

EU-27 WATCH



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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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Portugal

Current issues in Portugal

Luis Pais Antunes*

2009 was a peculiar year in Portugal, with the country focused on an ongoing electoral process as three general elections (European, national and local) took place within a short 4-month period between April and October 2009. At the same time, the impact of the economic downturn became more visible with a clear increase of unemployment figures and of the number of companies becoming insolvent.

The political landscape has also suffered a slight, but significant, change. After having lost the European elections in June 2009 to the main opposition party (centre-right PSD), the Socialist Party managed to win the national elections in September 2009, although without a majority in the parliament, as was the case during the five preceding years. In the absence of real conditions for the setting-up of a coalition government, the Socialist Party and Prime Minister José Sócrates were "forced" to form a minority government and to negotiate the budget for 2010 (which was finally approved at the end of April) and the new Stability and Growth Programme .

Public debate in Portugal remains very largely focused on the economic crisis and on the measures which are currently being adopted in the framework of the SGP, following an agreement between the government and the main opposition party (PSD). The increase of taxes (VAT, tax revenues) and the severe cuts in the budget (affecting, in particular, social benefits) together with a rising unemployment rate and a generalised downgrading of Portuguese public debt by the main rating agencies are still in the newspapers' front pages, although the economic indicators for 2010's first quarter were a little better than expected. Recently, the Portuguese central bank reviewed its forecast for 2010, but already anticipates that 2011 will be a year of poor economic growth as a result of the severe constraints introduced by the ESP.

From now on, attention will be mainly directed at the evolution of the political scenario and, in particular, to the ability of the minority government to survive the current economic and social crisis in a moment where the coming presidential elections at the beginning of next year prevent any possible dissolution of the parliament. An increasing number of analysts predict that a major crisis will occur by the end of the year during the budget discussions, and some senior statesmen invoke the need for the two main parties (the Socialist Party and the PSD) to make a governmental coalition in order to establish a stable and durable solution which none of them seem to accept.

International matters are still dominated by concerns over the crisis and the effectiveness of the responses which were adopted. Although there is still room for matters of traditional interest to Portugal, like the traditional relationship with African Portuguese-speaking countries and Brazil, such matters tend to be eclipsed by the internal situation.

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Questionnaire for EU-27 Watch, No. 9

Reporting period December 2009 until May 2010 – Deadline for country reports 21 May

All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?