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**"¿Nuevos impulsos para Europa? Balance de la
Presidencia Alemana del Consejo de la Unión
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WORKING PAPER

**THE GERMAN PRESIDENCY OF THE EU COUNCIL AND THE
CHALLENGES FOR PORTUGAL**

Table of Contents

1. Introduction
2. Conclusions of the German Presidency
3. Challenges for the Portuguese Presidency
 - 3.1 *The Reform Treaty*
 - 3.2 *The Agreement on Climate Protection*
 - 3.3 *The Lisbon Strategy*
 - 3.4 *The Dialogue with Africa*
4. Great Challenges, Europe's Expectations and a Firm Will to Act
5. Conclusions

1. Introduction

Just after German chancellor Angela Merkel has been praised for bringing about a compromise on a EU Treaty Reform, scepticism arises once more among the 27 member states. Certainly, the reform, for which there is such great need, is not yet as sure as fate. Portugal, having taken over the EU's helm on July 1, 2007, meets the great challenge to chair the treaty's concrete elaboration. To comply with this exigent task, Portuguese Prime Minister José Sócrates has set a tight schedule. Already at the end of July (July 23-24), the Portuguese Presidency will open the Intergovernmental Conference (IGC) which will assume the mandate to shape the political agreement on a treaty reform, which was reached during the German Presidency, juridically. The draft of the treaty is then scheduled to be adopted at an informal summit in Lisbon on October 18-19. If it is adopted, the new treaty could be ready to take effect before the elections for the European Parliament in 2009. Portugal's task will be to lend thrust to the process of making the modified treaty a success. As there have been recent demands for further revisions of the agreement, particularly with regards to the Council's voting system, it is not out of the question that Portugal will have to face new difficulties.

However, it is not only the reform of the treaty that constitutes a challenge for the Portuguese Presidency. Among the most important topics to be tackled by José Sócrates and his team are, on the one hand, the following up of further subjects addressed by the German Presidency and, on the other hand, the priorities Portugal has decided to focus upon. Less abstractly, these tasks consist in the draw-up of the consensus on climate protection achieved in March, the elaboration of the next phase of the Lisbon Strategy, and the dialogue with Africa 1 [2].

1 [2] Concerning external relations, Portugal will also focus on a strategic partnership with Brazil and relations to Russia.

Although there are certainly more topics to be approached by the Portuguese Presidency within the framework of the Trio Programme, which is intended to provide for more sustainability in the rotating presidency system, the success of the Presidency will mainly be assessed with regards to the progress achieved concerning the issues outlined above.² [3]

In the following, it is my aim to highlight the aforementioned challenges, which Portugal has to meet in the next six months. Departing from the conclusions of the German Presidency, I will point out the challenges which arise from the ‘German legacy’ first, and then elucidate the complexity of the foci Portugal has put forward. Finally, I will try to outline the EU’s attitude towards Portugal’s Presidency.

2. Conclusions of the German Presidency

Numerous press releases about the German Presidency show that chancellor Merkel has obviously received good credits in the past half-year for her office as ‘EU leader’, or as ‘primus inter pares’³ [4], as she herself termed the chairmanship. Likewise, the majority of the members of the European Parliament have passed a positive verdict on the agreements reached under the German Presidency, especially on the reform treaty compromise accorded at the EU summit on June 21-23. Doubtless, to foster the treaty process was the highest priority of the German turn. Intensive negotiations, both before and at the EU summit, have led to an agreement that preserves the main aspects of the Constitutional Treaty, particularly the articles related to institutional reform. Although the plan to substitute the treaties in force by one constitutional treaty has failed, changes of the existing treaties pertain primarily to two areas: There are modifications regarding the ‘Treaty on the

² [3] Cf. *publico.pt*, 28/06/2007: <http://ultimahora.publico.clix.pt/noticia.spx?d1298394&idCanal=undefined>, lastly retrieved on 08/07/2007.

³ [4] Cf. *Wirtschaftswoche*, 19/06/2007: <http://www.wiwo.de/pswiwo/fn/ww2/sfn/buildww/id/125/id/277968/H0/epot//index.html>, lastly retrieved on 07/0/2007.

European Union' (TEU) and second, alterations to the 'Treaty establishing the European Community' (TEC) which will be renamed 'Treaty on the Functioning of the Union', have been adopted⁴ [5]. Items that have been dismissed pertain mainly to the constitutional character of the treaties as well as to all references to state symbolism, such as the flag, the anthem, and the office of the 'Union Minister for Foreign Affairs', which has now been dubbed 'High Representative of the Union for Foreign Affairs and Security Policy'. Due to British opposition, there will only be references to the 'Charter of Fundamental Rights' instead of an insertion of the entire text. Nevertheless, the reference will have legal value even if the Charter is not legally binding in the UK. Another highly controversial issue at the summit has been the introduction of a new rule of double majority voting for Council decisions⁵ [6], which will be valid from 2014 on, with a transitional period until 2017, when additional stipulations on blocking minorities will be put in place. Moreover, the outlines of the Reform Treaty include the establishment of a single legal personality for the EU, a permanent Council presidency to be voted by the European Parliament, the office of a 'High Representative of the Union for Foreign Affairs and Security Policy', substituting the 'High Representative on Foreign Affairs', and the commissioner for external relations, the reduction of the number of Commissioners and a clause that allows member states to leave the EU. Besides the provisions adopted from the Constitutional Treaty, new elements will be added to the Reform Treaty. These are related to the strengthening of national parliaments, to the acknowledgement of new challenges, such as climate change and energy solidarity, and to opt-in/out clauses to some new policies, concerning particularly judicial cooperation.

4 [5] For the following paragraph, compare the 'Presidency conclusions', 21/22/06/2007: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/94932.pdf, lastly retrieved on 07/07/2007.

5 [6] Double majority rule requests 55% of member states and 65% of the EU's population support to pass legislation.

The second important challenge during the German Presidency was the agreement on climate protection. In March, the European Council adopted several resolutions pertaining to environmental issues and energy policy, including a reduction of greenhouse gas emissions by 20% relative to 1990 levels, an increase of renewable energies to 20%, as well as the raise of energy efficiency by 20% and of bio fuels to a minimum of 10%, all to be realised until 2020 [7] .

Concerning external relations, chancellor Merkel has focused on the eastern neighbours of the EU. Her effort to foster the relations with Central Asia has led to an agreement on a strategy for a new partnership. However, the German Presidency has not succeeded in negotiating a follow-up to the partnership agreement with Russia , which is about to expire⁷ [8] .

With regard to progress of the Lisbon Strategy, which is one of the priorities of the Trio Presidency's joint programme, the European Council reached a consensus on reducing

6 [7] Cf. the official website of the German Presidency, 09/03/2007: http://www.eu2007.de/en/News/Press_Releases/arch0309BKBruessel.html, lastly retrieved on 07/07/2007.

7 [8] Cf. the official website of the German Presidency, 18/05/2007: http://www.eu2007.de/en/News/Press_Releases/May/0518AASamara.html, lastly retrieved on 07/07/2007.

bureaucracy in order to increase Europe 's economic competitiveness as well as on a Community Strategy 2007-2012 on health and safety at work⁸ [9] .

3. Challenges for the Portuguese Presidency

3.1 *The Reform Treaty*

Certainly, the institutional impasse caused by the failed referenda on the Constitutional Treaty in 2005 has been overcome at the EU summit on 21-23 June. Yet, the work lying ahead of José Sócrates and his staff will be challenging. Making use of the momentum set free by the agreement reached in Brussels , the Portuguese Prime Minister has committed himself to getting the Reform Treaty approved as soon as possible⁹ [10] . Hence, the Portuguese Presidency now has to elaborate a draft of the treaty to be presented at the IGC on July 23rd. The process could become complicated if member states attempt to reopen the debate on issues already agreed upon. In response to signs indicating just this, Sócrates already declared that “in the mandate received by the Presidency there is no foreseen possibility for revision of that same mandate”¹⁰ [11] . The President of the European Commission, José Manuel Durão Barroso, supported Sócrates' view.

⁸ [9] Cf. the ‘Presidency conclusions’: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/resData/en/ec/94932.pdf, lastly retrieved on 07/07/2007.

⁹ [10] Cf. *Deutsche Welle*, 01/07/2007: <http://www.dw-world.de/dw/article/0,2144,2650490,00.html>, lastly retrieved on 08/07/2007.

¹⁰ [11] Cf. the official website of the Portuguese Presidency, 03/07/2007: http://www.eu2007.pt/UE/vEN/Noticias_Documentos/20070703Noticiatratado.htm, lastly retrieved in 08/07/2007.

A second challenge the Portuguese Presidency will encounter is more technical: Although the text of the Reform Treaty will be shorter than that of the Constitutional Treaty, experts affirm that the drawing up of the juridical wording will be much more complex, which is to a great extent due to the exemption clauses for the UK and Poland 11 [12] .

Third, Sócrates will also have to gain public support for the Reform Treaty, as the current mandate was mainly debated in closed-door negotiations.

In fact, the difficulties in sight have already evoked a number of critical voices, both among the members of the European Parliament and on the side of international organizations. They have been reminding us of one of the main aims of the reform process, which is to increase the EU's closeness to citizens, and that this must be taken into account in the elaboration of the draft of the treaty. Thus, they call for opening part of the IGC's meetings to the public in order to "add legitimacy to the process"¹² [13] , as Pat Cox, the President of the European Movement, puts it.

3.2 *The Agreement on Climate Protection*

11 [12] Cf. *n-tv*, 27/06/2007: <http://www.n-tv.de/819778.html>, lastly retrieved on 08/07/2007.

12 [13] Cf. *euractiv.com*, 26/06/2007: <http://www.euractiv.com/en/future-eu/portuguese-presidency-brief/article-164954>, lastly retrieved on 08/07/2007.

In terms of Climate Protection Policies, the ambitious resolutions of the “Historical Agreement”¹³ [14] reached in March have to be followed up. Two main challenging areas can be outlined: First, the Portuguese Presidency has to commit itself to creating legislative measures to achieve the goals agreed upon at the March summit.

As soon as the European Commission will have presented its proposals on how to distribute the burden in order to meet goals related to climate protection among the member states, the Portuguese Presidency will face a further discussion and elaboration on a reasonable consensus to meet this complicated issue¹⁴ [15] . The presidency’s task will be to encourage and coordinate the member states' efforts towards implementing the measures agreed on. It will be particularly demanding to support poorer Eastern European countries to make their contributions, since they are more dependent on heavy industry and carbon-generated energy.

Secondly, José Sócrates and his staff will have to continue the necessary preparatory discussions for the United Nations Bali Conference on climate change. If the EU wants to keep up a leading role in international climate policy, as the March resolution and the conclusions of the G8 summit suggest, then José Sócrates has to assume a key position at the Bali Conference. In this respect, there is no doubt that the measures already adopted will lend credibility to the claim that the EU’s goals can be reached, which is necessary to

13 [14] Cf. the official website of the German Presidency, 09/03/2007: http://www.eu2007.de/en/News/Press_Releases/March/0309BKBruessel.html, lastly retrieved on 08/07/2007.

14 [15] Cf. the ‘Presidency Conclusions’: http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/93135.pdf, lastly retrieved on 08/07/2007.

engage more countries in Bali, as Commission President Barroso stated¹⁵ [16] . Nevertheless, one has to take into account that at the beginning of 2007 the EU had only reduced its CO₂-emissions by 1.2 % out of the envisioned reduction of 8% between 1990 and 2012, which shows that meeting its aims will be a great challenge¹⁶ [17] .

3.3 *The Lisbon Strategy*

The Lisbon Strategy is now to be revised, as the current cycle will end at the end of the year, this being one of the key initiatives Portugal launched during its last presidency in 2000. Hence, the Portuguese Presidency will challenge the preparation of the next set of guidelines, once the Commission has presented its interim report on the current achievements. Before those revised guidelines will be applied (2008-2011), the presidency's tasks will be threefold: First, it has to stir national debates to make the strategy more visible and relevant to national economic reform. Second, it must stimulate the exchange of reform practices between member states. Third, it is bound to assess and coordinate the new national reform programmes, to be submitted by member states in autumn¹⁷ [18] .

¹⁵ [16] Cf. BBC, 08/03/2007: <http://news.bbc.co.uk/1/hi/world/europe/6429097.stm>, lastly retrieved on 09/07/2007.

¹⁶ [17] Cf. the official website of the German Presidency, 09/03/2007: http://www.eu2007.de/en/News/Press_Releases/March/0309BKBruessel.html, lastly retrieved on 08/07/2007.

¹⁷ [18] Cf. the 'Presidency Conclusions': http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/ec/93135.pdf, lastly retrieved on 08/07/2007.

Concerning the content of the new guidelines, Prime Minister José Sócrates declared to put special emphasis on the social dimension of the European model. In order to realize the central idea of the strategy, which is to make the EU the most competitive, knowledge-based economy in the world, Sócrates intends to give new impetus to the debate on the “flexicurity” concept. This model is meant to help Europe adapt to new requirements on the labour market due to rapid development through globalization, and thus it tries to balance flexibility and security enhanced by a concept of life-long learning. Embodying a combination of employers’ and employees’ interests, “flexicurity” attempts to reconcile the need for a lower dismissal protection and high benefits for the unemployed. As in some member states, lower dismissal protection is perceived as job insecurity, it will be Sócrates’ challenge to convey the positive aspects of this model¹⁸ [19] .

3.4 *The Dialogue with Africa*

Based on the view that “Africa and Europe have a history of missed opportunities [...]”¹⁹ [20] , the Portuguese Presidency has declared to focus on the EU-Africa relations, culminating in a summit to take place in December.

¹⁸ [19] Cf. the official website of the EC: http://ec.europa.eu/employment_social/employment_strategy/flex_meaning_en.htm, lastly retrieved on 09/07/2007.

¹⁹ [20] Cf. the Portuguese Presidency’s priorities: http://www.eu2007.pt/NR/rdonlyres/6C297B28-6A54-4C76-9E70-DDFD4C1B1B21/0/CadernoPrioridades_Ingles.pdf, lastly retrieved on 09/07/2007.

In this context, the Portuguese Prime Minister is committed to focus on three main topics which are closely intertwined, comprising migration, development policies, and economic cooperation. These may seem old, but Sócrates has affirmed that he will push them in new directions. He aims at fostering the cooperation with illegal immigrants' states of origin and at launching ideas on legal migration and better social inclusion policies.

Aspiring to a strategic partnership between the EU and Africa , the Portuguese Presidency also attempts to promote more investment in the African market, following the Chinese example.

However, Sócrates' main challenge will be to realize the EU-Africa summit in December as some member states already objected to the participation of Robert Mugabe, Zimbabwe 's President, against whom the EU imposed sanctions. The African Union, on the other hand, insists on Mugabe's participation; otherwise, some African states have already declared that they will not attend the meeting. In 2003, a high-level meeting between the EU and Africa was scheduled but eventually cancelled due to the Zimbabwean President who is accused of violation of human rights and of imposing a dictatorial²⁰ [21] regime on Zimbabwe . There is no doubt that Mugabe will make use of the summit in order to escape his isolation. Therefore, Socrates would have to face the difficult task of not letting Mugabe profit from his participation in the summit²¹ [22] .

20 [21] Cf. the resolution adopted by the European Parliament, 26/04/2007: <http://www.europarl.europa.eu/sides/getDoc.do?type=TA&reference=P6-TA-20070172&language=EN&ring=P6-RC-2007-0162>, lastly retrieved on 10/07/2007.

21 [22] Cf. *Diário de Notícias*, 03/07/2007: <http://dn.sapo.pt/2007/07/03/editorial/index.html>, lastly retrieved on 09/07/2007.

4. Great Challenges, Europe 's Expectations and a Firm Will to Act

When Germany handed over the presidency to Portugal on July, 1, European journalists reflected on the challenges José Sócrates and his staff have to face in the next six month. The following press review shows the variety of expectations attributed to the Portuguese Presidency²² [23] , ranging from scepticism to a firm belief in Portugal 's diplomatic abilities at on an international level.

Whereas the Swedish *Upsala Nye Tidning*²³ [24] and the Swiss *Le Temps*²⁴ [25] doubt that the Portuguese can meet the complex issues in the semester ahead of us, the German *Süddeutsche Zeitung*²⁵ [26] and the *International Herald Tribune*²⁶ [27] share a more ambivalent point of view. Although they are both questioning the Portuguese abilities

²² [23] I do not claim to present a complete press review, rather I would like to show the different perceptions of the Portuguese Presidency in an exemplary way.

²³ [24] Cf. *eurotopics.net*, 03/07/2007:
http://www.eurotopics.net/de/presseschau/archiv/archiv_newsletter/NEWSLETTER-2007-07-03, lastly retrieved on 09/07/2007.

²⁴ [25] Cf. *Le Temps*, 29/06/2007,
<http://www.letemps.ch/template/opinions.asp?page=6&article=210305>, lastly retrieved on 09/07/2007.

²⁵ [26] Cf. *eurotopics.net*, 29/06/2007,
http://www.eurotopics.net/de/presseschau/archiv/archiv_dossier/DOSSIER18348, lastly retrieved on 09/07/2007.

²⁶ [27] Cf. *International Herald Tribune*, 28/06/2007:
<http://www.iht.com/bin/print.php?id=6381378>, lastly retrieved on 09/07/2007.

to lead the EU due to less experience and political weight on the international political stage, they recognize Portugal's firm will to act. Britain's *Financial Times*²⁷ [28], as well as the German *Deutsche Welle*²⁸ [29] acknowledge that the tasks of the Portuguese Presidency will be quite demanding, but still, they are confident of the success of the Portuguese turn. According to their views, being a smaller nation can also be advantageous for the presidential office, as such a nation is more likely to act as a neutral negotiator.

5. Conclusions

Even though the topics outlined in this paper only reflect a small part of the set of priorities the Portuguese Presidency is committed to tackle, it becomes quite clear that José Sócrates and his team have to face demanding tasks in the next semester. First and foremost, Portugal has to bring about the Reform Treaty, whose elaboration will create at

27 [28] Cf. *Financial Times*, 02/07/2007: <http://www.ft.com/cms/s/918635d2-28e3-11dc-af78-000b5df10621.html>, lastly retrieved on 09/07/2007.

28 [29] Cf. *Deutsche Welle*, 01/07/07: <http://www.dw-world.de/dw/article/0,2144,2650490,00.html>, lastly retrieved on 09/07/07.

least three challenges, both political and technical. Concerning climate protection policies, the Portuguese Presidency has to proceed in creating concrete legislative measures, and is also faced with the task of preparing the European position at the Bali Conference in December.

The next phase of the Lisbon Strategy will require the creation of new guidelines as well as the promotion of new socio-economic concepts. Regarding external relations, Portugal faces the challenge of establishing a strategic partnership with Africa and with arranging an EU-Africa summit, whose realization is not yet certain due to Zimbabwean's President Robert Mugabe.

European journalists assess Portugal 's challenges very differently. Certainly, curiosity about the upcoming developments in the next weeks and months can be justified.

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<http://www.eu2007.pt/NR/rdonlyres/6C297B28-6A54-4C76->

[9E70DDFD4C1B1B21/0/CadernoPrioridades_Ingles.pdf](http://www.eu2007.pt/NR/rdonlyres/6C297B28-6A54-4C76-9E70DDFD4C1B1B21/0/CadernoPrioridades_Ingles.pdf)

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