

EU-27 WATCH



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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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New post and institutions: building-blocks for a European Superstate?

Brendan Donnelly*

European institutional questions are usually discussed in the United Kingdom primarily in ideological rather than practical terms. The ratification of the Lisbon Treaty led at the end of 2009 to a certain amount of polemical discussion in this country concerning the new posts and institutions set up by the Treaty. The almost exclusive focus of this discussion was however the question of how far these posts and institutions should or should not be seen as building-blocks for a European superstate. This polemical discussion has now largely disappeared. The day to day workings of the posts and institutions set up by the Lisbon Treaty, on which the questionnaire concentrates, have proved to be of limited interest in the United Kingdom, except to specialists. British political discussion over the past six months has moreover been largely monopolised by the general election, in the campaign for which European questions played only a subordinate role. These circumstances militating against detailed discussion of European institutional questions in the United Kingdom will inevitably be reflected in the following answers, which may well be unsatisfactory, but are not on that account inaccurate.

Presidency of the European Council

There is nothing in the United Kingdom which could remotely be described as an "assessment" of Van Rompuy's work. A widely-reported speech of personal criticism against Van Rompuy by the British Member of the European Parliament Nigel Farage earlier this year aroused a certain amount of public comment at the time, but led to no serious general discussion of Van Rompuy's performance of his functions. At most, Farage was censured for his impoliteness towards Van Rompuy. British journalists who have followed closely the evolution of the Greek crisis know and have reported that Van Rompuy has attempted over the past six months to coordinate the European Council's reaction to this crisis. They are also aware and have also reported that he has had limited success in doing so. These same specialists await with interest Van Rompuy's proposals for improving the governance of the Eurozone, to be presented in outline at the European Council of June 2010 and adopted formally in October 2010. If he is able to produce substantial reforms which the European Council is willing to adopt, then his personal prestige and that of his office will certainly be enhanced. Any increase in such prestige, or indeed in the prestige of Catherine Ashton, will reinforce the growing perception of those few who follow these matters in the United Kingdom that the rotating presidency of the European Union is now primarily a technical rather than political function. If Van Rompuy deals with the single currency and Catherine Ashton deals with the Union's external relations, there is little of high European policy left for the rotating presidency to administer.

The High Representative

In her new office, Catherine Ashton has made little impact on British public or political opinion. The widespread belief that she obtained her post only because her colleague David Miliband was unwilling to accept it has undoubtedly served to harm her credibility in British political circles.² Occasional newspaper articles have referred to the low esteem in which she is supposedly held by certain national governments, but the incoming coalition government has undertaken to work constructively with her, despite her membership of the Labour Party.³ Much suspicion nevertheless remains of Catherine Ashton and her post from the radical Eurosceptic wing of the Conservative Party, which sees her new functions simply as undermining the independence of British foreign policy.⁴ To analyse critically Catherine Ashton's role in terms of her dealings on the one hand with the Commission and on the other with the Council would be an effort beyond the capacity of British public and political opinion. In the general British debate on European issues, little or no distinction is made between the various institutions of the Union, a confusion which is probably more marked in the United Kingdom than elsewhere, but certainly not confined to this country.

European External Action Service

At the level of public discussion in the United Kingdom, the European External Action Service (EEAS) retains something of the image attributed to it by critics of the Lisbon Treaty, namely as a feared

^{*} Federal Trust for Education and Research.

replacement for national diplomatic services in the context of a general movement towards a European "superstate". Against this alarmist analysis, pragmatic economic or administrative arguments about the desirability of the new institution have made little popular headway. In so far as the precise workings of the EEAS exist in the collective British political perception, it is exclusively seen as a representative, not a coordinating body. This perception is reflected in the phrase usually used to refer to the new body, the "European diplomatic service." Within British governmental, or more precisely official circles, there is however considerable hope and expectation that the United Kingdom will able to play a leading, even dominant role within the new service. British officials are encouraged in that view by the predominantly intergovernmental nature of the structures for European external policy envisaged by the Lisbon Treaty.

European Citizens' Initiative

The European Citizens' Initative plays no role in the current British debate on the European Union. It has emphatically not yet fulfilled the hope of some among the drafters of the European Convention and the Lisbon Treaty that the initiative would act as a bridge of democratic consultation between the European institutions and the European citizens.

¹ M. White: Farage was rude but right about Van Rompuy, Guardian blog, 25 February 2010.

² The Economist: Why did Lady Ashton take the EU's foreign policy job?, 25 January 2010.

³ G. Meade: Baroness Ashton's EU role "gives Britain a powerful voice", The Independent, 9 November 2009.

⁴ A. Pierce: How Cathy Ashton became the laughing stock of the EU, Daily Mail online, 9 March 2010.

⁵ Waterfield, Daily Telegraph, 29 March 2009; B. Waterfield: More than 50 EU embassies open across the world, Daily Telegraph, 22 January 2010.

Public attitudes on enlargement mixed

Brendan Donnelly*

Enlargement and related questions for the future of the European Union are rarely discussed at a popular level in the United Kingdom. To the extent that they are, public attitudes are mixed, with concern about competition for jobs from Eastern European workers gaining salience. At the political and official level, the question of the Union's enlargement is one of much greater interest, not least because it has traditionally been regarded by British political circles as a policy which would undermine Franco-German leadership within the European Union and act as a brake on the deepening of political integration. Both these goals have seen desirable aspirations to successive British governments of recent decades.

The next round of enlargement

The British government expects Croatia to be the next country to join the European Union, possibly with Iceland. The British government supports Croatia's candidature, but it is not yet clear whether British willingness to support Icelandic entry to the Union is dependent upon a settlement of outstanding financial issues between the two countries. British depositors who regard themselves as having been badly treated by the Icelandic banks could well form a powerful political lobby arguing against Icelandic membership before their claims have been satisfactorily settled. The accession of Croatia is unlikely to provoke any great interest or controversy in the United Kingdom, except in the unlikely event of a referendum being held on the subject. It is almost inconceivable that any British government could win any referendum on any European topic in the foreseeable future, with the possible exception of a referendum about wholesale British withdrawal from the European Union, in which the government campaigned against withdrawal.

Future enlargement

For the same reasons as weighed with its predecessors, the new British government is likely to regard Turkish accession to the Union as an important goal of policy. This view will be reinforced by a general belief among the United Kingdom's political classes that Turkey would be stabilised as a secular democracy, playing a constructive role in the Middle East, if it were anchored in the European Union. British public opinion on the subject of Turkish accession to the European Union remains largely untested. It should certainly not be assumed that non-elite opinion in the United Kingdom would be favourable to Turkish accession if the question ever became a pressing one. The accession of other potential candidate countries, for instance from the Western Balkans, is likely to remain of only marginal interest to the British government in comparison with the Turkish candidature.

The Union's neighbours

The new British government is likely to seek good relations between the European Union and its neighbours such as the Ukraine, without encouraging the view that membership of the Union for such countries is a realistic possibility in current or foreseeable circumstances.

Neighbourhood policy and the Mediterranean Union

Neither the European Neighbourhood Policy nor the Union for the Mediterranean play any discernible part in pubic or political discourse on the European Union in the United Kingdom.

¹ Conservative General Election Manifesto 2010.

² Ibid

^{*} Federal Trust for Education and Research.

Britain and the Eurozone: on the outside looking in

Alison Sutherland*

British public and political reactions to the crisis of the Eurozone arising from the indebtedness of the single currency's member states have been almost uniformly negative. The crisis itself is widely seen as justifying Britain's decision to remain outside the single currency and as definitely having the potential to destroy the Eurozone. The following analysis from the British perspective of the differing elements of the Eurozone's crisis and its possible resolution must be set against a political context in which Britain is extremely unlikely to join the single European currency for many years to come, if ever; in which there is now little public support in the United Kingdom for British membership of the Euro; and in which what support there may have been a year ago for British membership of the Euro has been greatly reduced by the Eurozone's continuing crisis.

Greek sovereign debt

At the time of writing in late May 2010, it is generally believed in the United Kingdom that Greece is now protected against the imminent threat of debt default, but that this threat may well return in the medium term, particularly if other countries in the Eurozone, such as Spain and Portugal, find themselves confronted with similar problems to those of Greece in regard to their public indebtedness. A number of commentators in the United Kingdom believe that in the longer term the Greek government will inevitably be forced to restructure its sovereign debt. There is in addition to this pessimistic expectation a widespread perception in this country that the governments of the Eurozone have only taken action over the past six months when forced to do so by global markets, reacting to events rather than shaping them. The ill-coordinated response of the Eurozone to the Greek debt crisis is generally seen in the United Kingdom as reflecting serious faults in the governance of the single European currency. Some criticism is directed particularly at the German Chancellor, Angela Merkel, for her supposed uncertain handling of the crisis.² Other commentators stress what they see as the systemic weaknesses of the Eurozone's governance arrangements.³

The Stability and Growth Pact

It is generally accepted by British commentators that the Stability and Growth Pact needs reinforcement in such a way as to ensure that its provisions are better observed in future. There is however considerable parallel concern that a more rigorous application of the elements of the Pact relating to governmental deficits may, in the specific economic circumstances of the next decade, restrain the economic growth necessary to help the countries of the Eurozone escape from their underlying economic difficulties. This concern is sometimes linked to a familiar criticism of the whole basis of European monetary union, the criticism that the economies of the European Union are so diverse in their degree and type of development that any "one size fits all" policy within the Eurozone must inevitably produce sub-optimal results.

Coordination of economic policies

The crisis of the Eurozone provoked by high levels of indebtedness among its member states has reinforced an already widespread belief in the United Kingdom that the Eurozone was set up with inadequate structures of governance.⁵ These structures have seemed able neither to prevent the burgeoning crisis, nor to react effectively to it once it had emerged. Nor does the Eurozone yet seem capable of developing an overall strategy to prevent the necessary reduction of governmental debt among its member states over the coming years from acting as an intolerable brake upon economic growth.

Against this analytical background, opinion is divided within the United Kingdom as to whether the Eurozone will be able to develop what is widely accepted in this country as a desirable goal, namely the better, specifically growth-related, coordination of economic policies. Some British commentators doubt the willingness of the Eurozone countries, particularly Germany, to engage in such coordination. Others believe that the real prospect of the destruction of the Eurozone, evoked by among others

^{*} Federal Trust for Education and Research.

Merkel, will persuade European leaders to remedy the structural deficiencies of the European in such a way as to seek a better balance between economic reform, economic growth and sound government finances.

It is worth noting that neither the greater coordination of national economic policies within the Eurozone, nor its absence, will make it more likely that the United Kingdom should join the Eurozone. The absence of this coordination would provide an economic rationale for this country's remaining outside the Eurozone. Its presence would provide a political, sovereignty-protecting rationale for the same policy.

Europe 2020 Strategy

There has been no significant public or political discussion of the Europe 2020 Strategy in the United Kingdom. The Europe 2020 Strategy's predecessor, the Lisbon Agenda, is regarded in this country as having been at best only moderately successful in its ambitious goals. The crisis of the Eurozone will certainly provide ammunition to those critics arguing that the Europe 2020 Strategy is unlikely to improve on the modest achievements of the Lisbon Agenda.

¹ Financial Times passim in 2010, particularly W. Munchau: The Eurozone must take responsibility or it will split, Financial Times, 9 May 2010; W. Munchau: To save the Eurozone, reform its governance, Financial Times, 16 May 2010; M Wolf: Eurozone plays "beggar may neighbour", Financial Times, 18 May 2010. ² Kaletsky: It's Lehman the sequel, with Merkel as Bush, The Times, 26 May 2010.

³ Redwood: The Eurosceptic case for saving the Euro, The Times, 27 May 2010.

J. M. Aznar: Europe must reset the clock on stability and growth, Financial Times, 17 May 2010.

⁵ T. Barber: Europe: a tent to attend to, Financial Times, 16 June 2010.

Energy and climate change

Alison Sutherland*

Copenhagen and its aftermath

The Copenhagen conference is widely regarded in the United Kingdom as a reverse for the European Union. The Union is seen as having played only a marginal role in the negotiations, and where European voices were raised, they were apparently those of the major member states rather than that of the Commission. The results of the conference itself are generally seen in this country as inconclusive, but this is an outcome of less concern to British electors than might have been the case twelve months ago. Opinion polls have shown a definite decline in the interest of British electors in questions relating to climate change over the past year.¹

Future negotiations on climate change

The outgoing Labour government advocated from the beginning of this year a move by the European Union to more demanding targets for the reduction of carbon emissions. The incoming coalition government, in which the prominent Liberal Democrat Christopher Huhne is the Secretary of State for the Environment, has continued this advocacy, although British NGOs have called for a 40 percent reduction target rather than the 30 percent envisaged by the British government.² It seems to be common ground between all the British political parties that the setting of demanding reduction targets for the reduction of carbon emissions will contribute to reestablishing the Union's position as a leader of the global debate on these issues.³ Perhaps because of declining interest in these questions in the United Kingdom, perhaps because of the fixation of British political attention upon the general election, the question of the British government's and the European Union's reactions to the relative failure of the Copenhagen meeting has not been as broadly discussed over the past six months as might have been expected. Governmental support for more demanding European targets for reducing carbon emissions has not led to any marked public reaction, whether positive or negative. Nor is there any noticeable public pressure for the British government or the European Union to take decisive new measures in response to the unsatisfactory outcome of the Copenhagen conference.

The United Nations or other fora?

No other forum enjoys more credibility in the United Kingdom than the United Nations as a vehicle for negotiations on climate change. The awareness of the limitations of even this traditional forum as a generator of international agreement on climate change accounts in large part for a sense of frustration and lassitude which underlies much current discussion of climate-related issues in the United Kingdom.

Mitigation and adaptation

The coalition agreement between the Conservative and Liberal Democrat Parties established after the recent general election commits both signatories to "explore the creation of new international sources of funding for the purpose of climate change mitigation and adaptation." This represents a continuation of the policy of the previous Labour government and is known to be a policy to which the new Secretary of State for the Environment, Christopher Huhne, is personally greatly committed.

¹ Jowitt, The Guardian, 25 March 2010.

² World Wildlife Fund, press release, 26 May 2010.

³ B. Webster, The Times, 23 March 2010.

⁴ Coalition agreement, May 2010.

^{*} Federal Trust for Education and Research.

European policy of the new British government

Brendan Donnelly*

The most important current development in British policy towards the European Union is the agreement of the Conservative and Liberal Democrat Parties to form a coalition government after the British general election of 6 May 2010. European policy formed an important element of the coalition agreement and the relevant section of the agreement will set the terms of British policy within and towards the European Union over the life of the coalition, which the partners hope will be five years. As the senior partner of the coalition, the Conservative Party has seen much of its own European policy incorporated into the coalition's political programme, but the Liberal Democrats have also seen some of their own ideas reflected in the document.

Conservative policies of the coalition

Britain will not join the Euro in the five years of the coalition government, nor will it make any preparations for doing so. The coalition will not sign during its period in office any treaty allowing further "transfer of sovereignty" to the European Union. It will introduce a "Referendum Bill" requiring that any future "transfers of sovereignty" to the Union will be the subject of a specific referendum. Any applications in future of the "passerelle" clauses of the Lisbon Treaty will be the subject of a full British parliamentary procedure of legislation, and not merely formal endorsement, as has been the case for much European legislation in the past.

Liberal Democrat contributions to the coalition's programme

A number of undertakings of the Conservative manifesto on European issues figure in notably more restricted form in the coalition programme. In that manifesto, the Conservative Party had promised to seek to repatriate powers relating to social and employment policy; to introduce a "Sovereignty Bill" that would define more precisely the United Kingdom's legal position within the European Union; to review the impact of the Charter of Fundamental Rights; and to ensure that European legislation did not impinge upon British criminal law. All these undertakings have been significantly watered down in the coalition agreement, to such an extent that it may be doubted whether any of them will become reality, a definite consequence of pressure on the Conservative Party by its coalition partner. The agreement also envisages willingness for the British government to decide on a "case by case" basis whether to opt into new internal security measures proposed by the European Commission, another significant concession by the Conservative Party to the Liberal Democrats.

Comment

It is widely believed that David Cameron is not sorry to be able to use the coalition with the Liberal Democrats as an excuse to abandon some of the more radical Eurosceptic policies promised in the Conservative Party's manifesto. This belief is reinforced by his striking willingness to refrain from appointing as Minister for Europe the party's spokesman in opposition on European questions, Mark Francois, a prominent Eurosceptic who played a leading role in the withdrawal of the Conservative Members of Parliament from the European People's Party group at the European Parliament. The Minister for Europe will be instead David Lidington, a former special advisor to Douglas Hurd when the latter was British Foreign Secretary in the 1990s. Conservative policy towards the European Union over the next five years will undoubtedly be more conciliatory in tone and even in substance than it would have been if the Conservative Party were in government on its own.

Nevertheless, the election of 2010 marks an important milestone in the process of semi-detachment of the United Kingdom from the European Union. The decisions neither to join the Euro in this legislative period, nor to prepare to do so over the next five years; to reject any British participation in the deepening of sovereignty-sharing over the next five years; and the legacy to future governments of a binding and constricting Referendum Bill – all these are significant and cumulatively unmistakable moves of retreat for the United Kingdom from any aspiration to be treated as a full member of the European Union. In the same way that David Cameron's willingness to soften his party's

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Euroscepticism in the coalition says much about his long-term conception for the Conservative Party's future positioning in British politics, so the willingness of the Liberal Democrats to join a government with a strong underlying Eurosceptic agenda says much about the movement of that party from its traditional position as the most outspokenly pro-European party in the United Kingdom. It may well be that the Liberal Democrats see no incongruity between the traditional pro-European position of their party and a willingness for the United Kingdom to remain outside the Euro for seven years at least. If that is so, that fact of itself says much about the state of the European debate in the United Kingdom in 2010 and how much the United Kingdom's understanding of its role in the European Union has changed over the past fifteen years.

¹ Coalition agreement, May 2010.

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 UNFCC 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?