT); program "Panorama"; 29.09.2006; available at: <http://www.government.bg/> (the official web site of the Bulgarian Government); accessed on 17.11.2006.

⁹⁸⁹ Interview of Bulgarian Deputy Prime Minister and Minister of Foreign Affairs, Mr. Ivailo Kalfin, for Bulgarian National Television (BNT), program "Denjat zapochva"; available at: <http://www.mfa.government.bg/> (the official

executive branch (be it president or prime minister) will have the opportunity to double his term of office. Bulgarian political analysts' expectations from this second presidential mandate are that Mr. Parvanov be more active in domestic politics, trying to influence the coalition government policies in the social, economic and foreign spheres. The reaction of the Bulgarian Prime Minister, Mr. Sergey Stanishev, to presidential initiatives will be interesting to observe and analyse, as it will possibly reflect a general trend of increasing the role of the presidential institution in Bulgarian political life. Concerning future Bulgarian policy initiatives in the EU, the development of the President – Prime Minister relationship is not expected to have a significant impact.

Second, the EU Commission will welcome a Bulgarian Commissioner for the first time. This is going to be the current Bulgarian Minister of European Affairs, Ms. Meglena Kuneva, who will take the consumer protection portfolio. She is well known both in Brussels and Sofia for her strong support for Bulgaria's EU integration, and she is expected to struggle within the Commission for a political agenda strengthening the role of the EU in member states' policies, promoting a stronger and united EU. The figure of Ms. Kuneva as a future commissioner has been interpreted in the Bulgarian media in a way much different from her incumbent functions. She has been presented as the Bulgarian politician who will be "our man (woman) in Brussels", who will defend Bulgarian interests in the Commission, and who will represent Bulgarian initiatives at the EU level. The "discovery" of the actual role of a commissioner bears the risk of disappointing Bulgarian citizens and of diminishing public support for the EU⁹⁹⁴.

Third, the first EP elections are expected to be held in Bulgaria in May 2007. Having the latest presidential election results in the hindsight, the victory in EP elections will most probably go to the Bulgarian Socialist Party (BSP). Other parties, which are expected to be well presented at these elections, are the populist party, "Ataka", and the Bulgarian-Turks minority party, Movement for Rights and Freedoms (MRF). According to commonly expressed expert opinions, the political crisis of

Bulgarian right wing opposition parties will deepen as a result of their expected defeat at these EP elections. The recent formation of young right wing politicians called "European Democratic Path" embraces MPs with non-negligible EU experience – within the joint Bulgaria-EU parliamentary committee, within the European Convention (2002-2003) or in the capacity of active observers at the EU (since September 2005). They are preparing their ranks for the EP elections, but have not yet demonstrated a capacity to offer new political projects to the public, which would enable them to take the lead in overcoming the current crisis. The big question mark with regard to political developments and EP elections in particular is for the new party of Sofia Mayor, Mr. Boiko Borisov – Citizens for a European Development of Bulgaria (GERB) – established on 4 December 2006. If there can be EP election surprises they will most probably come from this still nascent party.

A fourth line of developments, these are expected changes in the Bulgarian coalition government. Most probably these changes will reflect presidential election results, strengthening government positions of BSP and MRF at the expense of the liberals from the National Movement Simeon Second (NMSS). This government "reconstruction" is unlikely to influence Bulgaria's EU positions because the integration project of the coalition government was and is the strongest tool legitimizing it.

Fifth, the degree of EU funds absorption will be of particular importance during this first year of Bulgarian EU membership. According to some politicians the absorption level will be around 20% – a figure that can provoke the disappointment of Bulgarians who interpret benefits from EU membership mainly in economic terms.

Croatia

The policy-making towards the EU in Croatia in the forthcoming period will predominantly be affected by several priorities on the political and economic policy agenda:

1. The fight against corruption will continue to be high on the policy agenda, especially after this issue was highlighted in the annual Progress Report on Croatia released by the European Commission on 8 November 2006. The Government plans to intensify measures

⁹⁹⁴ This "discovery" will come as the result of deepening the "real" EU integration of Bulgaria at the level of business and citizens. Consumer protection is a policy field where Bulgarian companies are expected to face serious problems with EU rules. – note by Dragomir Stoyanov.

against corruption and further implement already drafted Action Plans, as well as draft them in more detail, as was suggested by the EC and also Transparency International. Prior to the issuance of the Progress Report, such actions were also suggested by the leading opposition political parties, such as SDP and HNS⁹⁹⁵. In the last 2006 report of Transparency International⁹⁹⁶, which was also released at the beginning of November, it is rather worrying that the rank of Croatia is more or less the same as it was in 2005, reflecting a certain *status quo* in this field. Namely Croatia is in this report ranked in 69th place as compared to 70th place in 2005, which reflects that no real change in perception of corruption occurred in the country. As compared to the EU Candidate countries, Croatia is only ahead of Romania. The perception of corruption is particularly high in the health sector, the judiciary and in certain parts of public administrative services such as issuing building permits. Further simplification of the reforms and the adoption of missing regulations, such as the law on financing political parties and Law on the Right to Information, will be high on the government agenda in the coming months. On the other hand, the Croatian Employers' Association (HUP) has a detailed task programme of reviewing the excessive regulations and proposing necessary cuts within the programme of HITROREZ (Regulatory Guillotine Programme)⁹⁹⁷ in order to remove some regulatory hurdles for doing business, which is often a reason for corruption.

2. The second issue high on the policy agenda is judiciary reform, which is also critically assessed in the latest Progress Report. The success of the anti-corruption measures is very much correlated with further reform of the judiciary system in the country, its depoliticisation and further professional development. There are several tasks scheduled in this area, such as dealing with further decreases in the backlog of court cases by transferring them to less overloaded courts, decreasing the number of courts in charge, training judges, building overall capacity and fighting corruption in the judiciary.⁹⁹⁸

⁹⁹⁵ Mr. Ivica Racan, president of the SDP Party, quoted in daily *Jutarnji list*, 7th November 2006 (www.jutarnji.hr/dogadjaji_dana/clanak/art-2006)

⁹⁹⁶ The detailed report can be accessed at the www.transparency.hr.

⁹⁹⁷ See the official web pages of the project HITROREZ, www.hitrorez.hr.

⁹⁹⁸ For detailed programmes and actions plans see www.pravosudje.hr.

The independence of Croatian judiciary system from the direct political influences was recently tested by the events related to the arrest of prominent ex-HDZ politician Branimir Glavas who was indicted for war crimes against civilians in Osijek during the first half of 1990s. The handling of the case indicates that there is still a strong need for further strengthening of professionalism and depoliticisation of the judiciary system in Croatia to enable the system to perform its role freely and impartially⁹⁹⁹.

3. The fiscal reform and further decrease of the total foreign indebtedness, which is presently over 80% of the GDP, will also stay high on the economic policy agenda related to achievement of the EU accession criteria. The IMF Stand-By Arrangement expired recently and would not be renewed. The last report¹⁰⁰⁰ on implementation of the arrangement was very positive for Croatia, and both sides decided that the problem of budget imbalances and high foreign indebtedness trends would now be monitored by the Croatian Government. Prime Minister Sanader stated that the end of the Stand-By Arrangement does not mean the end of rigorous fiscal discipline, although Croatia is in the pre-election year. He stated that the even more ambitious goals would be set than within the arrangement, and stated that the goal of his Government is to have a deficit of only 1.5% of the GDP by 2009, which is a target year for full membership¹⁰⁰¹. However, behind achieving this target is the need for further structural reforms of the Croatian economy, which would enhance the achievement of the EU economic convergence criteria. The Ministry of Finance therefore has more conservative targets for reduction in fiscal deficits by the 2009 and forecast that it will gradually decrease to 2.4% of the GDP by 2009.¹⁰⁰² There is a need to continue reforms in the area of fiscal consolidation, to continue National Bank policy for preparing the ground for introducing the Euro and to promote structural reforms –

⁹⁹⁹ Interview with Vincent Degert, Head of the Delegation of the EC in Zagreb, in daily *Jutarnji list*, 3rd December, 2006, p. 3.

¹⁰⁰⁰ See the «Third Review Under the Stand By Arrangement Staff Report», 6h October 2006 (<http://www.imf.org/external/pubs/ft/scr/2006/cr06346.pdf>), and «Republic of Croatia—2006 Article IV Consultation, Preliminary Conclusions», November 8, 2006 (<http://www.imf.org/external/np/ms/2006/110806.htm>).

¹⁰⁰¹ HRT (Croatian Radio Television), Dnevnik (prime news program), on 8th November 2006.

¹⁰⁰² «Economic and Fiscal Policy Guidelines for the Period 2007-2009», Ministry of Finance. July 2006.

primarily privatisation and restructuring of state-owned companies (privatization of the oil company INA is underway, while restructuring of the shipbuilding industry is seen as a priority). However, the question remains to what extent the pre-election year will be a reform one.¹⁰⁰³

4. Advancement of the negotiation process with the EU will remain an important priority after the successful completion of the screening process of 33 *acquis* chapters. The benchmarks were defined for several chapters such as public procurement, competition, social policy and employment, justice, freedom and security, and free movement of capital and goods. The opening of negotiations in several chapters is expected by the end of the Finnish presidency.

The EU has altogether introduced 14 new benchmarks so far, which indicates stricter conditions for Croatia than in the previous wave of enlargement. The government policy is to complete accession talks and become a full member by 2009. The current government led by the HDZ and Prime Minister Sanader have repeatedly stated on several occasions, including at the European Parliament, that it would be unacceptable and frustrating for Croatia to become a full member after 2010, and that individual treatment to accession should be applied. The other political parties are fixating themselves less on the date and more on the quality of the negotiations with the EU. Mr. Neven Mimica, ex-Minister of EU Integration and prominent SDP member, is of opinion that the content of the reforms needed to achieve the EU standards in several negotiation areas is much more important than the negotiation itself. After all, the progress of these reforms in the country will determine the pace of the negotiations.¹⁰⁰⁴ The additional criteria, such as benchmarks or some chapters, will further harden the pace of negotiations and the administrative capacity to comply with the more rigorous conditions will also be tested¹⁰⁰⁵.

5. Pre-election activities have already started and, as it seems, will be marked by the further structuring of the political scene, where new

alliances could be formed, as was the case with the cooperation agreement between the Croatian Liberal Party and the Croatian Peasant's Party in October 2006.¹⁰⁰⁶ The Social Democratic Party (SDP) and the Croatian People's Party (HNS) have already officially started their pre-election campaigns. The competition among parties in the upcoming parliamentary elections (second half of 2007) will also be strongly coloured by attitudes towards solving remaining EU integration policy issues. Some of the political parties such as the Croatian Peasant's Party (HSS) have recently expressed quite openly some doubts about the need to move fast with the accession process and have pleaded for the prolongation of some EU driven processes, such as the opening of the Croatian real estate market.¹⁰⁰⁷ The euro scepticism, which was always a marginal political option in Croatia, might in the upcoming elections gain some new supporters on the Croatian political scene and the coming months will test their strength.

Cyprus

Clearly, the main priority issue in Cyprus' national political agenda is the promotion of a fair, viable, and functional settlement of the Cyprus problem. As we recalled earlier, it is a problem that involves immediately, besides the two communities in Cyprus, a candidate for EU membership. Evidently, the uninterrupted continuation of Turkey's EU accession process depends on each member state. Therefore, as long as Ankara tenaciously refuses to implement in full the Customs Union protocol and, therefore, open its ports and airports to Cyprus, the Government of Cyprus – together with the majority of Member States – finds it difficult to continue giving its consent.

Currently, Ankara has been declaring that it will not open its ports and airports to Cyprus unless the (so-called) "isolation" of the Turkish Cypriots is lifted. By this maneuver, Turkey is attempting to promote the idea of direct trade

¹⁰⁰³ Athanasiov Vamvakidis, Head of the IMF Office in Zagreb, interview in the business monthly, *Banka*, November 2006.

¹⁰⁰⁴ See Neven Mimica, Head of the Parliamentary Committee on EU integration, interview in the daily, *Novi list*, on 7th November, and quote of his statement in the daily, *Slobodna Dalmacija*, 9th October 2006.

¹⁰⁰⁵ Mr. Ivica Racan statement quoted in *Jutarnji list*, 20th October 2006.

¹⁰⁰⁶ Cooperation agreement was signed on 17 October 2006 as a basis for pre- and post-election cooperation of HSL and HSS, see www.hsjs.hr for details.

¹⁰⁰⁷ Mr. Josip Friscic, the president of Croatian Peasant's Party (Hrvatska seljacka stranka-HSS), stated in *Jutarnji list*, 11 November 2006, that the Stabilization and Association Agreement should be revised and that he envisage the 12-year period for the transition period towards the full liberalisation of real estate sector in Croatia.

with the Turkish Cypriot community.¹⁰⁰⁸ This, however, would bypass the island's only recognised authorities (i.e. the Republic of Cyprus), resulting in the political upgrading of the illicit occupation regime. The issue of such direct trade has been challenged repeatedly by the Cypriot government. Nicosia has been warning that it does not intend to pay the political price of any recognition of the occupied areas in order to help Turkey comply with its EU commitments.

In recent months, the Cypriot government has vetoed the opening of numerous accession chapters that were discussed at working group level, among which were the following: the Education and Culture chapter (14 September 2006), the Industrial Policy chapter (10 October 2006), the Agriculture chapter (7 November 2006) and the Economic and monetary policy and financial audit chapter (10 October 2006)¹⁰⁰⁹.

Minister of Foreign Affairs, Yiorgos Lillikas, has elaborated on the government's policy on the opening of new accession chapters. On 9 September this year, he stated that Cyprus will not acquiesce to the opening of new accession chapters as long as Ankara refuses to comply with its basic obligations towards the EU. In addition, Ministry of Foreign Affairs officials emphasized that Cyprus' vetoes are premised on the following self-evident arguments: first, that it is not possible to send encouraging messages to Turkey when it arrogantly refuses to abide by its obligations towards Cyprus and the EU. And second, that many of Turkey's statements and tactics contradict established EU decisions. To cite just one disturbing example of the past few weeks, Ankara has vetoed Cyprus' accession to three different international organizations¹⁰¹⁰.

¹⁰⁰⁸ It is important to clarify here that talk of the "Turkish Cypriot community" is highly ambiguous and therefore utterly misleading to those untutored on the Cyprus problem. This is so, because the population of the occupied area of northern Cyprus is now a mix of indigenous Turkish Cypriots and tens of thousands of illegal settlers from mainland Turkey. In fact, recent estimates suggest that the latter constitute today the overwhelming majority, since their numbers seem to exceed 140,000, whereas the indigenous population is certainly under 90,000. See Council of Europe, Parliamentary Assembly, Committee on Migration, Refugees and Demography, *Colonisation by Turkish settlers of the occupied part of Cyprus*, Doc. 9799, 2 May 2003, Rapporteur Mr Jaakko Laakso (Finland). See also Costas Melakopides, *Unfair Play*, op.cit., pp.57-58.

¹⁰⁰⁹ *Phileletheros*, "Mikra Veto, Megala Minimata" (Small Vetoes, Big Messages), 18 November 2006.

¹⁰¹⁰ Interviews conducted by Nicoleta Athanasiadou, 26 October 2006.

A second priority issue is Cyprus' accession in the Eurozone. According to a statement by Commissioner Almunia on the Commission's autumn forecasts for 2006, 2007 and 2008, Cyprus and Malta fulfill the criteria for joining the Eurozone.¹⁰¹¹ Cyprus can thus be in line to join, as soon as the official applications are submitted and ECOFIN has given its approval. To ensure the smooth transition to the euro by January 2008, a series of seminars and educational campaigns has been organized, mainly by the island's banking corporations. In addition, the Central Bank of Cyprus, in collaboration with the European Commission, held the "Euro Coins Genesis" exhibition, showing the designs of the European and national images on the coins. Moreover, organized groups, such as the Cyprus Chamber of Commerce and Industry, have published special guides to raise awareness among citizens.¹⁰¹²

A third issue, expected to attract a lot of attention in the coming months, concerns the restructuring of Cyprus' pension system. Cyprus, along with Greece, Portugal, the Czech Republic, Hungary, and Slovenia, have been classified as "high-risk" countries, given that their long-term public finances, which will significantly affect pension costs of their increasingly aging population, do not seem sustainable. The Commission's "Long-Term Sustainability of Public Finances in the EU Communication with the Council and the EP" described the situation as a "time bomb" which will "go off in the hands of our children and grandchildren".¹⁰¹³ The EU measurements, based on current budgetary positions, and the projected increase in age-related costs, show that Cyprus has large deficits and must, therefore, engage immediately in serious reforms to face its growing pension costs.

For its part, the European Commission has suggested certain measures to assist the Member States which face pension gaps: first, to fix their public deficits; second, to reform their pension and health systems to cut expenditures; and third, to boost employment, mainly of older workers, possibly by raising the retirement age. Boosting employment has been one of the key goals of the "Lisbon agenda", the ambitious reform plan aspiring to render the EU the most competitive economy in the world.

¹⁰¹¹ SIGMA TV, Evening News, 6 November 2006.

¹⁰¹² Interview conducted by Christos Xenophonos, Cyprus Central Bank, 19 October 2006.

¹⁰¹³ All newspapers, 13 October 2006.

In this respect, the Cyprus Government unveiled a plan to deal with growing pension costs by reforming the social security fund.¹⁰¹⁴ The Minister of Labour and Social Insurance, Antonis Vassiliou, in presenting the plan, outlined the Cypriot strategy to tackle the problem. The strategy includes *inter alia*: ensuring that the government receives all contributions that had not been collected; an increase of the percentage of contribution towards the social insurance fund; the extension of the retirement age to 65; and the abolition of the unemployment fund granted to pensioners for a six month period immediately following their retirement. After consultations with trade unions and organized groups, Minister Vassiliou made the commitment that, by the end of the year, a complete proposal would be submitted to the House of Representatives for voting¹⁰¹⁵.

Turning now to our interlocutors from the two larger political parties, here are their relevant observations: AKEL's spokesperson, Mr Kyprianou, besides mentioning Cyprus' forthcoming electoral campaigns, enumerated the following issues as cardinal: Turkey's accession trajectory; the Cypriot convergence with the EU, especially as regards the economy; the absorption of EU directives; the issues of immigration and how best to handle them; and the issue of energy which, for us, is crucial and a matter of priority".¹⁰¹⁶ Finally, DISY MP, Mr Mitsopoulos, submitted the following replies: "The Cyprus problem and Turkey-EU relations are the dominant issues on the agenda of the Republic of Cyprus. Turkey's refusal to comply with its obligations which derive from the extension of the Ankara Protocol, and the illegal occupation of Cypriot –and, by implication, of EU- territory in violation of the *acquis communautaire* and international law, constitute serious problems which affect the smooth continuation of Turkey's dialogue with the Union. The rest of Cyprus' priorities concern the promotion of the Lisbon strategy, that is, strengthening the competitiveness of the European economy in proper conditions of employment, social cohesion and protection of the physical environment. Finally, it should be

stressed that, in the view of the average Cypriot, it seems inconceivable that Turkey would refuse to recognise a Member State of the EU while at the same time asking for its consent to continue its accession dialogue".¹⁰¹⁷

Czech Republic

In early November 2006, almost five months after the election to the Chamber of Deputies, the Czech Republic still lacks a government with parliamentary support. The question of which government will be formed and if and when early elections will be held is likely to dominate the political debate in the country in the near future, with early elections unlikely to be held until next year.

The debacle surrounding the government formation has some effects on the Czech Republic's EU policy. One consequence is that the Civic Democratic Party at least for the time being has modified its rather critical view towards European integration in an attempt to increase its coalition potential (see question no. 3). Another topic that has received attention among politicians and journalists is the Czech EU Presidency in 2009. The question that is discussed is whether the lack of a functioning government will have any negative consequences for the preparations for this event, which is conceived as being of vital importance for the Czech Republic. The Civic Democratic Minister of Foreign Affairs has however assured that this is a priority issue for the government and that preparations already have been undertaken.¹⁰¹⁸

The foreign policy related issue that is most discussed at the moment in the country is the issue of establishing a U.S missile interceptor base in the Czech Republic. This is also an issue that has divided the Czech parliamentary parties. The Civic Democrats argue strongly in favour whereas the Social Democrats would prefer a referendum on the issue. The Czech Republic has however so far not received any formal request from the U.S. and the formal American decision regarding where this base should be located is not expected before the end of this year.¹⁰¹⁹

¹⁰¹⁷ Interview with Annita Demetriou, op.cit.

¹⁰¹⁸ Ptali jste se ministra zahraničí Alexandra Vondry (You asked the Foreign Minister Alexander Vondra) [http://ihned.cz/index.php?p=003000&m=d&article\[id\]=19665970&&](http://ihned.cz/index.php?p=003000&m=d&article[id]=19665970&&)

¹⁰¹⁹ Vondra: Američané o umístění základny letos nerozhodnou (Vondra: Americans will not decide on the location of the base this year)

¹⁰¹⁴ All newspapers, 26 October 2006.

¹⁰¹⁵ All newspapers, 11 November 2006.

¹⁰¹⁶ Interview with Annita Demetriou, op.cit.

Denmark

Welfare is very much debated in Denmark. Especially, the reform of the structure and tasks of the local and regional governments, and the following reallocation of resources in the care sector, has provoked extensive demonstrations all over the country. The government is under pressure. The Social Democrats have introduced a program on improving welfare, which may have contributed to giving the party a gain in the opinion polls.¹⁰²⁰ These welfare discussions might to some extent come to colour Danish EU policy. At least former Prime Minister Poul Nyrup Rasmussen, MEP, together with former Commission President Jacques Delors recently set out 'ten principles for a new social Europe'.¹⁰²¹

The Danish commitments in Iraq represent another hotly debated topic. In the light of the pressure the US government is being subjected to, the focus is currently on the Danish Government's close relations with the Bush administration. Prime Minister Anders Fogh Rasmussen, however, has been quoted as saying that Denmark primarily cooperates with Britain in Iraq and that Denmark is therefore in close dialog with the British. The political opposition sees this statement as an attempt by the government to distance itself from the unpopular US president.¹⁰²² Another issue that is continuously debated is the Danish immigration and integration policy – especially the so-called 24 years-rule (young people under 24 years cannot get family unification in Denmark). Also the question of integration of immigrants marks the Danish debate – here discussions on religion in relation to integration are a particularly prominent issue.¹⁰²³

Estonia

Parliamentary elections will be held in March 2007. The two leading partners in the current

<http://web.volny.cz/noviny/zdomova/clanek/~volny/IDC/56167/vondra-ameriane-o-umisten-i-zakladny-letos-nerozhodnou.html>

¹⁰²⁰ Line Aarsland, 'Offentlig service: Sādan vil VK gōre os mere tilfredse' *Politiken*, 16 November 2006.

¹⁰²¹ Poul Nyrup Rasmussen and Jacques Delors, 'A New Social Europe: Ten Principles for Our Common Future', resolution for the 7th Congress of the Party of European Socialists, Porto, 7-8 December 2006.

¹⁰²² Mathias Seidelin, 'Danmark samarbejder med briterne', *Politiken*, 16 November 2006.

¹⁰²³ Jannie Holm Andersen, 'Religions-tabu skader integration', *Kristeligt Dagblad*, 16 November 2006.

governing coalition – the Reform Party and the Centre Party – remain the parties with the highest support rate. Radical political shifts with major implications for the country's EU policy are therefore unlikely.

Since the last issue of the EU-25 Watch, certain issues have (temporarily) declined in importance. Accession to the eurozone, initially planned for 2007 or 2008, will be delayed. Estonia will not be able to meet the convergence criteria in the near future, because rapid economic growth and high oil prices have led to relatively high inflation rates. Estonia meets all the other requirements for accession to the eurozone. Schengen accession will also be delayed for reasons beyond Estonia's control.

Two priority issues on the national policy agenda have a clear connection to EU policy. One of these, energy, has been discussed in the previous sections of this report. The other, labour, deserves a short explanation. In conditions of rapid economic growth (and a declining population), Estonia is increasingly facing labour shortages, especially given a significant outflow of labour (including highly skilled professionals) to those EU countries that have opened their labour markets to the citizens of the new member states. The shortage of qualified personnel is most acute in health care, construction, transportation, police forces, education and emergency services. The media dedicates increasing attention to the pros and cons of bringing in foreign guest workers. The general attitude towards importing labour is cautious, given the history of massive influx of Russian-speakers in the Soviet period and the still unresolved problems of societal integration. The Western European experience, with all the complexities of multiculturalism, is also used as an example of the potential problems ahead.

Finland

The next main event on the Finnish political calendar is the parliamentary elections in March 2007. Customarily EU politics and issues will not feature as campaigning themes. Nevertheless, perceptions and public and personal assessments on how the incumbent government succeeded in running the EU Presidency may affect voting behaviour. Currently it is much too early to speculate on the winners and losers of the elections. The largest Finnish political parties are generally

positive towards a deepening and widening European Union. The EU enlargement process in general is a salient topic and will be under public scrutiny.

Finland has consistently been an advocate for the strengthening of the Common Security and Defence Policy. The CSDP is regarded to have the potential to improve EU and Finnish security. From the beginning of the year 2007 EU Battle Group 107 will be deployable within five days to any theatre of crisis management operation. Battle Group 107 is comprised of Finnish, German and Dutch combat troops and is the first multinational full capacity combat unit of the EU. The group's possible deployment will concretely demonstrate what strengthened EU crisis management may entail. Unofficial speculations of missions in Africa have already been aired.¹⁰²⁴ With Finnish soldiers involved, emotional stakes will be high in Finland regards the actions of the Group. The outcome of an eventual deployment is likely to affect public opinion on developing the EU Common Security and Defence Policy, maybe even stances on the ongoing debate on the continuing viability of the Finnish policy of neutrality.

France

The most important upcoming events in France are the presidential and general elections that will take place from April to June 2007. The future of Europe, and particularly the future of the Constitutional Treaty, are already and will continue to be important issues in the electoral debate. Among the candidates, some are clearly against further European integration (the "Front National" led by Jean-Marie Le Pen and the "Mouvement pour la France" led by Philippe de Villiers), some are clearly opposed to the Union as it is (the Communists and the far left), while others put the deepening of European integration at the core of their political project (the centrists of the UDF, led by François Bayrou). All of them are "small" candidates and have little, if any, chance to be elected. But they will present the future of Europe among the most important issues of the campaign.

How are the results likely to impact on EU-policies? The two main candidates – Mr. Sarkozy and Ms. Royal – are both considered to be rather "shallow" Europeans, only

venturing onto the European scene if they foresee political gains in the domestic arena. Both have only given incomplete hints of what their European policies would be. Mr. Sarkozy is a known Atlanticist, who has made clear his intention to put an end to the Gaullist tradition of French independence. He is also a supporter of the free market. In terms of European policies, he is certainly closer to Tony Blair than to Jacques Chirac. But, if he is elected, it is unsure whether he will be able to achieve such a massive change in French foreign policy. On the other side, if the Socialists win the election, the emphasis will be clearly put on reforming the ECB, increasing the budget of the Union, and launching social harmonization. Recently, Mrs. Royal received the support of Jean-Pierre Chevènement, a former Socialist Minister and known "Eurosceptic". Apparently, in the deal between them, there was the assurance that Mrs. Royal would adopt a more critical discourse on the "liberal excesses" of Europe. She criticized the independence of the European Central Bank, asking for more political control over the European monetary policy.

Generally speaking, socio-economic issues are likely to top the agenda during the campaign. How to achieve higher growth, better employment and fight against poverty and social exclusion? Europe is mainly discussed in that perspective: better monetary policy, better trade policy, less deregulation and more protection... The French want Europe to help their economy and their social standards.

Mr. Sarkozy and Ms. Royal both belong to a new generation of political leaders – a generation which seems less interested by European integration. None of them seems to have a real vision of what Europe should be, should do and should become. As a result, expectations should not be too high as to the consequences of the French election on EU-policies.

Germany

2007 will be the year of the German double presidency (as in 1999): Germany takes over the EU-Presidency in the first half of 2007 and the yearlong chairmanship of the G8. Chancellor Merkel laid out the particular objectives of Germany's double presidency in a policy statement in the German *Bundestag* calling for more unity and support: "Let us

¹⁰²⁴ Helsingin Sanomat, 6.11.2006.

undertake these presidencies in a united national effort.”¹⁰²⁵ Shortly before, the Federal Government presented its work programmes for the imminent double presidency to the public.¹⁰²⁶

The Presidency is a chance for Chancellor Merkel to strengthen her authority also in the domain of internal politics, where the record has been mixed so far and also led to disappointment. However, her qualities – often criticised with regard to domestic affairs – to listen and consult, to keep a low profile in the political debate and then to forge and defend a compromise are seen as favourable in the role of the Presidency. She will be carefully watched by the media and political friends as well as opponents as far as her leadership capacities are concerned.¹⁰²⁷

Other priority issues that might frame the German policy agenda in early 2007 include a new impetus on climate protection and energy policy, introduction of a genetic engineering act, implementation of the health care reform and the reform of the federal state, part II (on finances between the Bund and the Länder).¹⁰²⁸

¹⁰²⁵ Government information “Merkel calls for unity in support of Germany’s double presidency”, 14.12.2006, http://www.bundesregierung.de/nr_6562/Content/EN/Artikel/2006/12/2006-12-14-merkel-regierungserkl_C3_A4rung_en.html (last access: 5.1.2007); cf. also Government statement by Chancellor Merkel on the double presidency in the German Bundestag, 14.12.2006, http://www.bundesregierung.de/nr_1502/Content/DE/Regierungserklaerung/2006/12/2006-12-14-regierungserklaerung-bkin-doppelpraesidentschaft.html (last access: 4.1.2007).

¹⁰²⁶ Cf. Cabinet Statement on German EU-Presidency; see also [Fn. 39]; On the G8 agenda see <http://www.g-8.de/Webs/G8/EN/Agenda/agenda.html> (last access: 4.1.2007); for more information on the work programme of the German EU-presidency consult http://www.eu2007.de/includes/Downloads/Praesidentschaftsprogramm/EU_Presidency_Programme_final.pdf (last access: 5.1.2007).

¹⁰²⁷ Cf. „Die Deutschen geben Angela Merkel die Note 3 minus“, in: DIE WELT, 22.11.2006, <http://www.welt.de/data/2006/11/22/1120258.html> (last access: 5.1.2007); see also Klaus-Dieter Frankenberger: „Angela Merkel auf großen Bühnen“, in: Frankfurter Allgemeine Zeitung, 2.1.2007, p. 1.

¹⁰²⁸ Cf. Statements by Chancellor Merkel on priority issues for 2007, in: “Sollen wir uns umdrehen und wegrennen?”, interview in: Frankfurter Allgemeine Zeitung, Nr. 274, 24.11.2006, p. 3; „Ja, regieren macht mir Freude“, Interview with BILD-online, 22.11.2006, p. 2, <http://www.bild-t-online.de/BTO/news/aktuell/2006/11/22/merkel-interview/merkel-interview-ein-jahr-amt-teil1.html> (last access: 5.1.2007); particularly on federal state reform cf. Prof. Dr. Wolfgang Renzsch: Föderalismusreform II, in: Frankfurter Allgemeine Zeitung, Nr. 292, 15.12.2006, p. 8.

Energy policy and climate protection are not only discussed in the context of foreign policy and security measures in terms of a consistent European “energy foreign policy”. Across parties there is a lively discussion on the proper energy mix and the degree of nuclear power for the decades to come. While the SPD is clear on the gradual nuclear power phase-out – that was agreed in the Atomic Energy Act (Atomgesetz) under the red-green government – the Christian Democrats promote the renewal of nuclear energy.¹⁰²⁹ It is noteworthy that there is little room to negotiate as the topic is clearly defined in the coalition agreement: “The CDU, CSU and SPD do not share the same opinion on the use of nuclear energy for power generation. For that reason, we cannot change the agreement between the Federal Government and power supply companies [...]”¹⁰³⁰ On the presentation of the Commission’s economic report (“Frühjahrsbericht 2007”) on 13 December Federal Minister for Economics and Technology Michael Glos announced “direction-giving resolutions”¹⁰³¹ in the field of energy policy and climate protection.¹⁰³²

Due to timely implementation of the *EU Deliberate Release Directive*, the revision of the genetic engineering act will be another issue in Germany. While the government ranks biotechnology as a key sector in industry and research, the overall objective of the bill is to “provide the framework for further development and use of biotechnology in all areas of everyday life and industry.”¹⁰³³ However, a concrete legal wording for research, market production and distribution of genetic modified products in line with EU law has not yet been elaborated.¹⁰³⁴

Quarrels across parties and inside the government over the concept, its implementation and core elements of the reform of the health care system will probably

¹⁰²⁹ Cf. Resolution of the 20th party convention of the CDU Germany, Dresden, 27./28.11.2006, p. 16.

¹⁰³⁰ Coalition Agreement between the CDU, CSU and SPD, Berlin, 11.11.2005, p. 37.

¹⁰³¹ „Glos kündigt richtungweisende Beschlüsse für Energiepolitik und Klimaschutz an“, Berlin, 13.12.2006, http://www.co2-handel.de/article186_3875.html (last access: 5.1.2007).

¹⁰³² Cf. for further details on climate protection and energy policy Coalition Agreement between the CDU, CSU and SPD, Berlin, 11. November 2005, p. 50.

¹⁰³³ Coalition Agreement between the CDU, CSU and SPD, Berlin, 11.11.2005, p. 57.

¹⁰³⁴ Cf. „Seehofer: Union einig über grüne Gentechnik. Verhandlungen mit der SPD über neues Regelwerk“, in: Frankfurter Allgemeine Zeitung, Nr. 280, 1.12.2006, p. 4.

continue.¹⁰³⁵ It might be the test case for the success or failure of the grand coalition. A more general topic that is also extensively discussed in the media is inter-religious dialogue, in particular relations with Islam and the integration of Muslim citizens. On the initiative of the Minister of the Interior Wolfgang Schäuble the first ever “German Islam Conference” was held in Berlin on 27 September 2006, dealing with matters of representation and integration of Muslim communities and the Muslim faith into German democracy. While the government initiative was widely welcomed, criticism was expressed over the composition of the Muslim delegation.¹⁰³⁶

Greece

Relations with Russia are of paramount importance for Greece. Both “hard” -politics aspects of international affairs (e.g. the Cyprus issue, the Aegean) and economic relations (major fields: the energy sector – see also chapter 5 – but also, increasingly, the armaments sector) have led to increased contacts. The Karamanlis Government has been through an intensive exchange of official visits program at the Prime Minister, Foreign Minister, Defense Minister and Economics/Industry/Trade Minister level; at all such meetings, Greece has reiterated support for Russia’s close/closer ties with the EU. (The Ukraine, notwithstanding an important influx of immigrants to Greece, is very much in a second tier of interest; when the Russian-Ukrainian natural gas episode occurred, there was only token Greek sympathy to Kiev). It is, thus, to be expected that the German “new European Ostpolitik” initiative will be supported from the Greek side - but, to this point, there are no official positions to that effect. It should also be noted that there might arise both from political and from media circles support for “privileged” Greece-Russia relations, overstepping EU overtures. To the joint “near abroad”.

¹⁰³⁵ Cf. „Kritik an der Gesundheitsreform“, in: Frankfurter Allgemeine Zeitung, Nr. 280, 1.12.2006, p. 14.

¹⁰³⁶ Cf. Jörg Lau: „Einbürgerung einer Religion. Wie kann ein deutscher Islam aussehen?“, in: DIE ZEIT, Nr. 39, 21.9.2006, <http://www.zeit.de/2006/39/konferenzhickhack> (last access: 5.1.2007).

Hungary

The two most important internal political events – national and local elections – have both already taken place in April and in October 2006 (bringing about an old-new, socialist-liberal coalition at the national level and an overwhelming victory of the greater oppositional party, the centre-right civic alliance, FIDESZ, at regional and local levels). Nevertheless, there seems to be a kind of political instability in Hungary due to a moral, a financial and a social crisis. The moral crisis is rooted in the scandal surrounding the acting Prime Minister (Ferenc Gyurcsány), who said to his fellow Socialist Party members – according to a secret tape recording – that he has been lying for the last two years, instead of governing the country. The second aspect is the country’s financial crisis: Hungary has by far the highest public deficit in the EU (10% of GDP) coupled with an increasing amount and share of public debts (nearly 70% of GDP). Thus, there is a twin deficit entailing internal and external financial imbalances. The third aspect – strongly linked to the previous ones – is the popular/social discontent sparked by both the moral and the financial crises. Due to both the political legitimacy issue and the austerity measures launched by the government to tackle the budgetary problems, a series of demonstrations have already taken place and new ones are planned. Thus, what can be forecasted are strikes, demonstrations and pressure to negotiate with the different social partners. In this respect, additional European standards for the Hungarian police forces must be set, given the rather low professionalism during the violent attacks against the Hungarian Television headquarters (18 September, after the tape-scandal), “compensated” with brutal over-reactions at the occasion of the peaceful celebration of the 50th anniversary of the Revolution of 1956 organised by the greater oppositional party FIDESZ (23 October).

While the Prime Minister has lately sought to cooperate with the opposition, FIDESZ is preparing a referendum on the topics under reform, e.g. education, the pension and the health care system, and agricultural lands. The referendum might be held at the end of spring 2007 and, depending on the outcome, may assert influence on the government’s activities. This might have an impact on Hungary-EU relations, since these items are also listed in the Convergence Programme. Nonetheless the main aim of the opposition is the same as

that of the government – namely, to bring about balanced public finances and preserve its sustainability – but the method, the approach is quite different (e.g. instead of privatisation and price/tax increase coupled with serious cut backs, emphasis is put on stopping privatisation and partly on introducing tax reduction, especially for small and medium sized enterprises, which can provide jobs). Fortunately, the austerity measures in Hungary are not communicated in such a way as to render the EU a scapegoat. On the contrary, the EU (the European Commission) is rather perceived as a positive actor asserting pressure on the Hungarian government to achieve financial stability and transparency.

Ireland

The most important upcoming events will be the general election in 2007, but it is unlikely to have any impact on Ireland's EU policy. Other issues being debated include energy security, Ireland's obligations under the Kyoto agreement, competitiveness and innovation.

Italy

The Italian Parliament is currently discussing the annual budget and is expected to approve it before the end of the year. It is a very delicate moment for every Italian government, even more this year since the government has a particularly meagre majority in Parliament and is very heterogeneous in its composition (it comprises a moderate Catholic and two communist parties). The budget is at the moment the object of a fierce political battle that is nearly monopolizing the attention of all political leaders and commentators. The clash is not only between the government and the opposition, but inside the government majority as well, and has frequently been so bitter as to threaten the very existence of the government itself.

Next year, after the budget is approved, the government and parliament will discuss a wide range of structural reforms needed to modernize the country, to improve the efficiency of the State administration and to boost the economy. These reforms are to cover a wide range of issues. Social security will have to be reformed and markets liberalized, and the government will have to move on with privatisations. It will be difficult to reach a consensus on exactly how to reform

these sectors even only among the different political parties making up the majority. It is very likely that discussion of the reforms will be at the centre of the attention of political leaders and observers for months.

In January the Parliament will also have to vote for the refunding of military missions abroad. It is likely that some radical left wing members of the governing majority will refuse to vote it. The refunding of military missions has to be voted every six months, and it is often an occasion of political clashes. In the summer of 2006 the debate on the refunding was extremely bitter, and the government had to ask for a vote of confidence.

It is difficult to determine exactly to what extent these issues will affect the government's European policies. It should be fair to say that, while the government's position could change on specific issues, the general direction should remain the same. The current government is made up of a heterogeneous coalition of moderate, centre-left and leftist parties elected on the basis of a common program. To maintain its cohesion, the government will probably try to stick to this program as much as it can. As a result, the government will maintain its general direction and will keep on supporting deeper integration, a European Constitution, a more effective and assertive European foreign policy, and enlargement to the Balkans and Turkey.

Latvia

The principal event is the election by the *Saeima* (parliament) of a new president of Latvia in July 2007.

Lithuania

The major political event in Lithuania is the forthcoming municipal council elections, which will be held on 25 February 2007. The public opinion poll conducted by RAIT in September demonstrates that priority would be given to the Homeland Union (Lithuanian conservatives), who would receive 10.9 % of the vote in the municipal council elections. The Labour party can expect to get 10.6 % of vote (the trust in this party has significantly dropped because of different developments in this party. Half a year ago this party would have received a majority of the vote - 20.5 % of Lithuanians would have voted for this party in

the municipal council elections¹⁰³⁷). The social democrats would get 9.8 % of votes¹⁰³⁸. On the other hand, the public opinion polls indicate that more than one third of Lithuanian citizens would not participate in the municipal council elections, and this number has even been growing lately¹⁰³⁹. 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.

The recognized Lithuanian political scientist, Lauras Bielinis, claims that these elections will be different. According to him, the politicians and electorate will have to communicate on the level of real possibilities, as all the political tales, promises, and intimidations that other political parties have used to gain power will no longer convince the electorate. It is likely that today the society, which has painfully learned from the mistakes made, will evaluate the political agitation and candidates more prudentially¹⁰⁴⁰.

What concerns priority issues on the national agenda, three EU-related questions attracted a lot of attention of Lithuanian leaders and society lately: the Euro, the Schengen area and energy¹⁰⁴¹. Another crucial question which emerged later can be added to this list: the use of support from the EU structural funds and the cohesion fund in Lithuania.

Speaking about the first issue, after the negative European Commission opinion on Lithuania's chances of adopting the Euro by 2007 issued on 16 May 2006, the crucial question of when to set the new date for the adoption of the Euro emerged on the national

agenda. The Lithuanian position was that the Euro should be adopted as quickly as possible. Having considered the latest macroeconomic prognosis, the Government recently set the year of 2010 as the earliest possible date for the adoption of Euro. The Lithuanian Prime Minister Gediminas Kirkilas said: "We suppose that, realistically, Lithuania could join the Euro zone in 2010"¹⁰⁴². The Lithuanian Minister of Finances Zigmantas Balčytis said that Lithuania has to take into consideration not only the implementation of the Maastricht criteria, but also long-term economic stability¹⁰⁴³. He also claimed that in order to adopt the Euro before 2010 it would be necessary to implement drastic reforms in 2007¹⁰⁴⁴. As far as it was the Maastricht inflation criteria which did not allow Lithuania to adopt the Euro by 2007, the Minister mentioned that it would be difficult to control inflation in the future also because of the huge external influence to Lithuania¹⁰⁴⁵.

What concerns public opinion, the results of the public opinion poll conducted in September demonstrate that 53.8 % of Lithuanians favour the adoption of the Euro while 42 % are against it. On the other hand, the number of those who would like to see Euro in Lithuania as soon as possible reaches 27 %, while 19.4 % of Lithuanians would favour that the Euro be adopted in Lithuania in at least 5 years and 7.4 % of them in at least 10 years¹⁰⁴⁶.

After the unsuccessful attempt to adopt the Euro in 2007, various warnings were expressed that the attempt to join the Schengen area in 2007 could also be unsuccessful. Therefore, different Lithuanian

¹⁰³⁷ During the last half-year the Labour party, which used to be one of the most popular political parties in Lithuania, experienced huge changes: there was a split in the party when part of its members formed a new party. The leader of the party (who enjoyed great popularity) was charged with unfair accounting and he escaped to Russia. A new leader of the party has been elected.

¹⁰³⁸ Kas trečias gyventojas savivaldos rinkimuose nebalsuotų [Every third inhabitant would not vote in the municipal elections], http://www.etazinius.lt/article/zinios_p/15217/1/55/

¹⁰³⁹ Ibid.

¹⁰⁴⁰ Lauras Bielinis, 2007 metų rinkimų nuojautos [Feeling of the 2007 elections], site „Omni“, 9 August 2006, [www.omni.lt/?i\\$9359_70693&z_367488](http://www.omni.lt/?i$9359_70693&z_367488)

¹⁰⁴¹ Šengeno erdvė, euras ir energetika – svarbiausi Lietuvai klausimai [The most important issues for Lithuania - Schengen area, the euro and energy], Lithuanian Foreign Affairs Ministry press release, 12 June 2006, <http://www.urm.lt/index.php?1223031320>

¹⁰⁴² Aurelija Vernickaitė, Lietuva dar negreitai įsives eurą [Lithuania will not introduce the Euro soon], magazine „Veidas“, 5 October 2006.

¹⁰⁴³ Euro Lietuvoje tikriausiai nebus iki 2010 [Likely Euro will not be in Lithuania until 2010], News agency Baltic News Service, 2 October 2006, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5251&LangID=1>

¹⁰⁴⁴ Euras Lietuvoje bus įvestas ne anksčiau nei 2010 metais, teigia finansų ministras [The Euro will be adopted in Lithuania no earlier than in 2010, claims the Minister of Finance], News agency Baltic News Service, 28 September 2006,

<http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5230&LangID=1>

¹⁰⁴⁵ Ibid.

¹⁰⁴⁶ Euro įvedimui pritaria daugiau nei pusė Lietuvos gyventojų, pritariančių greitam euro įvedimui mažėja [More than half of Lithuanians favour the adoption of the Euro, the number of those favouring the quick adoption of the Euro is declining], News agency Baltic News Service, 6 October 2006,

<http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5297&LangID=1>

officials emphasized that Lithuania has to pay great attention to this crucial task. During a meeting with the Lithuanian Minister of Interior, the Lithuanian President Valdas Adamkus expressed his belief that Lithuania has to prepare for this process especially well so that there would be neither doubts nor even the theoretical possibility of failure. According to the President, a second failure after the unsuccessful attempt to introduce the Euro would have an especially negative effect on the international image of Lithuania, the development of economy and the migration processes¹⁰⁴⁷.

When it was declared that the European Commission will be late to implement the new Schengen information system (SIS II), Lithuanian officials expressed their dissatisfaction. Some of them were calling this decision a political, and not a technical one. When a Portuguese proposition to prevent the delay of the Schengen area enlargement appeared, Lithuanian Foreign Affairs Minister Petras Vaitiekūnas declared that Lithuania will insistently seek that the Portuguese proposal be implemented. He said that EU member states and the European Commission should take all possible actions to ensure that the Schengen enlargement happen in 2007 as planned. The EU has to prove that it is capable of implementing successfully one of the most important EU projects¹⁰⁴⁸. At the end of November Lithuania is organizing a meeting of the ministers of interior of the new EU member states in Vilnius in which the final position of these countries on the Portuguese proposal should be set. Afterwards this position will be presented at the EU Council meeting on December 4 in Brussels.

The use of EU structural support for Lithuania is considered one of the priority issues on the national agenda, and different aspects of this issue attract much attention in Lithuania.

¹⁰⁴⁷ Prezidentas su vidaus reikalų ministru aptarė Lietuvos pasirengimo įstoti į Šengeno erdvę ir policijos veiklos klausimus [President has discussed the Lithuania's preparation to enter Schengen area and police activities with the Minister of Interior], Lithuanian President press release, 18 August 2006,
<http://www.president.lt/lt/news.full/6956>

¹⁰⁴⁸ Lietuva remia Portugalijos siūlymą naujoms narėms jungtis prie išplėtos Šengeno informacinės sistemos, nelaukiant naujos [Lithuania supports the Portuguese proposal for the newcomers to join the extended Schengen information system without waiting for a new one], News agency Baltic News Service, 6 October 2006,
<http://www.euro.lt/showitems.php?TopMenuID=1&MenuItemID=180&ItemID=5298&LangID=1>

First of all, the Government recently approved the strategy for the use of EU structural support for the years 2007-2013 and action programmes, which are now being passed to the Lithuanian Parliament for approval. The priority in the strategy is given to research, technological development, innovations and investment in human resources. The first priority – research and technological development – will receive the biggest amount – 10 % of all the EU structural support for Lithuania for the years 2007-2013¹⁰⁴⁹.

This strategy was prepared by a special commission, and the action programmes were prepared by eleven working groups. Social and economic partners constituted one third of the members of the working groups. The preliminary work and discussions took more than a year, during which four public discussions were organized, in which the civil society expressed its attitude towards these documents. Afterwards, the documents were improved according to these opinions¹⁰⁵⁰. Therefore, the society actively participated in making these crucial decisions related with the use of the EU financial support in Lithuania.

Speaking about the current EU financial support for Lithuania, lately there appeared to be concerns about the proper implementation of this financial support. According to the recent statistics, Lithuania used only one fourth (25.6 %, but according to other sources this number is even lower¹⁰⁵¹) of its EU financial support¹⁰⁵². It was also announced in the media that due to the slow use of EU financial

¹⁰⁴⁹ 2007 - 2013 m. Lietuva gaus daugiau kaip 23 mlrd. litų ES paramos [During 2007-2013 Lithuania will get more than 23 billion litas of EU support], News agency ELTA, 24 October 2006,
<http://www.euro.lt/ivykiai/readnews.php3?ItemID=5401&TopMenuID=1&MenuItemID=180&LangID=1>

¹⁰⁵⁰ Siekiama efektyviai panaudoti Europos Sąjungos paramą [It is sought to use the European Union support efficiently], Lithuanian Ministry of Finance press release, 9 October 2006,
http://www.finmin.lt/finmin/content/naujiena.jsp?sessionid=192F75C5CD93D40DB296A0A1C1E080DF?doclocator=web%2Fstotis_inf.nsf%2F0%2FDB423D124523C6ACC225720200533B23

¹⁰⁵¹ Lietuvoje įsisavinta vos 21 proc. Briuselio finansinės paramos [Only 21 % of Brussels financial support has been implemented in Lithuania], News agency Baltic News Service, 13 October 2006,
<http://www.euro.lt/showitems.php?TopMenuID=1&MenuItemID=180&ItemID=5337&LangID=1>

¹⁰⁵² Lietuvai reikia lengvinti biurokratinės ES paramos įsisavinimo procedūras - D.Grybauskaitė [Lithuania has to facilitate the bureaucratic procedures of EU support implementation – D.Grybauskaitė], News agency Baltic News Service, 21 October 2006,
<http://www.euro.lt/showitems.php?TopMenuID=1&MenuItemID=180&ItemID=5131&LangID=1>

support Lithuania risks of losing at least one billion litas of EU money allocated to Lithuania for the years 2004-2006¹⁰⁵³. Nevertheless, as the Secretary of the Ministry of Economy, Gediminas Rainys, explained, sometimes two things are confused – the distribution of support when an agreement is concluded and the actual payment of this money. Therefore, Lithuania has an obligation to distribute EU funding by the end of this year, but the money for the recipients of the support has to be paid by the end of 2008¹⁰⁵⁴. Another discussion concerning the administration of EU structural funds is going on in Lithuania. As the European Commission member, Dalia Grybauskaitė, advised, it is necessary to consider the experience, to simplify the bureaucratic procedures of the administration of structural funds support in Lithuania¹⁰⁵⁵. Lithuanian Prime Minister Gediminas Kirkilas recognized that the principles of the EU support administration should be changed¹⁰⁵⁶. Different proposals concerning the administration of the EU financial support for the years 2007-2013 were presented, the last of which is to establish an action programme management agency, which would be responsible for the distribution of the EU structural support allocated for Lithuania for the years 2007-2013.

Energy security is a high salience issue for Lithuanians, and this issue has been widely discussed on the national agenda lately, as there were signs which demonstrated the insecurity of the energy supply from Russia, Lithuania's dominant energy provider. At the end of this summer the pipeline „Družba“ experienced a breakdown and the supply of oil

¹⁰⁵³ Lietuvoje ES parama administruojama lėtai [EU support is administrated slowly in Lithuania], News agency Baltic News Service, 16 October 2006, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5351&LangID=1>

¹⁰⁵⁴ Iki metų pabaigos Ūkio ministerija tikisi paskirstyti visą ES paramą [Ministry of Economy expects to distribute all EU support], News agency Baltic News Service, October 19, 2006, <http://www.euro.lt/ivykiai/readnews.php3?ItemID=5376&TopMenuID=1&MenuID=180&LangID=1>

¹⁰⁵⁵ Lietuvai reikia lengvinti biurokratinės ES paramos įsisavinimo procedūras - D.Grybauskaitė [Lithuania has to facilitate the bureaucratic procedures of EU support implementation – D. Grybauskaitė], News agency Baltic News Service, October 21, 2006, <http://www.euro.lt/showitems.php?TopMenuID=1&MenuID=180&ItemID=5131&LangID=1>

¹⁰⁵⁶ 2007 - 2013 m. Lietuva gaus daugiau kaip 23 mlrd. litų ES paramos [During 2007-2013 Lithuania will get more than 23 billion litas of EU support], News agency ELTA, 24 October 2006, <http://www.euro.lt/ivykiai/readnews.php3?ItemID=5401&TopMenuID=1&MenuID=180&LangID=1>

to Lithuania from Russia was suspended (and has not been reactivated until now). There were suspicions that this breakdown could have been influenced not by the technical, but by political reasons, because, as the European Parliament member from Lithuania, Šarūnas Birutis, explained, “This is a way for Moscow to express its dissatisfaction that the Lithuanian enterprise ‘Mažeikių nafta’ (‘Mažeikiai oil’) was sold to the Polish enterprise ‘PKN Orlen’ and not to the Russian one”¹⁰⁵⁷. The Russian officials declared that it would take a long time to repair the damage but rejected Lithuania's proposal to help to fix the damage by giving money or providing a workforce. Lithuania succeeded in elevating this problem to the EU level, and now the European Commission is pushing Russia to explain the situation¹⁰⁵⁸.

As the municipal council elections in Lithuania are approaching, the talk of reforming the local government election system has become more active again.

Political scientists have indicated several problems characteristic to the current municipal council election system. The first of them is unsatisfactory representation since the current system prevents independent candidates and non-political groups of citizens from participating in the municipality council elections (now the municipal councils are elected only according to the party lists). The inhabitants of municipalities do not always know their municipal council members elected by the party list. Moreover, the municipal council members are not accountable to the citizens. Therefore, a conclusion can be drawn that the elected municipal council members are more dependent on the political parties than on the electorate¹⁰⁵⁹.

There were several propositions made concerning the reform of the municipal council election system.

A proposal was made to the Lithuanian Parliament by the Liberal movement political group in the Lithuanian Parliament to change the municipal council election law by

¹⁰⁵⁷ Š. Birutis: Europa Lahtyje sutelkė jėgas [Š. Birutis: Europe has joined forces in Lahti], European Parliament member from Lithuania Š. Birutis press release, 26 October 2006, <http://birutis.lt/nauijenos/lahtis>

¹⁰⁵⁸ Mykolas Uoga, Agnė Pačkauskaitė, ES lyderiai pamažu mokosi kalbėti viena kalba [EU leaders are slowly learning to speak in one voice], Newspaper “Verslo žinios”, 23 October 2006

¹⁰⁵⁹ Valentina Zinkevičienė, Mišri rinkimų sistema: blefas ar realybė? [Mixed election system: bluff or reality], “Savivaldybių žinios”, 7 September 2006, http://www.lsa.lt/sz/index.php?lang=lt&id=2&mag_id=70&rt_id=232

introducing the mixed municipal council election system. If the new municipal council election system is implemented, half of the municipal council members would be elected from single-member constituencies. The civil society favours the proposed changes, and these changes are also supported by a number of political parties¹⁰⁶⁰. Nevertheless, there is little hope that the new system will be introduced by the forthcoming municipal council elections in February 2007¹⁰⁶¹.

Another proposition by the Lithuanian social democratic party was made to change the municipal council election law by introducing direct mayoral elections. The main idea of the social democrats' vision was that the mayor would be elected by the candidates to the municipal council. Nevertheless, the municipal council members should approve the mayor elected by the citizens. In case the mayor is not approved, he would be elected by a vote of the municipal council members¹⁰⁶². The idea of a direct mayoral election is not new. The Lithuanian president, Valdas Adamkus, already during his first term (now he is running the second term) promised to seek direct mayoral elections, but this idea remained unimplemented and the probability of implementing it in the near future is low¹⁰⁶³.

Luxembourg

In a country of 460,000 inhabitants there are very few events that have a direct effect on the other 460,000,000 inhabitants of the EU. But the Mittal-Arcelor merger, which occurred in July 2006, will have various implications on the European economy at large and on many European steel workers in particular.

The main event of 2006 in Luxembourg was, without any doubt, the take-over battle between the Mittal steel company and Arcelor

steel. In a country that "has derived its living from steel just like Egypt did from the River Nile" (Carlo Hemmer, Luxembourg economist) this deal could not be underestimated. The Arcelor management faced a hostile take-over bid in January 2006 by the Indian steel mill owner, Lakshmi Mittal. Five months later Arcelor realised that they were losing the battle¹⁰⁶⁴.

The world-number-one steel company changed its owner. All attempts by the Arcelor management and the Luxembourg government to undermine the Mittal bid with the help of a so-called "white knight" operation through a merger with the Russian Severstal group had failed.

Portrayed as the results of a merger of equals in June 2006, the subsequent events confirmed what body language and stage management at the press conference in June had already announced. Arcelor was taken over by Mittal, and not even in a "marriage of convenience", as Arcelor Chairman Joseph Kinsch tried to make the incredulous public believe. This would never be a "marriage of the heart", even if Kinsch expressed this hope. The resignation in November of the newly appointed Arcelor CEO, Roland Junk, a former Arcelor top manager, made it clear to everybody that only Lakshmi Mittal was "the boss" and that he would not even delegate everyday business to anybody else. He and his family own 43% of the Arcelor Mittal shares and run the company.

The Luxembourg government was initially taken by surprise in this matter. Prime Minister Jean-Claude Juncker pointed to his government's caution, if not opposition, to accepting the deal. But the Luxembourg State Council (a senate, like a legislative body) rejected a law proposition made by the Luxembourg Chamber of Commerce to prevent the Mittal take-over by legal means. This protectionist measure would have confirmed more strident opinions emanating from Paris and giving the impression that Luxembourg was joining an effort by "Old Europe" to protect itself against market forces. In reality, the Luxembourg government recognized the need to accept the benefits offered by globalisation and was keen to portray Luxembourg as interesting for foreign investors. Thereafter, the government took a

¹⁰⁶⁰ Valentina Zinkevičienė, Mišrūs rinkimai: dabar, vėliau ar niekada [Mixed election: now, later or never], "Savivaldybių žinios", 9 October 2006, http://www.lsa.lt/sz/index.php?lang=lt&id=2&mag_id=74&rt_id=246

¹⁰⁶¹ Liberalai nesudeda ginklų kovoje dėl mišrios savivaldybių tarybų rinkimų sistemos [Liberals do not lay down arms in the fight for the mixed municipal council election system], News agency Baltic News Service, 2 November 2006, <http://www.delfi.lt/news/daily/lithuania/article.php?id=11105014>

¹⁰⁶² Artėjantys savivaldybių rinkimai kelia diskusijas dėl savivaldos ateities [The approaching municipal election raises questions on the future of self-governance], http://www.etazinos.lt/article/zinios_p/15110/1/55/

¹⁰⁶³ Ibid.

¹⁰⁶⁴ 352news 29.6.2006 Arcelor succumbs to Mittal

strictly neutral stance, making nothing but bland comments as the deal progressed.

The unions did not approve with the leftwing trade union leader, Jean-Claude Reding, who criticised “the logic of global capitalism” meaning that “industrial logic cannot face up to the weight of financial logic”. For many opponents of the deal (including the entire Luxembourg press and the political parties) Lakshmi Mittal was seen as “an asset-stripping corporate raider using his good relations with bankers to finance his empire”¹⁰⁶⁵.

After the deal was concluded, the government tried to calm down the public’s anxieties by explaining that Luxembourg had little to fear and everything to gain from this deal. Arcelor’s plants in the Grand-Duchy had recently been upgraded: after great expenses and a loss of over 1000 jobs last year, the factories in Luxembourg now count among the most profitable in the world. Fears of further job losses appear groundless, especially as assurances have been given that no further employees will be dismissed in the plants previously run by Arcelor in Europe. Moreover, the fact of being part of the most powerful steel group in the world will help secure a market for products made in Luxembourg. The Arcelor-Mittal HQ will remain in Luxembourg-City, thus keeping jobs, tax revenue and prestige here. Last but not least, Jean-Claude Juncker pointed out that the 80% and more boost of the Arcelor share price means that the Luxembourg state’s 6.4% holding of the firm is worth 1.5 billion euros, i.e. more or less one fifth of the total state budget.

Malta

The most important political issue in Malta is the holding of a national election towards the end of 2007 or at the start of 2008. While EU related issues are no longer as controversial as they were prior to joining the EU between the two main political parties (the Nationalist Party which is in government and the Labour Party which is in opposition) a number of issues are certain to dominate the political climate in the months ahead.

Among the main priority issues is the adoption of the Euro. The Government is committed to adopt the Euro in January 2008 while the Opposition is more in favour of adopting a

gradual approach to this issue. The rate of inflation will be closely watched by all in 2007 to see if the Euro factor results in an erosion of the purchasing power parity of the average citizen. Furthermore, the price of energy – given the volatility of energy prices, the discovery of oil in Malta would be regarded as a boon and thus impact on future political decision making; the issue of illegal immigration – eight thousand illegal immigrants have arrived in Malta in the past four years and all signs indicate that this trend will continue. Malta continues to work towards attracting international (including EU) support to cope with this security challenge and thus hopes that the an EU-wide migration policy becomes a reality in the near future.

Netherlands

At the moment, politics in The Netherlands is centred around the early elections for parliament on 22 November. Although European integration was hardly figuring in any election campaign, the outcome of the elections might impact EU-policymaking. A possible shift to the left will lead to a more critical approach towards Brussels. In that case the current attention for the principles of subsidiarity and proportionality will continue and likely increase. Also, a much more critical stance can be expected towards the Lisbon strategy, in particular when discussing a social model for Europe. This correlates with the severe criticism of the government by leftist opposition parties concerning the reforms of the social system in The Netherlands. But looking at the outcomes of the elections, it is too early to say whether politics in The Netherlands will indeed take a turn to the left. The outcome of the elections shows both a movement to the left and to the right, away from the political centre. In the general picture, the ruling coalition (CDA: Christian democrats and VVD: liberals) lost the elections and the more outspoken left and right wing parties (SP: socialists and PvdV: conservatives) won the elections. The socialist party (SP) is the major winner of the elections. The party gained 26 seats (previously 9) and even surpassed the liberal party (VVD), becoming the third largest party in the country. The other winner is the newly established conservative party (PvdV: party of liberty) of Geert Wilders, a former liberal MP. He left the liberal party and is pursuing a much more conservative policy with special attention to the integration issue and a

¹⁰⁶⁵ ibidem

clear anti-Islamic approach.¹⁰⁶⁶ Although the winners and losers of the elections are quite clear, the aftermath will be extremely difficult, because neither a centre or left wing coalition will have a majority in parliament. Also, a coalition of the two biggest parties after the elections, CDA and PvdA, will not gain a majority. The two possible coalitions are CDA, PvdA and SP or CDA, PvdA and CU (a small left wing conservative Christian party, that doubled seats). In the weeks after the elections it became clear in the talks by Rein Jan Hoekstra, appointed by the Queen as advisor to examine possible government coalitions, with all political party leaders that most favour a coalition between CDA, PvdA and SP.¹⁰⁶⁷ The talks with the advisor are continuing, and on 11 December the first meeting of all the three political leaders is scheduled. So far CDA has been hesitant towards such a coalition, because of the significant differences in programme with the socialist party and the relatively small weight the party will have in this coalition with a strong leftist orientation. Much will depend on the willingness of the Christian democrats to make concessions.

Poland

Self-government elections (first round on 12 November and the second on 26 November) constitute the key event in Poland in the period concerned by this edition of EU-25/27 Watch. They may reinforce the position of the governing coalition (Law and Justice, Self-Defence and the League of Polish Families), although the future configuration appears difficult to predict. According to the changes introduced in the Election Law, there was an opportunity for parties to form groupings, allowing for the transfer of votes in favour of allies. Locally such coalitions frequently cross the political geography of the governing majority (in some regions Law and Justice entered coalitions with other partners and some partners bound alliances with the opposition). The key field of importance is

¹⁰⁶⁶ Election results in seats 2006 + (2003): CDA (christian democrats) 41 (44); PvdA (labour party) 32 (42); VVD (liberals) 22 (28); SP (socialist party) 26 (9); LVF (list Fortuyn, previous LPF) 0 (8); Groen Links (greens) 7 (8); D66 (liberal democrats) 3 (6); CU (leftist christian conservative party) 6 (3); SGP (rightwing chr. conservatives) 2 (2); PvdD (Animal welfare party) 2 (-); PvdV (Party of Liberty, rightwing conservatives headed by Geert Wilders, a VVD dissident) 9 (-). Kiesraad (national election board) see: www.kiesraad.nl/verkiezingsuitslagen

¹⁰⁶⁷ ,5-3 coalitie CDA, PvdA, SP' *Trouw*, 01-12-06.

Mazowieckie Voivodship, where Hanna Gronkiewicz-Waltz (Civic Platform) struggles with Kazimierz Marcinkiewicz (former Prime Minister of the Law and Justice government).

These elections involve some European issues, as most of candidates included the efficient use of European funds in their election programmes. But one should not expect any severe turn in Poland's overall European policy, as all political parties currently support European integration, although they may differ on the degree of integration to be achieved.

The election campaign calmed down between the first and the second rounds due to the catastrophe in the Halemba mine (with 23 victims). This event may constitute a starting point for a renewal of the national debate on the state and future of the coal exploitation industry.

Portugal

As noted in the previous report, Lisbon's European agenda in the coming months will be dominated by the third Portuguese Presidency of the European Union, in the second half of 2007. Another issue dominating the public debate, which is however marginal to the European arena, is abortion. A referendum to decide on the de-criminalisation of abortion is scheduled for late February 2007.

National Priorities

Migration will likely remain a prominent issue in the national agenda in the run-up to the revision of the 2003 immigration law and beyond. At the level of the discourse (government and main opposition parties alike, notably the Social-Democratic Party), the stress falls heavily on the integration of migrants. A source country for many, many years, with Portuguese communities scattered throughout the globe, Portugal is extremely keen on its status as a host country, now that the situation has partly reversed. The domestic prominence of the issue, added to the focus of the 2007 Barcelona Ministerial on migration, is likely to affect Portugal's European stances on the issue. Portugal would like to see a move towards a more balanced EU approach towards migration, one that would emphasise integration and the potential role of migrants in contributing towards economic development in the South.

Many priorities on the national agenda match important items on the European agenda, namely those that involve implementation of the *Lisbon Strategy*. Portuguese leaders agree that reform needs to be the guiding principle for national as well as European economic policy. In this scenario, the path to development and growth is to be built on better jobs, speeding up the transition to a knowledge-intensive economy, redeploying investment and economic growth to new activity areas and equipping people with new skills. The Portuguese "*Technological Plan*" aims at these same goals, and the means defined to achieve them are fully engaged with the Lisbon Agenda directives: new policy measures for research, innovation, employment, information society, single market, education, social protection and environment. The President of the Republic, Cavaco Silva, has defined the fight against social exclusion as one of his main priorities, with a view to promoting social equality and development.

A major reform of the public administration, involving among other issues a reform of local government finance legislation, is underway.

Issues of import: the death penalty

A major international conference on the death penalty is scheduled to take place in Lisbon in the fall. This issue is uncontroversial: Portugal takes much pride in having been the first European country to abolish the death penalty. Fresh efforts are conceivably to be expected of the Portuguese Presidency, in the context of EU-wide initiatives such as the Barcelona Process and other regional dialogues, at persuading its neighbours to ratify the relevant optional protocol to the UN Covenant on Civil and Political Rights.

Europe-Africa Summit

Should the obstacles standing in the way of holding the second Europe-Africa summit be resolved, this will be one of the major high-profile events during the Portuguese Presidency.

Romania

The political turmoil set in motion by the recent withdrawal of one of the parties supporting the

governing coalition, which is now in a minority, is bound to have some serious repercussions on Romania's smooth transition into the institutional setting of the EU:

a) the eventuality of mixing EP elections with early national ones is no longer purely theoretical and should lead to the situation whereby the first ever consultation of the Romanian electorate on European matters (given that there was no referendum for the ratification of the Accession Treaty) will be almost wholly about local issues.

b) the designation of Romanian candidates for various bodies (e.g. Committee of Regions, Economic and Social Committee, etc.) may be delayed and result in very suboptimal compromises, given the confrontational stances now prevailing in the political arena.

The scandals surrounding several privatization transactions involving large state-owned companies from EU Member States (Austria's OMV and Italy's ENEL), if continuously exploited by the media in the very populist mood that has prevailed so far, risks orienting the public opinion towards a distorted perception of what the Internal Market and its four freedoms entails. If, as is usually the case, politicians will choose to follow rather than shape this mood, Romania may come to manifest itself in an obstructionist direction on several important files. This is regrettable, because recent reforms in particular in the energy sector had made Romania look rather liberal in comparison with several "old" Member States that will thus see their "cold feet" attitude supported by a newcomer which had long looked set to reinforce the opposite camp.

Romania's accession to the EU will bring several radical changes to the prevailing legal regime for relations with neighboring Moldova: the cancellation of a free trade agreement in place for over a decade and the introduction of mandatory visa requirements for Moldovan citizens wishing to travel to Romania. At the same time, the applications by Moldavians for Romanian citizenship are booming. This sets the stage, on the one hand, for a further stiffening of the attitude of the Moldovan authorities towards Romania and, on the other hand, for a stronger desire on the Romanian side to act (and be seen as acting) as a "protector" of Moldova.

Slovakia

From the perspective of Slovakia's membership in the EU, the following situations could be identified as crucial:

- The development of the situation in government coalition
- German Presidency priorities in socio-economic field
- Slovakia's preparation for its entry into EMU
- The opening of the Slovak labor market to Bulgarians and Romanians

The early general elections took place on 17 June 2006. The election results confirmed the long-term trends in expressed political support documented by various election surveys, and Robert Fico's SMER-SD won the elections (see Table 1). Slovakia's proportional voting system brought up the necessity to create a governmental coalition. After brief negotiations with other political parties, SMER-SD created the governmental coalition with Vladimír Mečiar's ĽS-HZDS and Ján Slotá's Slovak National Party (SNS).

Due to the unusual coalition with far right SNS party, the Party of European Socialist (PES) suspended membership of SMER-SD in the PES. Shortly after the advent of the new government into the office, there were initiatives in the European Parliament (EP) to closely monitor the situation in Slovakia, mainly with regarding the protection of minority rights in the country. The reasons for such concerns are connected with the practices of the 1994-98 government led by Mečiar (in coalition with Slotá). Then, governmental treatment of minorities was one of the reasons for excluding Slovakia from the first group of acceding

countries in 1997. So far, no EP monitoring group was established and Prime Minister Fico has been successfully keeping the coalition partners' demands under control. However, the minority rights issue is still potentially conflicting. The collision will get impetus at the beginning of 2007 when the political discussion on the Ministry of Culture's legal proposal to fine the incorrect use of the Slovak language in public is anticipated.

The second issue connected with the new government coalition that can play an important role also from the perspective of Slovakia's membership in the EU is the stability of the coalition. The collapse of the government coalition would certainly lead to early elections and would thus endanger the political stability of the country. Speculations on governmental (in)stability stem from two sources. First is the position of Vladimír Mečiar's ĽS-HZDS within the coalition. The leader of the party has repeatedly expressed his dissatisfaction with the lack of ministerial positions reserved for his party and he is asking for the creation of a new ministry on tourism that would be led by an ĽS-HZDS nominee. The party political ambitions (or ruthlessness) were testified shortly after elections when the SNS-nominated member of the parliament left the SNS parliamentary group and joined the ĽS-HZDS one.

The second source of speculation is the position of Ján Slotá within the coalition. After the December 2006 local elections he lost a mayoral position that might have contributed to his activation in national politics. The increase of Slotá's involvement in politics might complicate the situation of the prime minister as a facilitator of antagonists or controversial interests within the coalition.

Table 1: Results of Slovakia's parliamentary elections on 17 June 2006

Political party	In percent	Parliament. 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 October 2006.

The German Presidency priorities in the socio-economic field include the urge for the harmonization of tax and social policies. These areas have presented politically sensitive issues for Slovakia. Economic reforms including the introduction of a flat-rate tax has made the country one of the most vocal opponents to attempts to harmonize taxes within the Union; also, the country has indicated it will not surrender national control of social policy. The transition process has clearly put the country in a position when it needs and seeks tailored solutions to complex challenges of future economic success. With the advent of new, social – oriented government, Slovak positions are more questionable. For the time being, Slovakia justifies its attitude to harmonizing taxes on the EU level primarily by specific and urgent needs of national economic policy. However, it remains a question whether the incumbent administration's attitude to harmonization of social policy on the EU level would be so fundamentally negative.

The obligation to adopt the single European currency as its national currency ensues from the Treaty on Accession of the Slovak Republic to the European Union. Slovakia has set a goal to adopt the Euro on January 1, 2009. On 25 November 2005, the Slovak Republic made an important step toward adopting the single European currency. Over six months earlier than originally planned, the Slovak crown joined the Exchange Rate Mechanism II (ERM II), a foreign exchange regime that is frequently referred to as “the waiting room for Euro adoption”. Slovakia already complies with two convergence criteria: first, the interest rates criterion, which says that the country's long-term interest rates must not be more than 2% above the average of the three best performing EU member states in terms of price stability; second, the public debt criterion, which says that the country's total public debt must not exceed 60% of its gross domestic product (GDP). In 2007, Slovakia intends to comply with two more convergence criteria, namely the price stability criterion, stipulating that the country's inflation rate must not be more than 1.5% higher than the average of the three best performing EU member states in terms of price stability, and the public finance criterion, stipulating that the country's annual public finance deficit must not exceed 3% of GDP. The new government demonstrates its willingness to adopt the Euro according to schedule by adopting next year a state budget in line with the Maastricht criteria. Therefore, the 2007 public finance deficit

should not exceed 3% of GDP. If Slovakia complies with all these criteria and simultaneously manages to remain part of the ERM II until November 2007, it will be technically prepared to adopt the single European currency.

Slovakia will open its labour market to citizens of new EU member states – Bulgaria and Romania from January 2007¹⁰⁶⁸. Slovakia, as vocal opponent of restrictive measures on the access of people from new EU member states including Slovakia to labour markets of other EU member states, made opening the labour market a gesture – a political signal towards old member states. Such move was possible also due to increasing economic growth and the relative distance of both countries from Slovak borders. However, the increasing mobility of Romanian and Bulgarian workers and with closing labour markets of other big European economies, the situation might get changed. That would certainly put to the test Slovakia's absorption capacity and its support for further EU enlargement.

Slovenia

The Presidency of the Council of the EU in the first half of 2008 is clearly a predominant EU-related issue and upcoming event in Slovenian politics. Formal preparations, infrastructural preparations and human resources arrangements for the needs of the Presidency are most often given attention in Slovenian media.

As for the internal politics, the local elections in the second half of October brought forward and spurred debate on issues which are more at the heart of local politics, and consequently the EU-related issues were second-tracked in the second half of 2006. Local elections resulted in the Social Democrats losing its traditional mayors in the two largest cities, to an independent candidate, Zoran Jankovič, a former CEO of Mercator, the largest Slovenian commercial chain, who won with a large majority in the first round election in Ljubljana, and to a member of parliament and member of the Slovene People's Party, Franc Kangler, in Maribor, Slovenia's second largest city.

Reforms following Slovenia's Development Strategy remained high on the agenda, with

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<http://www.rokovania.sk/appl/material.nsf/0/D98C6719F7C3EC99C12572030033A66B?OpenDocument>

the most important novelty being that the Government renounced its plan to introduce a single tax tariff, but instead promised a more transparent reform, which is, according to the Government, going to result in lower taxes.

Another issue high on the political agenda in autumn was the relationship between the President of the Republic and the Government. The President, Dr. Janez Drnovšek, was extraordinarily active in foreign policy, and he used up his budget for foreign policy activities by September. The Government then denied him additional funding. Dr. Drnovšek cancelled his official visit to Spain and did not travel to New York for the opening of the new session of the United Nation's General Assembly this year. The incidents were largely perceived as harmful for the international image of the country, and the President and the Government finally settled the issue by the end of September. The President apologised for his excessive spending and the Government increased his funding for the year 2007 by 15%.

Spain

Given the importance attached to the EU and the ratification of the Constitutional Treaty, the French Presidential elections are one of the issues being watched with more interest in Spain. Priorities in Spain have to do with controlling the flows of irregular migrants from sub-Saharan Africa, improving Spain's energy security, maintaining the truce with the terrorist group ETA, and ensuring the success of the Spanish mission to Afghanistan, where the security situation has markedly worsened over the last few months. All or most of these issues have an EU dimension, so there is consensus in Spain on the need to have European solutions to these problems. There will be local and regional elections in May 2007, which is also important in terms of the domestic political atmosphere, marked by scandals related to political corruption in housing and construction.

Sweden

With the change of government in the fall, the Swedish political agenda contains of a number of domestic welfare reforms, not least regarding unemployment insurance. Most of these do not have explicit connection to the EU level, at least not at this stage (these issues will become part of the Swedish EU

Presidency agenda for 2009, however¹⁰⁶⁹). One EU-related issue that may become important in the coming months concerns energy, more specifically the national electricity market and its relation to the European energy security. In terms of EU-related topics, the Swedish EU Council Presidency in 2009 is the long-term perspective for the Swedish government.

Turkey

One political event that will have critical impact on Turkey's EU policy is the EU Council meeting on December 14-15, where the European Commission will make recommendations to EU leaders on whether Turkey's accession negotiations should be suspended. In the Progress Report on Turkey, released on November 8, 2006, the European Commission gave Turkey time until the EU summit in mid-December to open its ports and airports to EU-member Cyprus. However, Turkey's stance is not to open its ports unless the EU lifts the isolation imposed on the Turkish Republic of Northern Cyprus. The Turkish government is rejecting the deadline on the grounds that the Cyprus issue is a political matter that cannot be a condition for its EU membership process.

The Commission's decision to give more time to Turkey until mid-December is interpreted as an attempt to give Finland, which currently holds the EU presidency, a chance to broker a deal. However, the widespread view in Turkey, as reported in the media, is that the proposals floated by Finland have no chance of success for an immediate breakthrough. The EU summit in December is thus crucial in determining the fate of Turkey's accession negotiations.

The Turkish public opinion seems to be supportive of the Turkish government's policy stance concerning the Cyprus issue. According to a poll, conducted by the International Strategic Research Organization¹⁰⁷⁰ (an Ankara-based think tank), almost half of the Turkish people opposes membership in the EU and more than two-thirds of the population believes accession negotiations should be

¹⁰⁶⁹ "Reinfeldt vill få fart på EU", Svenska Dagbladet, 2006-11-25, www.svd.se.

¹⁰⁷⁰ See the *European Union Perception Survey* recently conducted by the International Strategic Research Organization, 6 November 2006.

suspended if the EU steps up pressure on Ankara to open its ports and airports to traffic from Greek Cyprus.

One important priority issue on the national agenda concerns the European Commission's Progress Report on Turkey, in which Turkey is criticised for the slow pace of political reforms particularly in the area of freedom of expression. The Commission clearly said it was necessary for Turkey to ensure freedom of expression without delay "by repealing or amending Article 301 of its penal code". A few days after the release of the progress report the Turkish government announced that Article 301 could be amended before the EU summit in December. Article 301 sets out punishments for insulting the Turkish Republic, its officials or the very concept of "Turkishness." Previously, the EU had reminded Turkey that it could not use the French parliament's approval of a bill criminalising denial of the alleged genocide of Armenians as an excuse to avoid reforms on improving freedom of expression. A considerable number of Turkish politicians argue that the EU no longer has the moral right to demand Turkey scrap or modify Article 301 following the decision of the French National Assembly (taken on October 12, 2006), according to which individuals may end up in jail for expressing opinions in an EU member country if the bill is enacted.

The French parliament's adoption of the bill, which makes it a crime to deny that Armenians suffered "genocide" at the hands of the Turks, sparked widespread anger in Turkey and has met with condemnation in Brussels. The bill, proposed by the Socialists and opposed by the government, needs approval from the Senate and president. The Turkish Foreign Ministry was quick to issue a statement saying "Turkish-French relations, which have been meticulously developed over the centuries, took a severe blow today through the irresponsible initiatives of some short-sighted French politicians, based on unfounded allegations". The Turkish media, while unanimous in the condemnation of the French parliament's decision, was split over how to respond to that decision. While some believe that the vote signals opposition to Turkey joining the EU, others appeal for a level-headed approach. Many Turks are angry at what they perceive as double standards in the EU, where Turkey's membership issue creates sharp divisions. The proposed law could boost Turkish nationalists and undermine pro-EU liberals by exposing the depth of anti-Turkish

feelings in France. The European Commission has said that the bill, if passed into law, will "prohibit dialogue which is necessary for reconciliation" between Turkey and Armenia on the issue.

Debates over the election of the next president is another priority issue on the national agenda. The term of office of the president is set to expire in May 2007. The present government holds a majority in Parliament large enough to elect the president. The opposition parties and the secular elite fear that the Islamist-rooted government may capture the presidency, which is traditionally a secularist stronghold. Both the course of the relations between the EU and Turkey following the EU summit in December and the rising domestic opposition to the government – as witnessed in the funeral of the committed secularist and former prime minister, Bulent Ecevit – and in the protest march by 130 nongovernmental organisations in Ankara in November - are likely to influence the choice of the presidential candidate.

Economic concerns constitute another priority issue. In July 2006 the Turkish Parliament approved the Ninth Development Plan, which sets the development priorities of the country for the period 2007-2013, formulated in accordance with EU priorities. In September 2006 the Turkish Parliament passed a law adopting the European Social Charter. However, in terms of macroeconomic balance, according to the latest data, inflation is running at more than 10 percent, leaving the government well behind its end-2006 target of 5 percent, while the increasing current account deficit remains a worry. Relatively high levels of economic growth are not equally felt by all segments of society. High levels of unemployment and low levels of education remain major challenges in Turkey's EU membership process.

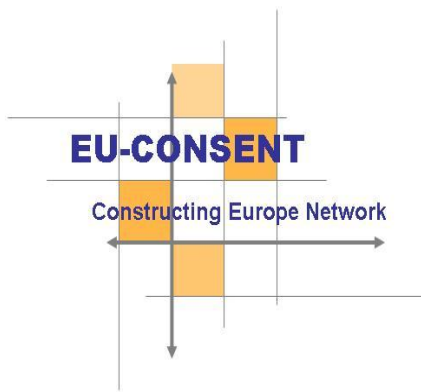
United Kingdom

The stepping down of Mr. Blair before the end of this Parliament and the handover of power to Gordon Brown will clearly be the event in British politics that will have considerable impact on EU-policy making. When Mr. Brown becomes Prime Minister, less conciliatory views are expected to exacerbate divisions in the EU, particularly as far as the budget question and the British rebate are concerned. Under the leadership of David Cameron, the

Conservative party speaks scarcely at all about Britain in Europe. However, in the run up to the British elections, both contenders will probably have to refine their European strategies as the debate over the successor to the Constitutional treaty gains momentum. Both will have to be ready to deal with their European partners' intentions to rescuing something from the wreckage of the Constitutional treaty.

One issue that will be high on the UK's national agenda is the fight against terrorism. Mr.

Brown has already hinted that if he is to be Britain's next Prime Minister, his number one national priority will be national security and action against terrorism. Most policy commentators have suggested that Britain will be relatively willing to participate at the EU-level policies on police and judicial co-operation, and working more closely with the EU to prevent the spread of weapons of mass destruction and address international concerns over North Korea and Iran.



Presentation of EU-CONSENT

WIDER EUROPE, DEEPER INTEGRATION?

Coordinator

Prof. Dr. Wolfgang Wessels
University of Cologne
Department for Political Science and European Affairs
Gottfried-Keller-Str. 6
D-50931 Köln
Tel: + 49-221-470-4131
Fax: + 49-221-940-2542
wessels@uni-koeln.de

Project Manager

Funda Tekin
coordinator@eu-consent.net

Steering Group Members

Attila Agh, *Corvinus University, Budapest*
Iain Begg, *London School of Economics and Political Science*
Edward Best, *European Institute of Public Administration, Maastricht*
Gianni Bonvicini, *Institute of International Affairs, Rome*
Anne Faber, *University of Cologne*
Ettore Greco, *Institute of International Affairs, Rome*
Gunilla Herolf, *Swedish Institute of International Affairs, Stockholm*
Maria Karasinska-Fendler, *European Institute, Lodz*
Brigid Laffan, *University College, Dublin*
Barbara Lippert, *Institute for European Politics, Berlin*
Lenka Rovna, *Charles University, Prague*
Wolfgang Wessels, *University of Cologne*

www.eu-consent.net

Contact: coordinator@eu-consent.net

EU-CONSENT is a network of excellence for joint research and teaching which stretches across Europe.

EU-CONSENT explicitly addresses questions related to the **mutually reinforcing effects of EU deepening and widening** by analysing the integration process to date and developing visions and scenarios for the future of the European Union. The thematic focal points of the network are organised in four thematic “Work Packages”:

- 1. Institutions and Political Actors**
(responsible: E. Best)
- 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)

The network involves 52 institutional partners, including 27 universities, approximately 200 researchers and 80 young researchers from 22 EU member states and three candidate countries. The project started working in June 2005 and is scheduled until May 2009.

The results of the network’s activities will be incorporated in the following **special EU-CONSENT products**:

- **EU-25 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, 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).

