

Ignacio Molina

The 2010 Spanish EU Presidency:

Trying to innovate Europe in troubled times

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PREFACE

The Spanish Presidency of the European Union in the first half of 2010 has had to take on a number of tough challenges of both practical and political nature. These include reaching an agreement on an EU strategy for employment and growth (EU 2020), handling the acute financial crisis in Greece and promoting steps towards European economic governance. The final outcome of these processes are at the time of writing not known, but progress and set-backs of the Spanish Presidency on these issues will have far reaching implications.

The Presidency has also had to focus on the effective implementation of the Lisbon Treaty and to deal with the associated institutional uncertainties, not least defining the roles of the President of the European Council and the role of the European External Action Service. The institutional innovations have undoubtedly decreased the political weight of the rotating presidency, in particular for Prime Ministers and Foreign Ministers. The Spaniards were the first to gain a firsthand experience of what the Lisbon Treaty will mean in practice for the rotating presidency and they have had an opportunity to affect the setting of precedents.

On top of this agenda, a number of unexpected crises have occurred. The earthquakes in Haiti and Chile have put EU crisis management capabilities to the test. The fallout from the Icelandic volcano Eyjafjallajökull did not only disrupt air traffic within Europe but also Council meetings and the Strasbourg session of the European Parliament. Moreover, how should the EU respond to calls from the airline industry for state aid? These questions and many more add up to a very challenging agenda for the Spanish Presidency. The present analysis also addresses the domestic political setting of the Presidency.

The Swedish Institute for European Policy Studies, SIEPS, publishes a report on the incumbent EU presidency twice a year. Just as this report on the Spanish Presidency, they focus on the current European agenda on the one hand and on the influence of domestic politics and external events on the other.

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His areas of interest and expertise cover Spanish EU policy-making, the relations between member states and the Union, the Europeanisation of the Spanish government and, more broadly, the analysis of the State's institutional capacity and the policy-making process in Spain. He has written several chapters in comparative volumes such as 'The Role of National Executives' in *Europeanization and Democratic Governance* (Edward Elgar, with C. Colino), 'National governments and the EU' in *Handbook of Public Administration and Policy in the EU* (Dekker, with C. Colino), and contributions on Spain in *The National Co-ordination of EU Policy* (Oxford University Press), *Bureaucratic Elites in Western European States*, (Oxford University Press), *Administering the Summit* (Macmillan, with P. Heywood) and *Foreign Ministries in the European Union* (Palgrave, with F. Rodrigo). He is the author of two books and has also contributed to various journals.

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EXECUTIVE SUMMARY

In January 2010 Spain took over the Presidency of the EU Council, only one month after the entry into force of the Lisbon Treaty. This semester also takes place against the backdrop of a new European Commission, the appointment of the new EU top jobs and the beginning of a new Trio Presidency comprising Spain, Belgium and Hungary, which will hold office until July 2011. The Spanish EU Presidency, which has adopted the motto '*Innovating Europe*', has a unique role as it not only occurs during a troubled time of institutional transition for the EU, but also when Europe is going through a deep economic crisis.

Without doubt, the institutional innovations and the “cohabitation” with a permanent President of the European Council and a reinforced High Representative for Foreign Affairs and Security Policy have implied a significant diminution in the political relevance of the rotating Presidency. Thus, in contrast with the high profile of, for example, Fredrik Reinfeldt or Carl Bildt during the previous 2009 Swedish semester, neither the Prime Minister José Luis Rodríguez Zapatero nor the Foreign minister Miguel Ángel Moratinos can exert the most attractive roles associated – until now – with this EU office.

It is true that Spain, a traditionally pro-European country, was among the strongest supporters of the new Treaty and it is also true that the reduction of the functions and visibility of the EU Council Presidency will henceforth affect all member states. Nevertheless, the Spanish Presidency is in the unenviable situation of: (a) being the first who ‘suffers’ the post-Lisbon institutional design and (b) being responsible for a proper implementation of the Treaty with regard to the complex system of co-ordination among the different actors: Van Rompuy, Ashton, the rotating and the Trio Council Presidencies, the new Commission and the strengthened European Parliament. This leads to the uncomfortable sensation of acting, to some extent, like an institutional ‘guinea pig’.

Furthermore, the Presidency is also being complex since it coincides with a substantial economic uncertainty, both at the European and domestic levels. In Spain – although far from the much more troubled Greek conditions – the prolonged recession has entailed particularly high figures

of unemployment and public deficit, forcing the government to initiate a process of internal reforms of adjustment that were not on the agenda when the semester was prepared. And, to complete this difficult panorama, the annual transatlantic summit scheduled in Madrid for May disappeared from the calendar when US President Barack Obama surprisingly announced its cancellation.

Notwithstanding all this – and despite the second Barroso Commission was only able to start to work by late February – the ongoing Spanish Presidency is doing its job and it may still be successful in some important dimensions that, following its own slogan, will ‘innovate Europe’. The most ambitious goal to be accomplished while the fifth biggest member state chairs the Council is the launching of the new EU 2020 Strategy, with stronger mechanisms of economic governance coordination. Defining the External Action Service, the implementation of the citizens’ legislative initiative, the fight against gender violence and hosting summits with Latin American and Mediterranean countries can also be mentioned among the most relevant objectives of the Spanish programme.

1 INTRODUCTION: A PRESIDENCY IN A DIFFICULT CONTEXT

The motto chosen for the fourth¹ Spanish Presidency of the European Union has been *'Innovating Europe'*. As usual in the EU Presidencies, these 'catchy' and effective slogans try to capture an idea that summarizes the current state of the European integration process and also the kind of leadership that the incumbent Presidency intends to exercise. Basically, it is not a bad motto since the EU is now characterized by extraordinary innovations in the three traditional dimensions that every Presidency has to deal with: institutions, economy and foreign affairs

- 1) The institutional dimension, after the recent entry into force of the Lisbon Treaty and the appointment of the new EU top jobs, requires the implementation of the most important innovations in the functioning of the EU since, at least, 1992. The way in which the EU Presidency itself has to work, with a smaller political relevance, less visibility and a higher need of coordination with other actors is also new.
- 2) In the economic dimension, the main objective is to complement the short term management of the deep and lasting financial crisis with medium and long term measures. This means, more precisely, to update both the processes – with more efficient coordination and surveillance mechanisms – and the contents of the somewhat unsuccessful 2000 Lisbon Agenda. Innovation, as a mean to guarantee growth and employment in the future, will be precisely one of the core objectives of the new EU-2020 Strategy.
- 3) Foreign policy, also as consequence of the Lisbon Treaty innovations, has to undergo the biggest institutional transformation since it was introduced in 1986 by the Single European Act. During this semester, the High Representative is starting to work, the EU delegations abroad are being created and the External Action Service has to be defined.

¹ The previous three Spanish Presidencies of the EU Council were in 1989, 1995 and 2002.

And, as if these innovations were not enough, the Spanish Presidency completed its programme of priorities with an original contribution intended to introduce even more innovations in the field of gender equality policy; in particular, with regard to the fight against gender violence.

Such a challenging panorama required ambition and Spain – which is close to big member states regarding institutional weight, enjoys solid Europeanist convictions and has demonstrated organizational and leadership capacities in its previous Presidencies – seemed to be ready to face this challenge. However, already from the beginning the challenge appeared to be really complicated. The Presidency is coping with a very complex situation which can be characterized mainly by three important difficulties:

First of all, the economic crisis and, particularly, the unprecedented public debt crisis in Greece, are indirectly damaging Spain. It is true that crises are often an opportunity to expand the leadership role of rotating Presidencies but, this time, the serious economic situation in Spain has made it impossible. The Spanish economy is much stronger than the Greek one, but this has not prevented dangerous comparisons. In short, Spain is fighting fears of Greek economic crisis spilling over and this reduces its authority when leading the general discussions on the new economic governance or on how to deal specifically with the complexities of the Greek debt situation.

Second, the uncertainties of the Spanish officials who have prepared the Presidency about the EU institutional setting after Lisbon have been confirmed. Three elements have damaged the scope of action of the Spanish government and made difficult the implementation of its program for the semester: (i) the initial lack of a clear definition of the role and objectives of the President of the European Council vis-à-vis the rotating Presidency; (ii) the low profile of the High Representative during her first months in office and the confusion about the role that each actor is to play in foreign policy, which may have contributed to the cancellation of the EU-USA summit; and (iii) the two months delay of the new Commission with the subsequent delay in all initiatives.

Finally, the political and economic context in many EU member states is basically hostile to the launching of new ambitious European initiatives.

In Germany, a Euro-sceptical wave is spreading, boosted by the judgement of the Federal Constitutional Court in June 2009, the conservative press comments and the electoral calculations of Angela Merkel's government. Other examples include that the Netherlands has joined Germany in its reluctant attitude, the United Kingdom is obviously paralysed due to the elections of the 6th of May, and Greece is almost bankrupt. Even the governments which prepared, together with Spain, the 2010-11 Trio programme – Belgium and Hungary – have fallen during spring 2010.

It is, indeed, troubled times to innovate...

In addition to all this, after the entry into force of the Lisbon Treaty, the rotating Council's presidency has to reformulate and adapt itself to the new institutional arrangements, decreasing the importance of its functions and its visibility.

Up to the entry into force of the Lisbon Treaty, the Presidency had to assume the organization and management of all tasks which corresponded to chairing the Council, its auxiliary organs and also the European Council. Now, the European Council has a stable President and, on the other hand, one of the ten divisions of the Council – External Relations – is now chaired by the strengthened High Representative. It could be said that the organizational work by the rotational Presidency has been simplified, but it is also true that the management need for a good coordination between all institutional actors adds a new organizational element.

Regarding the "*agenda setting*" function, or the capacity to promote priorities on the agenda, the Presidency now share with the new actors – as well as with the other states in the Trio – the definition of the Council's program. And the same happens with the function of intermediation and the search for consensus. Again, due to the fact that the rotating Presidency does not longer chair the European Council, its functions have been downgraded.

Finally, the most important reduction of the rotating Presidency significance in the post-Lisbon scheme deals with external representation role: at the level of the Heads of State, now there is a European Council President, a High Representative at the ministerial level and an External Ac-

tion Service at the diplomats' level. Notwithstanding this, the Spanish EU Presidency is being somewhat special regarding the representation dimension, due to the transitional character of the first half of 2010.

In this report, the main features of the Spanish EU politics, policies and policy-making will be examined. Then, a brief examination of the preparation and the four priorities of the 2010 Presidency is presented. The fourth section deals with a midterm overview, paying attention to the institutional innovations, the economy, the foreign policy and the initiatives regarding the citizens. In the concluding section, a provisional midterm evaluation of the semester is summarised.

2 SPAIN AND THE EUROPEAN UNION

A quarter of a century has now passed since Spain joined the process of European integration.² This period has undoubtedly been the most politically stable, socially dynamic and economically successful in Spain's contemporary history. This emphatic statement, however, needs to be qualified in two ways. First, this extraordinary outcome does not signify such a difficult feat in light of the volatile and relatively troubled reality that dominated Spain during most of the 19th and 20th centuries.³ Secondly, it is not analytically easy to measure the exact impact of the European accession variable on the tremendous changes that have occurred in Spain in the last 25 years, which have produced such positive results. The EU membership has coincided with at least three other highly significant and almost simultaneous factors: (i) the transition, starting in 1976, towards a semi-federal parliamentary democracy, which was fully consolidated in the early 1980s; (ii) the implementation of a social market economy, whose beginnings date back to 1959 although its design came to fruition in the mid 1980s; and (iii) the emergence of globalisation, which had been gestating over a long period and was characterised by increasing trade interdependence and technological advances, which crystallised in the late 1980s with the end of the Cold War and the birth of the Internet.

Notwithstanding these remarks, there is no question as to how important European Union membership has been and remains to Spain. After a troubled past, accession signified that Spaniards were finally able to achieve

² The Accession Treaty was signed on 12 June 1985 in Madrid and on 1 January 1986, at the same time as Portugal, Spain became the 12th member of the European Community, which would later become the European Union in 1993.

³ The constant regime changes resulted in Spain having eight constitutions or constitutional bills in the 19th century alone. In the 20th century, it experienced two conservative dictatorships that lasted for almost 50 years. Moreover, although on the margins of the great European Napoleonic wars, there were four civil wars and major defeats in colonial conflicts in America and North Africa. In terms of socio-economic data, the average Spanish income between 1870 and 1960 was 70% lower than the per capita level of most advanced European countries and North America. In 1874, the illiteracy rate was 54.2% for men and 74.4% for women and even by 1965, the percentage of GDP spent on education was a third less than that spent by other member states.

the longed-for link with the heart of the old continent as a means of achieving political and economic modernity. Such a longing for homologation was vividly summarised by the philosopher José Ortega y Gasset, who, in 1910, said that ‘Spain is the problem and Europe is the solution’ to the extent that ‘regeneration is inseparable from Europeanization’.

With regards to the other three parallel causes – democratisation, the definition in Spain of a welfare capitalism, and globalisation – which explain the recent great changes in Spain, the reinforcing effect that membership has had on these is undeniable. On the one hand, the democratic requirement, which was necessary to fulfil in order to join the European Community and which prevented Spain’s accession in the 1960s, served as a stimulus for the transition between 1976 and 1985, and, thereafter, as a decisive anchor for liberal democracy. On the other hand, the Internal Market liberalisation programme itself, the launch of the euro and the receipt of abundant EU structural funds has helped to fundamentally modernise Spain’s productive structure, stabilise its macro economy and make progress in internal social cohesion between its territories and people. Finally, Europeanisation has become a specific pathway to catalyse the phenomenon of globalisation in Spain by increasing flows in trade, services, people, capital and knowledge, and to show the need to go beyond the nation state to respond to environmental challenges and security.

In order to understand in more detail what EU membership has meant and means for Spain, this section is divided into three sub-sections:

- 1) The political foundations of membership, with special emphasis on the attitudes of citizens and parties to the process of integration.
- 2) The different policy areas, mainly the economy, foreign policy and justice and home affairs, in which the EU has a relevant impact on its member states and where, naturally, Spain has identified its priorities and has developed its strategies in Brussels.
- 3) Spain’s European policy-making mechanisms, in which central government plays a fundamental role, but autonomous regions, legislative bodies, the judiciary and civil society groups are also involved.

2.1 The political foundations of Spanish EU membership

As mentioned above, the accession of Spain to the European Community has had important political effects on Spain, which, without exaggeration, deserve to be referred to as ‘historic’. Since the country relinquished its central political position in Europe – a process that began in the mid-17th century and continued with the disappearance of its imperial status in America throughout the 19th century – all attempts at modernisation had the characteristic common goal of reversing the decline of Spain by moving closer to Europe’s most advanced countries. Franco’s long dictatorship, which started as fascist totalitarian but, from the 1960s, became developmental authoritarian, consolidated the idea, from left and right, from the elite and the general public, that Spain was experiencing a long term period of anomaly in comparison to countries from within its sphere of reference⁴ and, therefore, the success of its national politics had to be measured against the degree of convergence achieved with respect to Europe.

The benefits of Spain’s full participation in European integration became one of the fundamental points of agreement on which the political consensus of the transition to democracy (1976-78) was based. From the left and the right at that time, moderate options triumphed over the more radical and Europeanization had much to contribute to that centripetal logic. On the one hand, for the left, the Europeanization of Spain signified the arrival of democracy, freedoms and the welfare state. On the other hand, for the right, the link with Europe signified guaranteeing a market economy and Western alignment with the US and its allies in the Cold War. In both cases, as proposed by Ortega y Gasset, Europe, above all, signified the modernity and normalisation that Spain longed for. The result was a pro-

⁴ It is worth noting that the political and socio-economic sphere of reference has always focused on its advanced northern neighbour, France, and the more distant UK and Germany, but Spain is also a neighbour of Portugal and is close to North Africa. It is worth considering these close alternatives to do justice to and to partially correct the thesis of Spain’s historical failure, since, in spite of what was mentioned in the previous footnote regarding its relative backwardness, Spain was not completely isolated from the great industrial and liberal modernising revolutions of the 19th century. Moreover, from the point of view of its survival as a nation state, it is worth comparing the stability of Spain’s borders with the ups-and-downs experienced in most of contemporary Europe –including Scandinavia– or the smooth disappearance of other old powers such as Austria-Hungary and the Ottoman Empire.

found and sustained pro-European consensus in Spanish society and the political class that still exists today.

Eurobarometers conducted periodically in all member states demonstrate that there is a stable majority of Spanish people who believe that EU membership is positive; some results far exceed the average across the EU and make Spain one of the most pro-European countries. Interestingly, when the Spaniards are asked if they believe the country benefits from membership, the result is also positive, although, initially, the perception was the opposite and satisfaction has had to grow over the last 25 years. At the start of membership in 1986, Spanish society believed that membership in itself was positive, but that it would not provide specific benefits until integration clearly benefited the country in a tangible way (see table 1).

Table 1. Support of Spanish and European citizens to the EU integration, 1986-2009

Question:	1986	1991	1996	2001	2004	2009
1. Spain's membership to the EU is a good thing	62 %	78 %	49 %	56 %	64 %	64 %
2. Your country's membership to the EU is a good thing (EU average)	62 %	71 %	48 %	48 %	48 %	53 %
3. Spain benefits from EU membership	9 %	58 %	39 %	53 %	69 %	66 %
4. Your country's benefits from EU membership (EU average)	46 %	59 %	42 %	45 %	47 %	57 %

Sources: Piedrafita, Steinberg and Torreblanca (2006) and own elaboration with data from Eurobarometer 72.

This is probably due to the fact that, during the 1980s, it was thought that the desired accession would involve sacrifices and adjustments, while from the mid-1990s the advantages of membership are clearly visible. The advantages included the abundant funds made available to improve infrastructure or, in general, the socio-political and economic modernisation of Spain which public opinion associates with membership.

This overwhelming public support for integration is logically reflected in the major political parties (see in table 2 a summary of their support and ideology). Both the Spanish Socialist Party (PSOE) and the Popular Party (PP), which remain divided on most public policy issues, implicitly agree on the benefits of European integration, as do the main moderate nationalists parties of the Basque Country (PNV), Catalonia (CiU) and the Canary Islands (CC), and the small centrist parties that have existed during this time (CDS and UPyD). In Spain, unlike other European countries, over the last 25 years, no populist or xenophobic parties, which are most likely to foment anti-European sentiment, have been successful. Some degree of criticism towards the EU does exist in some small national or sub-national leftist parties (IU, ERC and BNG), not as a result of staunch Euroscepticism, but to defend a model of European integration which is closest to their ideology. Participation in European Parliament elections also exceeds the average for other states and, as demonstrated in the referendum held in 2005 to ratify the failed European Constitution, Spaniards showed that they still had faith in the EU despite a general climate of Euroscepticism.

In short, the pro-European consensus is in good health. Although Spaniards are also naturally capable of weighing up the specific benefits, and the occasional disadvantages that certain European policies may give rise to, the fact is that a general positive attitude dominates, which mainly focuses on the broad benefits. Spaniards seem to have confirmed the prestige enjoyed by Europe in Spanish political thought for at least 100 years as the EU is, in effect, a good opportunity to normalise Spain within its sphere of reference and help it to achieve the following objectives: (i) political stability, because the EU is always an anchor for its member states and it is unimaginable to belong to it if it does not have consolidated democracy; (ii) improving public self-confidence, which overcomes fatalism or, according to a former Prime Minister, 'the Spanish are reconciled with their

passports'; and even (iii) strengthening the nation, to the extent that the EU has helped with territorial structuring through cohesion policies.

Table 2. National (2008) and European Parliament (2009) election results

Party or coalition		% in Spanish Congress elections	Seats in the Spanish Congress	% in EP elections	Seats in the EP*	EP political group
PSOE						
Spanish Socialist Party		43,6	169	38,5	21 (23)	Progressive Alliance of Socialists and Democrats
PP						
Popular Party		40,1	153	42,2	23 (24)	European People's Party (Christian Democrats)
CiU (Catalan)	Coalition for Europe	3,1	11			Alliance of Liberals and Democrats for Europe
PNV (Basque)	(nationalists)	1,2	6	5,1	2 (3)	
CC (Canary)		0,7	2			
IU-HCV						
United Left		3,8	2	3,7	2	1 European United Left, 1 Greens-European Free Alliance
ERC (Catalan)	Europe of the Peoples	1,2	3			Greens – European Free Alliance
BNG (Galician)	(nationalists)	0,8	2	2,5	1	
NaBai (Basque)		0,2	1			
UPyD						
Union, Progress & Democracy		1,2	1	2,8	1	Non-inscrit
Total:		96 % vote	350	95 % vote	50 (54)	

* In brackets, seats obtained by Spanish political parties in the 2009 EP elections. Four additional Spanish members, once the Lisbon Treaty is implemented.

Moreover, membership has not only strengthened Spain from a symbolic or identity point of view but also from a substantive perspective. Today, largely thanks to Europe, the Spanish state has more capability, more financial resources, better legislation, a stronger currency and is more robust in the face of external pressures from sectoral groups and more effective in the provision of public services and in its international presence. Furthermore, along with the maturing of its institutions, civil society and companies are also more sophisticated and better connected to the outside world.

This conclusion is interesting because the example of Spain shows how it is possible to make progress in the process of European integration and, at the same time, internally strengthen the state. That is to say, Spain demonstrates that the EU-member states relation is not a zero sum, but a sum which is positive for both parties.

2.2 Spain's European policy priorities and the Europeanisation of Spain

As a fundamental part of their policy packages, both PSOE and PP governments have strived to bring Spain closer to the core of Europe. This goal has been translated into various priorities:

- 1) During Felipe González's socialist premiership (1982-96), efforts were made to link Spain with France and Germany, and foster a European foreign policy that would encompass the Mediterranean or Latin America.
- 2) José María Aznar's conservative government (1996-2004) placed more emphasis, from the beginning, on Economic and Monetary Union, although preference was given to proximity with the US and UK in foreign affairs.
- 3) With the socialist prime minister José Luis Rodríguez Zapatero (since 2004), Spain has strongly supported the adoption of the European Constitution, more economic coordination from Brussels and the strengthened role of the EU on the world stage.

If we consider Spain's specific policy priorities in the process of European integration, these can be summarised in three main categories: the modernisation of Spain's productive system, the strengthening of its foreign diplomacy and the Europeanization of justice and interior affairs.

The *modernisation of the Spanish productive system* is an objective that can be divided into at least four dimensions:

- 1) *Economic liberalisation*. To achieve this, on the one hand, the adoption of measures and changes to laws to comply with the *acquis communautaire* – Internal Market, free competition and the deregulation of sectors that had previously been highly regulated – and, on the other hand, the structural reforms in industry, banking, the service sector and the role of the welfare state in order for the Spanish economy to be competitive in its own right, as it would no longer be able to depend on protectionism or state aids. Not only would companies have to face new competition but they would also have the opportunity to break into foreign markets in Europe and the world. This has been particularly successful since, at the time of accession, Spain was a recipient of direct foreign investment, and today is home to large multinational companies.
- 2) *Monetary and fiscal stability*. This area relates to combating inflation, the public deficit and fluctuations in the value of the peseta by means of various reforms, some of which were unpopular: wage restraint, tax increases, privatisation and austerity measures in public spending. The relative success of these measures allowed Spain to be part of the first group of countries to launch the euro as the common currency, which has enabled the price of money and inflation to remain low.
- 3) *Improving physical and human capital*. This aims to improve the competitiveness of the economy, but, unlike liberalisation, it is achieved through large investment programmes in public works and education and innovation. Indeed, in recent years, the infrastructure has dramatically improved as a result of the abundant funds provided by the EU itself in the form of regional and cohesion funds destined for the motorway system, high-speed trains, new airports, etc. The improvement of human capital in education and in research and technology has also benefited from European funds but, in this area, the EU has fewer powers. This objective has been pursued primarily through national programmes that are only indirectly coordinated from Brussels in the Lisbon Agenda or the EU-2020 Strategy.
- 4) *Sustainability*. As well as the three previous priorities, Spain's eco-

conomic policy in the EU also seeks to ensure that the modernisation of the productive system is sustainable from two points of view: (i) social and (ii) environmental. In terms of social cohesion, and in spite of the EU not having great powers in relation to welfare issues, Brussels has fostered progress in protection, and, moreover, the infrastructure policies have served to bridge the gap in income between rich and poorer regions. With regards to the protection of the environment and rural areas, the EU has ambitious policies in the agricultural and fisheries sector⁵ and in relation to conservation, combating climate change and reducing dependence on foreign energy. In fact, the commitment to renewable energy – wind and solar – is an area in which Spain can claim leadership within the EU.

The combined result of these four dimensions has generally been a success for the Spanish economy. Table 3 shows how the economy has grown in these years at a faster rate than the European average to the extent that per capita income has converged with the EU and has exceeded 90% if the comparison is only made with the fifteen most advanced member states. Spain has been a net beneficiary of the EU budget to the tune of 100 billion⁶ and the stability that the euro has provided to the economy is clearly evident in the sustained reduction in inflation and interest rates. However, the severe recession of 2008-10 has worsened Spanish indicators in terms of deficit, public debt and, in particular, unemployment, in spite of the positive historical trends between 1986 and 2008. The Spanish economy faces the challenge of creating quality employment, export capacity and stability in the public accounts to maintain prosperity within the EU. To this end, in addition to introducing more competition to the markets, it must be committed to clearly improving education and its science and technology systems.

With respect to the second major priority in the EU, the strengthening of foreign policy and security, Spain has supported all efforts made in the

⁵ Spain is the second-largest recipient (behind France) of funds from the Common Agricultural Policy (CAP).

⁶ As Spain has achieved economic convergence, it is likely that from 2013 it will lose some of its EU funding and become a net contributor.

Table 3. The economic change in Spain, 1986-2009

	1986	1991	1996	2001	2004	2009
1. GDP growth in Spain (annual %)	2,3	2,5	2,4	2,8	2,7	-3,6
2. GDP growth in the EU (annual %)	2,5	1,8	1,6	1,7	1,9	-4,2
3. Real convergente in GDP per capita UE-27=100	85 *	90 *	93,3	98,1	104,6	102,6
4. Unemployment in Spain (%)	17,3	13,2	18,1	10,6	10,3	18,8
5. Unemployment in the EU (%)	9,3	7,6	10,1	7,2	8	9,5
6. Inflation in Spain (%)	9,3	6,4	3,5	3,3	3,6	-0,3
7. Inflation in the EU (%)	3,5	5,6	2,6	2,3	2,2	1
8. Short-term interest rates (%)	10,6	11,7	7,5	4,7	3,1	1
9. Public deficit (% GDP)	6,2	4,3	6,6	0,9	-2,0	11,2
10. Public debt (% GDP)	42,3	44,3	68,1	57,8	39,6	53,2
11. EU budget net balance (millions euros)	-109	3709	6952	6026	4998	3028

Sources: Piedrafita, Steinberg and Torreblanca (2006) and own elaboration with data from INE and Eurostat * = Estimated.

last 25 years to make Europe a major actor in international relations. For Spain, which for most of the 20th century experienced relative international isolation, the creation of a Common Foreign and Security Policy (CFSP) has been an opportunity to assert its position in the world. Span-

ish governments have encouraged the EU to pay particular attention to regions of the world that are Spain's main priorities: Latin America and the Mediterranean. The Lisbon Treaty represents an important advance in this field and in security and defence policy. In this context, and due to the international strength of its culture, the Spanish language and its citizens' strong commitment to international peace, it is anticipated that Spain will play a greater global role, within the EU framework.

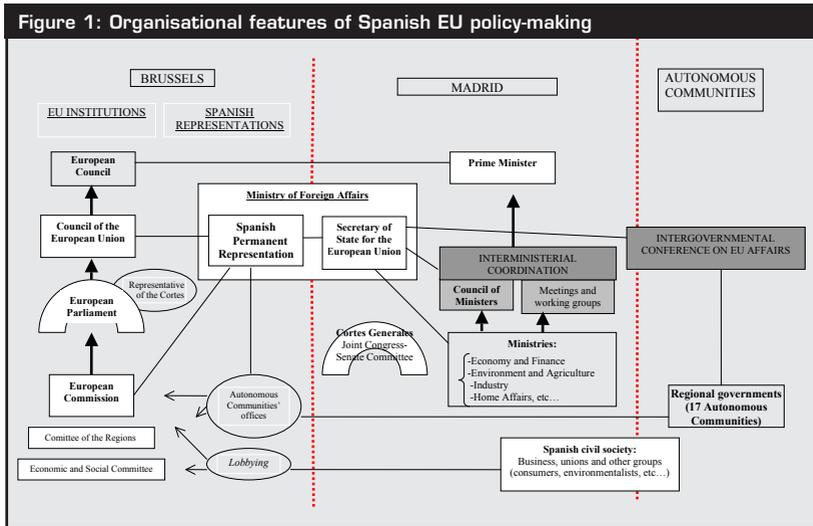
Finally, Spain has also sought to achieve the *Europeanisation of justice and interior affairs*. As a result of various terrorist phenomena that the country has experienced and the high immigration produced in recent years,⁷ this is a highly important issue for Spain. The Spanish aspiration, largely achieved in the Treaty of Lisbon, is to create a genuine European area for freedom, security and justice, in which there is full police and judicial cooperation in criminal matters between the 27 member states. Furthermore, the definition of a European immigration policy is prioritised as it makes no sense in a Europe without internal borders that control over the movement of people is the responsibility of individual states. In addition, Spain's role in this area has been extended to new proposals within broader issues such as the definition of the European citizenship statute in the 1990s, and, for example, the recent proposals on gender equality.

2.3. Spanish EU policy-making

The definition of Spain's national position, which is advocated within the EU institutions, and the correct internal implementation of European policies rests primarily on central government and, in particular, two departments: the Secretary of State for the European Union in Madrid and the Permanent Representation in Brussels. Both departments belong to the Ministry of Foreign Affairs and are staffed by hundreds of highly-skilled civil servants, originating from all sectoral ministries, who are recruited to improve the important coordinating and multi-disciplinary role of these

⁷ The fact that Spain has gone from being a country of emigrants to having more than 4 million registered foreign nationals in a short space of time is testament to Spain's economic success of recent years and the country's ability to attract immigrants. However, it also shows the deficiencies and segmentation of the labour market, since Spain has precisely 4 million unemployed people in Spring 2010.

departments. Some inter-ministerial committees on European affairs exist but the Spanish government does not confer much importance on such bodies as, ultimately, informal relationships and personal contacts tend to be more effective.



The Prime Minister has a very small support structure for European affairs within the Cabinet, although, as they are single-party governments, all ministers and ministries maintain a close relationship with the Prime Minister. Obviously, the more Europeanised ministries are those in which EU competences are greater, especially, Foreign Affairs, Finance, Tax, Agriculture and Environment, but, in practice, and as a result of increasing Europeanisation of public policy, all ministries are involved in European affairs and have advisors in the Permanent Representation.

The Spanish Constitution, in theory, confers on the Cortes (Spanish Parliament) a very important role in developing and controlling European policy. However, neither the Congress of Deputies nor the Senate (the two chambers of the Spanish parliamentary system) have been significantly involved in Spain's relations with the EU. Of course, during the last 25 years, the Cortes has transposed numerous EU directives into domestic law and has held many debates on Europe – especially after European

Council meetings— but it does not constitute an essential element in formulating Spain's position or in the internal implementation of rules agreed in Brussels. The reasons for the Cortes' low profile in European issues are twofold: first, the weakness of the Cortes in relation to the Government due to the characteristics of the Spanish political system⁸ and, secondly, the relative consensus among Spanish parties with respect to the EU, thus making parliamentary debate on the issue uninteresting. Nevertheless, since 1986, there has been a joint Congress-Senate Committee on European affairs, which recently passed measures to adapt the Cortes to the increasing role that the Lisbon Treaty has granted to national parliaments through the early warning and subsidiarity protocols. Furthermore, it has just appointed a representative in Brussels.

While the Spanish Government scarcely has to share its considerable powers on European issues with Parliament, the same cannot be said of the 17 regional Autonomous Communities. The extensive power of the regions – which brings Spain closer to being considered a federal system – makes them essential elements in the domestic implementation of European policies, as these administrations implement what is decided by EU institutions. The autonomous communities not only implement European law, but are also involved in the decision-making process. In those matters in which they have exclusive competence, they can even represent Spain in Commission committees and even be present at the Councils of ministers. Throughout these years, the autonomous communities have co-ordinated with Central Government in the so-called European Union Affairs Conference. Furthermore, all have offices in Brussels, the most active being those of Catalonia and the Basque Country.

Of course, in addition to institutions, private civil society groups have also been Europeanized. Trade unions, business associations, agricultural

⁸ This weakness is the result of a number of institutional characteristics: the majority bias of the electoral system favours a de facto two-party system and, consequently, the absence of coalition governments. As a result, the executive branch almost always enjoys the consistent majority support of Congress, which is reinforced by the voting discipline of the party members, the irrelevance of the Senate and the legal strengthening of the Government, and, above all, the Prime Minister through various constitutional mechanisms aimed at providing stability to the executive.

organisations and environmental and consumer groups understand that the decisions taken in Brussels are often more important than those taken in Madrid. Therefore, they are present during the drafting of regulations and European budgetary decisions with a view to influencing the Spanish position or that of European institutions, often by networking with similar groups from other member countries.

Spain's contribution to the process of formulating European policy is not limited to indirect participation, based on the internal definition of a national position that is later transferred to the Council and defended with a certain number of votes that are calculated according to its demographic weight. There is also a direct contribution to European institutions through Spain's significant presence in all institutions. Spain is fifth out of the 27 member states in terms of size. During the last 25 years, Spain has provided three European Parliament Presidents, the first EU High Representative for foreign policy and a President of the Court of Justice. It has chaired the Council on four occasions (1989, 1995, 2002 and 2010) and currently has 50 MEPs, a Commissioner, a Judge and proportional representation in the Court of Auditors, the European Central Bank and other bodies and agencies that comprise the EU. There is also a major Spanish presence among European officials, interest groups and the media within the EU.

3 THE PREPARATION OF THE SPANISH EU PRESIDENCY AND THE DEFINITION OF PRIORITIES

The preparation for the Spanish EU Presidency's programme was carried out against a difficult and unprecedented backdrop in terms of the recent history of European integration. On the negative side, Spain had to define during the second half of 2009 its priorities at a time of exceptional uncertainty. On the positive side, Spain benefited from greater support within the Trio of Presidencies with Belgium and Hungary.

The situation of uncertainty experienced during 2009 was the combined result of unclear perspectives regarding the entry into force of the Treaty, the absence of a Commission and the lack of knowledge about who would be President of the European Council and High Representative for foreign affairs. All this greatly complicated the preparation of the Spanish Presidency whose programme was to some extent defined in a vacuum.

On the other hand, Spain was helped by Belgium and Hungary in the definition of priorities. To be sure, this was not the first Trio of Presidencies, since Germany-Portugal-Slovenia in 2007-08 and France-the Czech Republic-Sweden in 2008-09 had gone before. However, on this occasion, the idea of working together in a trio was taken more seriously for four reasons: (i) the concept of Presidency as a team was now well established within the Council; (ii) the entry into force of the Lisbon Treaty provided a qualitative difference compared with the previous two trios, who were sure, at the beginning of their respective 18-month tenures,⁹ that the Treaty would not be entering into force; (iii) unlike the previous two trios, on this occasion, there was no enormous differences in the institutional and political importance of the three countries; and (iv) the three governments were pro-European and shared similar ideologies.

⁹ If all had gone smoothly and Ireland had voted yes to the Lisbon Treaty in its referendum in June 2008 and there had been no problems of ratification in Germany, the Czech Republic or Poland, the Treaty would have entered into force on 1 January 2009; that is to say, a year before the France-Czech Republic-Sweden Trio had agreed their strategy. Obviously, in the case of the Germany-Portugal-Slovenia Trio, the Treaty had not even been drafted yet.

The preparatory work for the Trio Presidency began in 2008 and concluded in the summer of 2009, when the strategic framework and the operational programme were approved. The strategic framework of the Trio emphasised that the absolute priority was to diminish the effects of the economic and financial crisis and build a solid foundation for economic recovery in accordance with a model of sustainable development. The 12 specific objectives are outlined below:

- 1) **A review of the Lisbon Strategy** after 2010, that is, the EU-2020 Agenda, which is the main priority for these three presidencies.
- 2) **The European Social Agenda and equality**, this cycle also ends in 2010.
- 3) **The modernisation of the economic and financial system**, connected to the European and international handling of the economic crisis and since, during the period 2010-2011, the European Economic Recovery Plan of December 2008 needs to be reviewed.
- 4) **Energy and climate**, taking over post-Copenhagen negotiations and reviewing the European Commission Energy Strategy for 2010-12.
- 5) **Sustainable use and management of natural resources**, resulting in the preparation of a European Biodiversity Strategy for the period from 2010.
- 6) **Agriculture/fisheries**, linked to the debate on the future of the Common Agricultural Policy from 2013 and reviewing the Common Fisheries Policy, which ends in 2012.
- 7) **The area of justice, freedom and security**, due to the need to launch and implement the Stockholm programme of November 2009.
- 8) **Enlargement**, in particular, Croatia, but also making progress with Turkey and providing a European perspective for all of the Western Balkans.
- 9) **European Neighbourhood Policy**, balancing the Euro-Mediterranean and Eastern dimension.
- 10) **External relations**, cooperation and defence, despite the uncertainty prior to the Treaty of Lisbon regarding the functions to be developed.

- 11) **Medium-term budget review**, within the framework of the preparation of the next financial perspective, and carrying out a review of EU policies and budget.
- 12) **Institutional issues**, expressed through the implementation of the Treaty of Lisbon.

As can be seen below, Spain took on most of these Trio objectives in its programme, including the strategic goals decided jointly with Belgium and Hungary,¹⁰ but agriculture/fisheries and the review the budget were excluded from the Spanish priorities.

In short, the 2010-11 Trio functioned well at the time of defining the programme and the strategic framework during 2008-09 but since then it has practically disappeared. Since 1 January 2010 it has been somewhat odd to hear Spanish government officials appealing to the Trio and no special coordination actions have been produced by the three countries within the Council, except for a common conclusion in the Agriculture and Fisheries Council and some other minor initiatives.

On the other hand, the program also explicitly acknowledges that Spain “will continue the work developed by Sweden, as former Presidency of the Council”. In addition, the priorities of the semester have been subject to consultations in the European Parliament and established pursuant to the new Commission’s work programme. There is also the aim of connecting the initiatives put forward by Spain with the analysis and proposals made by the Reflection Group, chaired by Felipe González, which should submit its conclusions report with the horizon of the 2020-2030 period during early May 2010.

¹⁰ The logo is also shared by the three countries. It is the result of an international competition for ideas, which was held simultaneously in Belgium, Spain and Hungary. The competition, which was open to students in the last two years of graphic design studies, was to create a unique logo for the 18 months, which is made up of a common element, ‘eu’, and three individual elements, the colours of each country’s flag, which will give an individual identity to the six months in which each country will hold the presidency. Using the colours of the national flags strongly associates the country that holds the presidency with the European Union but this is the first time that a three-presidency team has decided to have a single common logo.

The Spanish Presidency Programme is based on four priorities which will be analysed in depth in the following sections:

- Full implementation of the Treaty of Lisbon¹¹.
- Coordination of economic policies to promote recovery and sustainable growth throughout Europe: launching of Europe 2020.
- Strengthening of the European Union's foreign policy to turn it into a real global player.
- Fostering a Europe of rights and freedoms at the service of citizens. Bringing the Union closer to the citizens by promoting their involvement in the life of the EU.¹²

Regarding logistical aspects, similar to previous Spanish rotating Presidencies, responsibility for the organisation of the semester did not fall on the Secretary of State for the EU but directly on the Prime Minister's Office. In March 2008, a unit was created that was coordinated by an Ambassador at Large, with the rank of junior minister. Because of the fiscal austerity, the organisation of the Presidency was limited to 40 people and 55 millions of euro¹³.

¹¹ According to the official programme of the Presidency, to firmly and rigorously implement the Treaty is the Spanish Presidency's main responsibility; its fundamental priority, "upon which all the others hinge".

¹² Apart from the four official priorities of the Spanish Government, four additional focal points were approved by the Spanish parliament with the support of the ruling Socialist Party, the main opposition Populares Party, and regional parties from Catalonia (CiU) and the Basque Country (PNV). These additional objectives are:

- Strengthening the European area of freedom, security and justice, giving special attention to fighting terrorism and reviewing EU immigration and asylum policies;
- Strengthening EU policies towards its so-called 'outermost' regions: Guadeloupe, French Guyana, Martinique, Reunion, the Azores, the Canarie Islands and Madeira;
- Promoting a new, low-carbon energy model to address climate change, and;
- Defining the terms of the EU's next long-term budgetary planning period for 2014-2020 (the so-called 'Financial Perspectives').

¹³ By way of comparison, and using data from Spain's Prime Minister's Office, it is estimated that previous Presidencies would have allocated the following funds and staff for their organisation:

Sweden 2009:	€70 million (90 people)
Czech Republic 2009:	€90 million (70 people)
France 2008:	€160 million (100 people)
Portugal 2007:	€75 million (70 people)

Also on the logistic dimension, it may be worth to mention the attack by hackers to the Spanish Presidency's website, introducing in it a picture of British actor Rowan Atkinson playing Mr Bean. Although anecdotal, this incident was serious for two reasons: Telefónica, the company hired to provide technical assistance and security for the web page, has billed the government €11.9 million; also, this event did not help Spain's credibility at a time when from many quarters its fitness to hold the rotating Presidency was being questioned, especially bearing in mind that its priority was to reactivate the economy and consolidate the timid recovery seen in some European countries.

4 A MIDTERM OVERVIEW OF THE SEMESTER: AMBITIONS, ACTIONS AND RESULTS.

Even if it is difficult to make an assessment of the Presidency two months before the end of the term, the truth is that, according to the calendar (see a summary in table 4)¹⁴, all the configurations of the Council have already

Table 4. Calendar of internal milestones during the Spanish EU Presidency

Date	Event
18 January	Spanish EU Presidency presents its priorities in the European Parliament
21 January	Launch of the 2010 European Year on Poverty and Social Exclusion
January-February	Hearings in the European Parliament of the nominated commissioners
4 February	EP approves new European Commission by 488 votes to 137
11 February	Extraordinary summit of EU leaders on the economic situation in Europe
5-6 March	Informal Meeting of Foreign Ministers in Cordoba (Gymnich)
25-26 March	Spring European Council, Brussels adopts the EU 2020 strategy
17-18 June	European Council, Brussels. Conclusions of the Reflection Group due.

¹⁴ See the complete calendar of ministerial meetings at: www.eu2010.es/en/agenda/index.html

met at least once and two European summits have brought together the 27 heads of state or government. Therefore, a provisional examination of the different priorities –confronting initial ambitions, actions taken and results achieved so far- will be made in the following pages.

4.1 The institutional innovations

After a prolonged process of ratification (2007-2009) and a much longer process of inception that goes back until 2001, the Lisbon Treaty came into force on 1 December 2009 and, although many of its stipulations had immediate effect, not all of them were automatically applicable. Thus, several institutional reforms were to be implemented during the first months of 2010; that is to say, during the period of the Spanish semester that will be the first rotating Presidency to fully operate under the new Treaty.

The Spanish program establishes that one of its four main priorities for the semester –along with economic recovery, the strengthening of Europe’s role on the global stage and developing the EU’s social and citizen agendas– would be to implement ‘with determination and rigor’ all of the new terms of the Treaty, so that ‘the citizens of Europe can perceive as soon as possible that the Union has entered a new phase’¹⁵.

For the Spanish government, it is very important that the Treaty be implemented quickly, fully and effectively not only to ensure improvements in

¹⁵ Notwithstanding this, one must bear in mind that there are also several terms in the Treaty which did not introduce changes directly, but rather just establish possibilities for the future if agreement on these issues is reached further on. One example is the possibility of single representation of the euro zone in international financial forums.

There are also measures which are put off to the medium-to-long-term, such as the new voting system in the Council, which is delayed until 2014. Then, a double majority will be required for decisions to be passed: 55% of states representing 65% of the European population. This delay is the result of a compromise required mainly because of Polish demands during the IGC that negotiated the Treaty. Until then, and in some cases even until 2017, the voting system approved in the Treaty of Nice will still be used. Under this system there is much less proportionality assigned to demographic weight; Germany in particular (29 votes, for a population of 82 million people) comes out losing while Poland benefits, as does Spain to a lesser extent (27 votes in both cases, for a population of respectively 38 and 46 million people).

EU decision-making efficiency and democracy occur, but also to increase the list of results achieved during its semester. However, in the end, the fulfilling of that goal will stretch beyond June 2010 because of the delay that took place earlier this year in the European Parliament's confirmation of the new Commission for 2009-14, which has to prepare proposals for adopting such measures.

4.1.1 Coexistence and coordination of the Presidency with the new top jobs:

The Council's secretariat has already estimated in 2008 that 33 complementary actions were necessary to enact the full implementation of all the Treaty's terms. However, the two most prominent ones –the designation of Herman Van Rompuy as permanent President of the European Council and of Catherine Ashton as High Representative for External Affairs– were carried out a few days before the Treaty took effect, under the Swedish Presidency.

Nevertheless, even if these two new EU 'top jobs' were already appointed before January 1, the Spanish Presidency definitely had to work on this matter. In fact, much more than the remaining specific measures to implement the Treaty that are examined below in this section, the main Spanish responsibility was to usher in the terms of the delicate relationship between the European Council's permanent Presidency, the High Representative, and the rotating Presidency.

To that end, the Spanish Prime Minister, José Luis Rodríguez Zapatero, and Van Rompuy met twice, in Madrid and Brussels, before the start of the semester to clarify their respective functions. They also co-signed an op-ed article, published in early January in Europe's leading newspapers, to present to the Union's public opinion the new institutional order established by the Treaty; the article was titled '2010, a Good Year for the Union' and, in it, the two leaders said:

'With all loyalty and in a spirit of cooperation, we shall promote the consolidation of the new institutional order of the Union so that on this new basis we may address and resolve the problems that concern us all... To-

gether we shall address the priorities set out in the Programme of the Presidency'¹⁶.

From 1 January to date, it seems that in general Zapatero and Van Rompuy are doing a reasonable job of avoiding stepping on each other's toes¹⁷. The Spanish Government is collaborating from the General Affairs Council that helps the permanent President to establish the agenda, make decisions and draw conclusions¹⁸. In fact, although it is undeniable that the Council's rotating Presidency has fewer functions and visibility after Lisbon, it is also true that it is now tasked with the extra job of coordinating with the European Council; a function that was obviously not necessary before 2010.

With regard to Ashton, the Spanish government is also willing to foster full cooperation but the program considers that this semester is transitional and that it is the rotating Presidency's responsibility "to make up for some temporary deficiencies [...] and with a view to addressing such limitations as soon as possible"¹⁹. Furthermore, despite the fact that the High Representative is of course the main EU co-ordinator for foreign affairs, the program also warns that there are many areas linked to foreign relations, which will remain under the responsibility of the rotating Presidency, such as "the enlargement policy, trade or justice and home affairs".

¹⁶ See the entire text at: https://www.eu2010.es/export/sites/presidencia/comun/descargas/noticias/Artxculo_integro_zapatero-rompuy-EN-pdf-pdf.pdf

¹⁷ On the need of collaboration between the rotating Presidency and Van Rompuy, and from a specific Spanish perspective that looks at the desirable role of the Prime Minister Zapatero during this semester, see Molina (2009).

¹⁸ See the Rules of procedure of the European Council in which the respective tasks of its President –that is to say, Van Rompuy- and the "member of the European Council representing the Member State holding the six-monthly Presidency of the Council" –that is to say, Zapatero- are regulated: European Council Decision of 1 December 2009 adopting its Rules of Procedure, Official Journal of the EU, 2/122009, at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:315:0051:0055:EN:PDF>

¹⁹ For example, although the 136 former European Commission delegations abroad were renamed into European Union delegations on 1 January 2010, only 54 of them started to act in line with their new names, as missions empowered to speak on behalf of the EU as a whole. In many other countries, the Spanish embassies are still carrying out the role of representing the EU; basically, in American and Mediterranean countries with which summits will be held during the semester. There is no deadline for the conversion of the rest but it seems that the process will be finished before the end of the year.

And, finally, trying to justify the hosting of so many international meetings during the semester, it is said that the Presidency will “contribute to the success of the summits with third countries foreseen for the coming six months”, since “Spain has made great efforts in organizing them”.

Nevertheless, the official program states that Spain will fully support both the President of the European Council and the High Representative, “so they can exercise their competencies under the best possible conditions”. And, despite some initial comments found in the Spanish and European media about rivalries between Zapatero and Van Rompuy²⁰ or Moratinos and Ashton, the truth is that the Spanish government is really interested in giving full support to the two top jobs. At the end of the day, Spain was one of the main supporters of the constitutional process and it prefers, thinking in the long run, to strengthen the new permanent positions vis-à-vis the rotating Presidency, thus consolidating a pro European-bound practice in all aspects related to this matter²¹.

In any case, some time is needed for these posts to see their jurisdiction applied fully. And especially in Ashton’s case, the first few months have shown how difficult it is to establish her responsibilities within the EU’s institutional workings.

4.1.2 The new institutional scheme regarding the Commission and the EP

Apart from this general aim of collaboration with the two new top jobs, it is also Spain’s task to take other measures regarding the Commission and the Parliament to ensure a fast, full and smooth implementation process of the Lisbon Treaty.

With regard to the Commission or, rather, as for the legislative process, there are as well important innovations since from now on bills will be

²⁰ These comments were, rather, the reaction of some journalists to the complexities of having two visible bosses –or more, if president Barroso and High Representative Ashton are included in the leadership- that have diffuse powers and, supposedly, should fight each other for dominance. This interpretation has gradually disappeared; particularly, since first indications show that Van Rompuy’s political skills have allowed him to adapt the changing environmental demands (Closa, 2010).

²¹ The next Spanish EU Council Presidency will not be before 2023/2024.

developed with the corresponding legal basis after the reforms introduced by the Treaty. This means the involvement of national parliaments in the initial phase²² and the extension of the co-decision procedure between the Parliament and the Council to more than 40 areas. For bills that were being processed as of 1 December 2009, a complex system of changing the legal foundations has been applied to adapt them to the new regulations.

To adapt the European Parliament, with its enhanced powers, to the new circumstances is a priority for Spain that is fostering the prompt incorporation of the additional members envisaged by the Treaty. After Lisbon, the European Parliament must increase its number of seats from 736 to 751 and Spain will be one of the main beneficiaries because it will go from having 50 seats to 54. Although these new deputies should have taken up their jobs after the Treaty came into force, things have to wait for all the member states to ratify a new protocol on increasing the number of seats. The idea was to have this coincide with the signing of Croatia as the 28th member state. But now, because of delays in the negotiations with Croatia, it is difficult to say when the additional protocol will be signed and when the new members will be able to take up their seats²³.

On 4 December 2009 the Spanish Government submitted a proposal for the amendment of the Treaties to that effect. The European Council decided on 10-11 December 2009 to consult the European Parliament and the Commission with a view to examining this proposal. The European Council specified that it did not intend to convene a Convention (composed of representatives of national parliaments, of the Heads of State or Government of Member States, of the European Parliament and of the Commission) before the IGC, since in the view of the European Council,

²² However, the Spanish program does not mention at all the implementation of the early warning system by the national parliaments.

²³ As the elections to the European Parliament of June 2009 took place on the basis of the former Treaty (i.e. 736 elected MEPs), on 18-19 June 2009, the European Council agreed to add 18 additional seats to the 736 seats filled in the June elections, in the event that the Treaty of Lisbon entered into force. The implementation of this agreement of the European Council requires the adoption and the ratification by the 27 Member States of a Protocol amending Article 2 of the Protocol (36) on transitional measures annexed to the Lisbon Treaty, following the procedure laid down in Article 48(3) of the TEU.

this was not justified by the scope of the proposed amendments. The representatives of the European Council therefore requested the consent of the European Parliament to proceed with a simplified revision. The estimated timetable for the opening of the IGC depends on the receipt of European Parliament's position on these two issues.

4.1.3 Launching of the European External Action Service

In the short term, probably the most important complementary measure for implementing the Lisbon Treaty is that of establishing and deploying the European External Action Service, or EU diplomatic corps. In the first half of 2010, the Commission's delegations abroad are gradually turning into EU delegations. In any case, along with this relatively swift process of transforming the overseas delegations, it is still necessary to create the diplomatic service *per se* and get it working. It is not at all a simple solution because all the sensitivities and ambitions of the member states and EU institutions, in particular the Commission, are at work simultaneously. The member states want to control this diplomatic service through different mechanisms and, above all, by appointing their own nationals to it²⁴. As much as it can, the Commission wants to control the make-up of the corps, its chain of command and the definition of its strategy. Talks on financing the new external action service are not proving to be simple either.

The High Representative, who will direct the Service, made her initial proposal in March and, on 26 April, the General Affairs Council -chaired by Miguel Ángel Moratinos-, approved a political agreement on the structure of the diplomatic service following the main lines of Ashton's proposal²⁵. Although the member states of the Council have approved their position by consensus –which can be considered a relative success– it is still clearly necessary for many issues to be negotiated with the European Parliament before final approval. The Parliament is able to influence the final design of the Service as a result of its extensive budgetary powers and, given the highly negative initial reaction, it is not at all certain that

²⁴ Spain, for example, wishes a national diplomat as the head of the EU delegation to Brazil.

²⁵ See the agreement on the European diplomatic service by the Council at:
www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/genaff/114045.pdf

final agreement will be reached by the end of the semester. At the moment, Ashton and Moratinos are both negotiating with the Parliament on behalf of the Council.²⁶

4.1.4 The solidarity clause

Finally, a decision must be taken on developing an innovative clause stipulating mutual assistance between member states and the EU in the event of a major terrorist attack or natural or human disaster on European soil. The decision must be taken on a joint proposal from the High Representative and the Commission “which will be fully backed by the Spanish Presidency”. After the earthquakes in Haiti and Chile, the Spanish Presidency has suggested that under certain circumstances this mutual-assistance clause be extended to disasters and terrorist attacks that take place outside Europe’s borders.

4.2 Economic recovery and Europe 2020 Strategy

The second great priority of the Spanish Presidency revolves around economy²⁷ and looks at the short term – the strategies for overcoming the crisis and consolidating recovery and the long term – the need to promote greater coordination of economic policies to stimulate a new stage of growth and job creation through innovation, fight against climate change and high levels of social protection.

From the very beginning, the Spanish Presidency raised many doubts among media and analysts because of the bad economic situation the country was enduring. With Spain among the EU’s most economically

²⁶ It is anticipated that the European External Action Service, proposed by Catherine Ashton and supported politically in principle by the Council, within five years, will be staffed by between 7,000 and 8,000 people throughout the 138 diplomatic missions worldwide. If all goes well, the Service will start operating in late 2010. In 2013, a review of its operations is scheduled to address any practical needs that have been identified in its first years of operation.

²⁷ It has been discussed to what extent this should be the first and not the second priority of the semester. Financial Times published an editorial titled ‘A stumbling Spain must guide Europe’, with the subtitle ‘Message for Zapatero: forget London, it’s the economy!’ The editorial called the programme proposed by the Spanish Presidency ‘remarkably anodyne’ and said it was a big mistake to focus on the fine-tuning of institutional reforms rather than address the problems of the ‘real world’, such as the economic crisis.

troubled members, it was always going to be hard to lead Europe out of recession from the front. To be sure, the massive joblessness – more than 4 million unemployed – and the high public deficit at 11,5 percent are being difficulties for the Spanish government during the entire Presidency. Some commentators do not distinguish domestic from European policy and the damage that the economic crisis has caused in Spain led some international analysts to disparage the work of the Spanish Presidency, without assessing whether its proposals for Europe were good or not. Attacks in this regard got worse when speculators pounced.

However, the Spanish program for economic matters during the Presidency was quite reasonable and tried to follow the efforts made during previous Presidencies with regard to both the fiscal stimulus included in the European Economic Recovery Plan and the sustainability of public finances through Member States' fiscal consolidation processes. Likewise, the Spanish Presidency intended to take advantage of the launching of the Post-Lisbon Agenda during 2010 – the EU 2020 Strategy – to lay the foundations for a more sustainable economic model, capable of successfully facing the structural challenges brought upon Europe (globalisation, climate change and ageing, among others) with better financial regulation and supervision. The Spanish government also proposed to strengthen the coordination of national economic policies from the Commission, since the Treaty of Lisbon offers new instruments –including incentives and sanctions- to support a real European economic policy. Although the initial reactions from German and British politicians were alarmed by this proposal from Spain -which they saw as endorsing drastic intervention in the ability of countries to decide on economic issues-, the objective of the Spanish Presidency was ironically fostered by the Greek tragedy that was taking shape.

4.2.1 Exciting the crisis

The Spanish program explicitly acknowledges the dilemma already raised by the Swedish Presidency in 2009 about the best way to foster recovery: whether maintaining stimulus plans and supporting measures to the financial sector or withdrawing these measures. While Sweden supported to start the exit strategy, Spain –one of the EU weakest economically members- prefers to “avoid and early withdrawal”, although is “fully aware of the need to withdraw as soon as the economic situation may allow so,

which should be carried out in a coordinated, orderly, transparent and gradual manner, according to common criteria as well as the macro-financial situation of each country”.

Of course, this part of the program –that underlined the need to pay attention to the Stability and Growth Pact to initiate the necessary fiscal consolidation processes for the EU public finances sustainability in the long run- was soon absolutely monopolised by the so called Greek tragedy.

Greece, with its huge public deficit, unsustainable debt, official statistics that were false and insufficient reform measures, became in the first months of 2010 the worst nightmare for the founders of European Economic and Monetary Union. In late January, Greece dominated the news by receiving scathing criticism. News stories mentioned the PIG or ClubMed countries, as the international press also labelled them, warning that Greece might be only the tip of the iceberg that would damage the EU as it never had been hurt before.

In mid-January, the Anglo press started comparing Spain’s situation with that of Greece. There began to be talk of the ‘the budgetary moral permissiveness of Greece, Spain, Ireland and Italy’, of Greece’s damaging influence on the euro, of Spain’s tendency to fall into excessive deficit. People even began to suggest hypothetical scenarios that saw European monetary union disintegrating

As it can be seen, Spain was considered to be one of the problematic countries.²⁸ The perception began to spread that the Spanish economy not only ran the risk of following in the path of Greece but that it was in worse shape than generally believed. The arguments used to defend this thesis were that its economy was larger than Greece’s, the challenges facing it were more complex and that if Spain collapsed it could in fact spell the end of the euro zone.

²⁸ A photograph showing Zapatero with his colleagues from Greece and Latvia at the World Economic Forum in Davos was an error that undermined Spain’s image even more.

In a bid to boost its credibility on the international stage, on 29 January the government unveiled a plan calling for €50 billion in cuts in government spending. Five days later, it sent Brussels a stability plan, and that same day it hurriedly changed a proposal to reduce retirement pension costs by the equivalent of four percentage points of GDP by delaying the retirement age by two years and modifying the way it calculated people's pensions, extending by 10 the number of working years used to reach this figure. This about-face caused confusion and surprise in international markets, and only deepened uncertainty about the future of Spain and the EU's plans.²⁹

Foreign media started talking about the end of the golden age of Spain's economy, of the failure of a once-gifted student, or the Spanish tragedy. Speculators' attacks on the euro shaking the very foundations of the EU. Reacting to this and seeking to end doubts over Spain and its ability to pay its debts, the Spanish Finance Minister Elena Salgado and her Deputy Minister travelled to London to meet with British investors and visit the headquarters of the Financial Times, one of the newspapers that was most pessimistic about Spain's chances for overcoming the economic crisis. Judging by the results of the visit, the Spanish officials came across to the British as convincing and trustworthy. The tone of Financial Times stories eased in their criticism of the Spanish economy and the feasibility of the government's recovery plans.³⁰ This led to a rise in people's confidence

²⁹ Things got so bad that newspaper headlines like these started to appear: 'Fear of Spain' in La Tribune, 'Madrid a victim of Greek contagion' in Les Echos, 'Spain frightens stock markets. Madrid worse than Athens' in La Repubblica or 'Who's next? Spain? Portugal?' in The Wall Street Journal, from which this excerpt is taken: 'The real danger isn't that bond market fears will spread to Portugal, which like Greece is only a fraction of the euro zone's total economy. The problem is if contagion hits bigger players like Italy and Spain. Today's market movements don't bode well in that regard. The cost of insuring against a sovereign debt default in Spain has hit \$164,500 from \$152,000 yesterday, while Italy is also up \$6,000 to \$137,000', at: <http://blogs.wsj.com/marketbeat/2010/02/04/whos-next-spain-italy/tab/article/>

³⁰ After comparing Spain many times with Greece, the day after the Spanish visit the Financial Times ran an editorial on Spain that expressed calmness about the country and the political will of its leaders to undertake the reforms needed to beat the recession, even at the risk that this might prove unpopular.

that Spain could pay its debts³¹ and bad press came, at least temporarily, to an end. A successful bond issue on 17 February was seen as heralding a return of calm to the Spanish economy, which, in the end, was once again considered worthy of trust by the markets.

At this point, a second phase of the crisis started by mid-February when member countries' efforts were aimed at keeping Greece from defaulting. Political analysts began to insist on the need to help Greece overcome its economic crisis, and advocated defending this country from speculators as a way to protect the euro along the way. Politicians made clear this desire in the extraordinary European Council on 11 February and a meeting of EU Finance Ministers on 16 February. That day the ministers adopted an unprecedented package of measures under which Greece's economic and spending policies came under strict control by Brussels. The council gave Athens a month to present a report laying out a detailed timetable for budgetary measures to cut the government deficit by four percentage points (from 12.7% in 2009 to 8.7%). The EU demanded that the Greek government begin cutting the deficit immediately and called on it to undertake, starting this year, 'bold and broad' structural reforms in areas such as pensions, health care and the public sector. As an urgent measure, it required that Greece correct its data-collecting systems by 15 May.

These tough demands were the condition imposed by some countries, such as Germany, for participating in a later operation to support Greece. The idea was to make clear that a possible bailout of the Greek economy, or any other one that might fall into the same trouble, would not come free of charge, or be the easiest path for any country with problems, but would in fact be very painful. Greece had to recover the confidence of fellow member states first, after repeatedly having failed to comply with early recommendations.

On the same days, some economists called for the creation of an emergency fund to clean up problems like the Greek one. European Ministers

³¹ This had been called into question not only by the media but also with Standard & Poor's decision in January –and, again, in April– to downgrade its rating of Spanish debt. For its part, the rating agency Moody's maintained Spain's AAA rating.

discussed this idea at length in March. Creating such an emergency fund was a condition for completing monetary union and that if necessary the Lisbon treaty should be amended to achieve this.

In addition to this, the German finance minister Schäuble and France proposed creating a European Monetary Fund to boost coordinating of economic policies and provide aid to euro zone countries in trouble, such as Greece. The idea was welcomed by Economy Commissioner Olli Rehn and, to some extent, was similar to the suggestion launched by Rodríguez Zapatero in early January, about promoting greater coordination of economic policies in EU member states, that had been rejected by the German minister of Economy. In fact, the proposal of the European Monetary System was again criticised by the German media, who are so reluctant to pay for other countries' problems. Also opposing it was the European Central Bank, which said it went against current rules, was not fair to countries with solid budget numbers and would encourage increased spending. Debate on the proposed European Monetary Fund took place mainly in the German media; several newspapers wondered what the point was of creating a copy of the IMF and not resorting directly to that institution and, in effect, the German government finally decided that the solution to Greece should involve the IMF as well.

A second package of Greek measures, approved in early March, was welcomed by the European Commission, the IMF, the European Central Bank and Moody's. Approval came with an invitation from the Greek government for the Council to begin providing aid, as the government believed it had taken the measures needed to show it deserved trust.

Meanwhile, at the EU Finance Ministers' meeting on 17 March, support was expressed for the Greek austerity plan. But still, no aid mechanism was spelled out for saving Greece from paying too high a price to issue debt. The only clear thing to emerge was that concrete aid might be decided at the Spring European Council on 25-26 March, involving the IMF and, still, without giving absolute assurances.

As days went by and the summit approached, the taboo on aid to Greece began to crack, after Angela Merkel said it was not a possibility that could be excluded from debate. The German Chancellor would not come out

clearly in favour of aiding Greece because it was hard for her to sell the idea of spending taxpayer money to help a country that Germans see as having lived beyond its means.

In the days leading up to the spring summit, European media raised expectations with headlines such as ‘Big test for Van Rompuy’ and ‘the Pragmatists take centre stage’ and by detailing the race against time that was being waged by Germany and France, which wanted to show up at the meeting with a joint proposal on aid to Greece. Spain, meanwhile, came into the meeting willing to support Greece by contributing 9 percent of whatever amount was to be used as a tool to come to that country’s aid. The interesting thing about this is that it came from a country like Spain, which had a deficit in 2009 equal to 11.4% of GDP and has to take drastic measures to get it down to 3% by 2012.³²

The outcome was that the aid mechanism calls for a first intervention by the IMF, which will contribute €10 billion; secondly, and subject to many conditions, there would be bilateral loans from euro zone states that would chip in a total of €12 billion. The activation of the package is subject to a request from the Greek government and, as Athens finally did it in late April, this is the first time the IMF will intervene in a euro zone country since the currency was created in 1999.³³

In short, Zapatero’s priority was to drive the EU’s economic recovery and for this purpose he had planned to play a very active role from the rotating Presidency. However, for the rest of the countries it was hard to see how a country with fiscal problems (even if much less serious than Greece),

³² The reasons for Spain’s offer were explained in the following way by *El País*: ‘Government sources say the message is clear: not only is Spain not in a position like Greece, as has been suggested at times, but is able to help it. This commitment also amounts to a response to German Chancellor Angela Merkel, who on 11 January, at the special summit in Brussels, questioned Zapatero’s legitimacy by asking him if he was in a position to help anyone’.

³³ Finally, on 2 May, the Eurogroup set in motion the rescue package for Greece; the biggest sovereign bail out plan in EU history. Met in Brussels, finance ministers from the 16 countries that belong to the eurozone accepted the need to stump up more than €110 billion over the next three years. The rescue funds finally meant €80 billion from the eurozone buttressed by €30 billion from the International Monetary Fund). For its part, Greece agreed to additional austerity measures.

four million unemployed and few prospects of recovery over the short term could emerge as leader of the group. This was made clear in political forums, newspaper stories and analysis pieces in several European newspapers. Because of this, Zapatero and the minister Salgado decided to leave the role of economic saviour up to Germany and France and instead just moderate meetings of the 27 member states that were dedicated to the crisis. The speculative attacks against the Spanish economy destroyed the already damaged image of Spanish leaders in terms of solidity and trustworthiness.

Nevertheless, after the entire Greek episode, the Spanish government could claim that the first steps towards European economic governance, especially with regard to the Eurozone and strengthening this area, had been taken during the semester. Thus, the unanimous support given to Greece was interpreted as a success of the Presidency that will leave a historical ‘legacy’ behind it: common economic governance, which will help the twenty-seven Member States to overcome future crises.

4.2.2 Towards a sustainable and balanced growth: Europe 2020

Apart from the short-term response to the crisis, the approval of the new growth and jobs strategy for the next 10 years – that would replace the failed Lisbon Agenda – was the other great economic focal point of the Spanish Presidency. In fact, the Post-Lisbon Agenda concerns the main stated priority of the Trio of Presidencies with Belgium and Hungary.

Spain’s goal in January was to come up with the EU-2020 Strategy – the name given to the exercise – and boost European competitiveness and sustainable growth. In order to accomplish this, Zapatero proposed that binding goals be set for all members, with possible sanctions for those who do not comply.

As mentioned above, the initial reactions from Germany and the United Kingdom were hostile³⁴ and, in order to avoid clashes with fellow EU members, in particular Germany, the Spanish Government later contradicted Zapatero by saying ‘at no point did we speak of sanctions’. Days later, Van Rompuy said the 2020 strategy suggested by Spain was too ‘ambitious’.³⁵

The proposals of Zapatero on the economic government were much better appraised by the socialist and liberal groups in the European Parliament during his first appearance before the MEPs on 20 January in Strasbourg. The Spanish Prime Minister listed then four policies in which, in his opinion, “the Commission should take a more authoritarian Community role”: energy, the digital market, universities and the green economy.³⁶

³⁴ Werner Mussler, writing in the *Frankfurter Allgemeine Zeitung*, called this idea ‘absurd’ and said it could only come from a country like Spain for the following reasons: ‘Clearly, a proposal of this kind can only come from a country whose citizens feel that “interventions” by Brussels are not a nuisance but rather a blessing. The truth is that in the past 20 years Spain has benefited like no other country from the blessings of various EU funds. Now that Spain is suffering from the crisis in an especially acute way, once again Zapatero is seeking refuge in the EU and calling for a political model that will hardly be popular in other member states. Zapatero apparently harbours the hope that any binding European commitment to increased state spending to encourage growth can also help his own country’. To some extent, the German journalist was right, although the Spanish government was not trying to obtain EU aid for the sick Spanish economy with this proposal; rather, the idea was to Europeanise decisions and incentives about structural reforms to avoid domestic blames or / and captures by the unions, business, regions, etc...

³⁵ This rejection of the sanctions proposed by Zapatero for countries that did not pull their weight was described by Claire Gallen of *Le Figaro* as ‘the first setback for Spain’.

³⁶ Zapatero warned, “if we do not face up to the energy problem or take a leading role in the digital market and information society, we will not achieve the competitiveness and economic growth we want” and “that now is the time to make every effort to reform labour markets or the stability pact”, adding that “we talk of more economic governance, more sanctions (and they call that) controlling, intervening. But if aren’t talking about this, but we open our eyes and tell each other the truth, that all these issues which are so essential for the European economy can only be approached with a European policy, if we wait for each of the 27 members, then we won’t get there”.

* The reduction of greenhouse gas emissions would be by 20% compared to 1990 levels. However, the EU is committed to take a decision to move to a 30% reduction by 2020 compared to 1990 levels as its conditional offer with a view to a global and comprehensive agreement for the period beyond 2012, provided that other developed countries commit themselves to comparable emission reductions and that developing countries contribute adequately according to their responsibilities and respective capabilities.

Table 5. Key elements of the EU 2020 strategy

Target	Objective defined by the Commission (March 3)	European Council (March 25-26)
Employment	Raising the employment rate for men and women aged 20-64 from the current 69% to 75%. Aiming a better integration of legal migrants.	Target and numerical rate endorsed.
Research and Development	Improving the conditions for R&D, with the aim of bringing combined public and private investment levels in this sector to 3% of the EU's GDP.	Target and numerical rate endorsed.
Climate change and energy efficiency	Meeting the EU's '20/20/20' objectives on greenhouse gas emission reduction, increasing renewable energies and moving towards an increase in energy efficiency*.	Target and numerical rate endorsed.
Education	Reducing school drop-out from the current 15% of early school leavers to 10% and increasing to at least 40% the share of youngsters with a University degree.	Target endorsed but the numerical rates will be set in June 2010 taking into account the Commission's proposal
Social inclusion	Reducing the number of Europeans living below the poverty line by 25%, lifting 20 million out of poverty from the current 80 million.	This issue will be examined again in June 2010. Further work is needed on appropriate indicators.

Finally, and based on the Commission's proposal announced on 3 March, the Spring European Council of 25 March – as well as addressing the financial situation in Greece, the EU's priorities for the G20 summit in Toronto in June and other matters relating to overcoming the economic crisis – managed to adopt the guidelines for the new, more sustainable productive model for the EU until 2020. As Table 5 shows, the strategy defines five headline targets at EU level to boost competitiveness and productivity without hampering social cohesion: reduction of poverty, employment,

meeting the EU's climate and energy targets, reduction of school drop-out rates and more investment in research and innovation.³⁷

Member states will be asked to translate them into national goals reflecting their differing starting points. However, quantifying two out of the five basic objectives, relating to education and combating poverty, was left pending for the June European Council, as no agreement was reached due to German reservations. The June summit must also ratify the strategy as a whole and also approve national plans. Furthermore, in this final part, the work of the ECOFIN Council and, above all, the General Affairs Council will be important. In the proposal of EU-2020 Strategy already adopted last March, Spain has actively contributed to the inclusion of gender rights and education.

4.2.3 Reform of the financial system's supervision

Finally, considering the last focal point of the economic priority, Spain also took over the Presidency looking to developing more regulatory powers for the EU, to prevent future recessions; particularly, thanks to a more efficient European financial system.

Increasing the quality of regulation and supervision and furthering the financial system's integration is not an innovation of the Spanish government during this semester but, rather, an on-going policy dossier fostered on the Presidency since 2009.

Within the financial supervision, four different objectives may be mentioned:

- Approval of the new European financial supervisory framework: The new system, endorsed by the Council last December 2009, will include the European Systemic Risk Board (ESRB), in charge of monitoring macro-financial risks, and the European System of Fi-

³⁷ According to the president Van Rompuy, who chaired the meeting on 25-26 March, the strategy sums up the European model of social market economy with a strong environmental dimension. "To protect this model, economic performance should be very strong." It remains to be seen if the new strategy have sharper and more realistic goals than the Lisbon Agenda.

nancial Supervisors, responsible for the micro-financial supervision of individual entities. The implementation of these two instruments will conclude in late 2010, so it is the task of the Spanish Presidency to encourage negotiations with the Parliament for their full adoption.

- Approval of the current regulatory reforms, among which the following should be highlighted: regulation of alternative investment fund managers (hedge funds and private equity entities); improvement of bank's capital adequacy and regulation of their remuneration policies; and simplification of the prospectus required for public offers of securities and for their admission to trading on regulated markets.³⁸
- Framing of a joint European response in terms of crisis management: The financial crisis has evidenced the need to have harmonised instruments to face eventual cross-border banking crises. The Spanish Presidency aims at fostering new legal harmonising and coordinating measures in three areas, namely: early or preventive intervention, intervention of entities in trouble (and their financing), and bankruptcy matters derived from the liquidation of cross-border banks.
- Implementation of the Commission's Financial Services priorities during the 2010-2015 period, describing the European financial policy priorities affecting the sector and which will result in a higher integration and better supervision of the European financial system.

³⁸ At the Ecofin Council meeting on 16 March, the Spanish Presidency withdrew from the agenda a section on regulating speculative funds. It seems that the reason of that lies in Britain, as such a regulation would put Europe's only true financial centre, London, at a competitive disadvantage compared to other world financial hubs. This, along with the proximity of the British general elections, and fears expressed by the US Treasury Secretary that too many rules on hedge funds would be harmful to traders, caused the minister Elena Salgado to remove the issue from the Ecofin agenda. The idea was to take it up again when there might be more prospects for agreement.

4.3 Europe in the world

The entry into force of the Lisbon Treaty opens up a host of possibilities for Europe to assume a much more relevant role in the configuration of the new international order and Spain is throwing –with mixed results- its weight behind achieving this goal. According to the program, EU cannot miss the historic opportunity of using the instruments provided by the Treaty for increasing its international stature. “The objective is to reinforce the Union’s unity of action, increase its visibility and develop a genuinely common foreign policy, with ambitious goals and effective actions”.

4.3.1 A new period in European Foreign, Security and Cooperation Policy

Within the context of the entry into force of the Treaty of Lisbon, the foreign dimension appears to be a curious priority. Because of its late ratification, Spain had to prepare the Presidency without knowing until the last minute what the new EU would look like regarding external affairs nor who would be the High Representative. Thus, although the new Treaty practically strips the rotating Presidency of its external representation role, Spain, in 2009, had on its own already prepared political proposals on this matter. For this reason, in foreign affairs, the Spanish Presidency has to be considered as a transitional presidency in which:

- 1) The objectives of the new ‘top jobs’ – the President of the European Council for CFSP matters and the High Representative for all foreign affairs and security, established by the Treaty – had not yet been defined. Spain’s Prime Minister and Foreign Minister had therefore assumed a higher profile than that of their counterparts in future Presidencies.
- 2) Commission delegations in official EU representations are gradually being transformed and, therefore, the network of Spanish embassies continue to represent the EU in various parts of the world.
- 3) The European External Action Service has not yet been launched, so the Spanish diplomatic service is undertaking more functions on CFSP issues than those that will be assumed by future Presidencies.
- 4) Spain, in conjunction with the General Secretariat of the Council, had arranged a record number of international events for the first half of the year, and, naturally, had begun to organise those that would take

Table 6. Calendar of international meetings during the Spanish EU Presidency

Bilateral summits			
Counterpart	Date	Place	Participation of the rotating EU Presidency
Morocco	8 March	Granada	Yes, as host
Pakistan	21 April	Brussels	No
Japan	28 April	Tokyo	No
Mexico	16 May	Santander	Yes, as host
Chile	17 May	Madrid	Yes, as host
Russia	30 May- 1 June	Rostov	No
Canada	31 May	Brussels	No
Egypt	6 June	Barcelona	Yes, as host
Multilateral summits			
Counterpart	Date	Place	Participation of the rotating EU Presidency
Alliance of Civilisations	3-4 May	Córdoba	Yes, but officially non EU
CARICORUM (Caribbean)	17 May	Madrid	Yes, as host
Latin America & Caribbean	18 May	Madrid	Yes, as host
Andean Community	19 May	Madrid	Yes, as host
MERCOSUR	19 May	Madrid	Yes, as host
Central America	20 May	Madrid	Yes, as host
Union for the Mediterranean	7 June	Barcelona	Yes, as host

place in Spain. In addition to the summit with the US scheduled for 24 May in Madrid, which was unexpectedly cancelled, around 10 bilateral or multilateral summits have taken place or will soon take place in Spanish cities (see Table 6). They are meetings in which the Spanish Presidency plays a political role as host, which, in the future, is likely to diminish when EU summits will take place in Brussels.³⁹

Besides the geographical objectives, the program explicitly endorses five horizontal objectives in foreign affairs:

- To endorse the development of a Common Security and Defence Policy; reinforcing the role of the EU as an international referent in crisis management and continuing to increase the Union’s civil and military capabilities, specially boosting the work of the European Defence Agency.⁴⁰
- In terms of cooperation for development, the Spanish Presidency advocates for the observance of all international commitments regarding the fight against hunger and poverty, development financing and aid effectiveness. It is working on the implementation of an ambitious European policy with a view to the United Nations Millennium Development Goals Conference.⁴¹
- To promote an active and efficient multilateralism in resolving global problems, specifically, by reinforcing the United Nations

³⁹ However, it was announced in January that the Spanish Presidency would not be officially represented at the G-20 or G-8 summits or at other bilateral summits held in other countries, such as Russia and Japan. It was also decided to move other summits, which were less important for Spain, to Brussels, such as Canada or Pakistan, the latter being scheduled for 21 April but postponed due to the Icelandic volcano ash problem.

⁴⁰ However, these high ambitions on CSDP have not been translated into actions during these months. The government appointed in 2008 a top-ranked military official –former Chief of Defence Staff- in charge of Defence matters during the Presidency. He left this task last July 2009, when was appointed for other position within the Ministry of Defence, and nobody replaced him. See Simón (2010).

⁴¹ Spanish co-operation for development is experiencing a period of intense transformation since 2004. There is a high degree of political commitment from the government and growing resources. Spain is now the sixth world donor (net ODA 2009) after the US, United Kingdom, France, Germany and Japan. Sweden is the eighth.

system. The Spanish Presidency is giving special relevance to the consolidation of the Human Rights Council and the abolition of the death penalty.

- Act in the fight against climate change ensuring the development of the (fragile) agreements reached at the UN-COP 15 Convention held in Copenhagen.
- Foster the prompt conclusion of the commercial negotiations held within the framework of the WTO Doha Round.

Spain has maintained up to the moment a very respectful formal position leaving Rompuy and Ashton to exercise leadership in foreign policy. Nevertheless, the reality is that, in matters with a marked national interest such as issues related to transatlantic relations with the Mediterranean or Latin America, the Spanish diplomacy is playing an important role in negotiations and preparatory tasks of the different encounters to a higher level and the corresponding summits.

4.3.2 A new dimension in transatlantic relations

The relaunching of the EU-US relations to get a renewed transatlantic agenda, which had been boosted since the French Presidency, should have culminated in the Madrid's March summit 2010. Being the host of US President was in addition one of the objectives of the Spanish government when they started planning the Presidency over two years ago. The presence of the charismatic Barack Obama in Madrid would be crucial to represent the normalization of relations between Spain and the United States after the cool period of the last George W. Bush years. However, Washington announced in February it cancelled the appointment for two reasons: The White House cited planning problems, the need to concentrate on internal policy issues (economic crisis, health reform, etc), the lack of substantial contents to meet only a few months after the previous summit – while Washington claimed for the incorporation of compromises and specific agreements and for the avoidance of any rhetorical conclusions, and finally said a May visit to Europe had never been on Obama's sched-

ule. This may be the main setback for the Spanish EU Presidency. Several newspapers said this was a snub aimed not at the EU but at Zapatero.⁴²

Nevertheless, Obama's no-show is not the only chapter of the programme on external affairs. In fact, this part of the programme is particularly complete; Latin America, Mediterranean, enlargement, etc.⁴³

4.3.3 A qualitative leap with Latin America and the Caribbean

A second geographical priority contained in the programme for the semester is Latin America and the Caribbean, an essential area of Spanish interests abroad. The different summits planned for May, both with countries with who the EU wants to highlight a strategic relation – such as Mexico and Chile- as well as with subregional integration structures such as MERCOSUR, the Andean Community, Central America and EU-CARIFORUM, are expected to provide a qualitative leap⁴⁴ to relations with a region which is acquiring a great international relevance in spite of its scarce importance in the Union's foreign policy.

⁴² For example, Cerstin Gammelin, writing in *Süddeutsche Zeitung*, last February 4 explained: 'From the outside, the European Union might seem bureaucratically boring, but sometimes there are scenes that are downright grotesque, especially since the Treaty of Lisbon came into effect. In recent weeks, for instance, two powerful men fought over an invitation. Who should or can invite the world's most powerful man, US President Barack Obama, to the next summit? José Luis Rodríguez Zapatero, Spain's prime minister and at the same time leader of the rotating EU presidency, wanted to invite Obama to a colorful fiesta in Madrid to distract attention for a while from his problems at home. But isn't Herman Van Rompuy, the newly named permanent president of the EU, the real host in Brussels? [...] In spring, Obama will not travel to Madrid or Brussels. The United States seems bothered by infighting among senior European officials. The explanation, argued with a bit of sarcasm, does not allow for any other conclusion'.

⁴³ Considering the summits with Japan and Pakistan during the semester, even if the rotating Presidency will not be present, there is a mention in the program to the need of looking at Asia and strengthening cooperation to address the global agenda. Of course, the Union's commitment to Afghanistan's security is confirmed.

⁴⁴ The program stresses that the qualitative leap in cooperation will be true but it is not defined what Spain means by qualitative; particularly since current negotiations with Central America, the Andean countries and the Mercosur do not guarantee to sign agreements (see Peña, 2010).

4.3.4 Close and balanced neighbourhood relations

Traditionally, during Spanish presidencies, the Southern Mediterranean coast had been the object of special attention and Spain has intended to exercise mediation and boasting role towards European actions. However, this time, great difficulties are foreseen with re-launching a project – the Union for Mediterranean – since it brings with it the problems and weaknesses of the Barcelona Process, apart from the lack of compromises and the appropriation of the process by its main protagonists. Nevertheless, and despite this unreceptive situation to great agreements, the appointment of the Secretary General of the Union for the Mediterranean, the Jordanian Ahmed Jalaf Masade,⁴⁵ and the approval of the statutes of the Secretariat, headquartered in Barcelona, were finally decided. Besides, the European Commission has undertaken to fund part of the Secretariat's structure, what indicates an important implication level in the EU. Despite the determination of the Spanish diplomacy, the regional context does not seem to be the most appropriate to boast this effort.⁴⁶ For that reason, there many worries and doubts with respect to the normal development of the Union for Mediterranean summit called for June 2010.⁴⁷

The EU-Morocco summit was a relevant appointment, as there is a clear Spanish interest to consolidate the relations between Morocco and Europe and provide them with a real content. Some recent events do not make easier European relations with this leading country of North Africa, despite its advanced status. However, it can be considered the EU-Morocco summit was settled with a positive balance, even though it seems the most important or strongest issues were not chosen. Among the most specific achievements of this summit it is worth mentioning the creation of a Mixed EU-Morocco Parliamentary Commission, the agreement on general principles allowing Morocco to participate in European programs and the adoption of a 2011-2013 National Indicative Program implying an

⁴⁵ The foreign ministers of France, Spain, Egypt, Tunis and Jordan met on 5 January 2010 to find a compromise candidate for the post and they selected the Jordanian Ahmed Masade.

⁴⁶ A personal priority of the Foreign minister Moratinos –former EU Special Envoy to the Middle East Peace Process– is to pursue efforts to achieve a global solution to the Arab-Israeli conflict.

⁴⁷ See Martín (2010).

increase of financial support to projects developed in Morocco. During the Belgian presidency, it is expected that the agreement to relax restrictions on trade of services and the right of establishment with Morocco is finally reached.⁴⁸

Spain will also take advantage of the Presidency to emphasise the defence of the unitary nature of the European neighbourhood policy and boost the balanced progress of its Mediterranean –appreciated by Spain- and Eastern –almost ignored- dimensions. Nevertheless, the need for building a strategic relation with Russia, based on an approach of common interdependency, is underlined.

4.3.5 The Union's enlargement. European support in the Western Balkans

It will be possible, during the first half of the year 2010, to give a further step in the Croatia's membership after finding a solution to the problem of the borders with Slovenia, for which reason is very positive that another two chapters have been opened with this country. The integration prospects of Iceland and other countries of the Eastern Balkans will be considered as well.

Negotiations with Turkey will be promoted by Spain, in keeping with one of the key points of its national foreign policy. The present Turkey government has pinned all its hopes to the boost the Spanish presidency will give to the Turkish membership process. During the high level meeting between Spain and Turkey (on 22 February), the possibility of opening four new chapters has been presented, something which would mean an important improvement if we consider the stagnation of negotiations at the moment. The constitutional reform proposal, submitted recently, last 29 March, clearly responds, according to the Prime Minister Erdogan, to the European demands on the reform of the judicial system, obviously to give Turkey a European and democratic turn.⁴⁹

⁴⁸ See Kausch (2010).

⁴⁹ See Avery (2010) and Chislett (2009). On the Spanish position about the Icelandic candidature, see Granell (2009).

4.4 A Europe of rights and freedoms for all citizens

As it has been examined in a previous section, one of the main permanent priorities of the Spanish EU policy making since the 1990s is to achieve an ambitious Europeanisation of justice and interior affairs. Apart from a general pro-Europeanism, there are at least two permanent reasons that explain this Spanish goal: terrorist attacks and high immigration. Besides, the socialist governments have added new contents to this issue. Thus, Felipe González proposed the EU Citizenship during the 1991 IGC and, now, Rodríguez Zapatero has added the concern for equality between men and women.

4.4.1 The citizens' legislative initiative

Together with the aforementioned objective relating to the Foreign Service, this is the second of the major institutional priorities of the Presidency, arising from the implementation of the Lisbon Treaty.

The idea is that the Union will grow stronger if it is eventually capable of obtaining popular support and participation. Therefore, with the aim to bring the EU closer to its citizens, this “popular initiative” will enhance their direct participation in European legislation. Neither the Treaty nor the Spanish program for the semester⁵⁰ give the details about the procedure, but the Commission submitted last March 31 its draft proposal to the European Parliament and the Council:⁵¹

The European Citizens' Initiative will enable citizens to directly propose legislative reforms to the European Commission. It will require the support of 1 million signatures from a third of EU states – at present, nine out of 27 – and which represent at least 0.2 percent of the population of

⁵⁰ The Spanish program just says that “thanks to the European popular legislative initiative, Member States citizens may urge the Commission to formulate legislative proposals on matters they consider should be regulated at European level. The Spanish Presidency will work to make this instrument of direct democracy a reality as soon as possible”. Thus is to say, rather than a substantive ambition, the Spanish priority on this was striving for a quick approval.

⁵¹ See the Commission proposal for a Regulation of the European Parliament and of the Council on the citizens' initiative at:
http://ec.europa.eu/dgs/secretariat_general/citizens_initiative/docs/com_2010_119_en.pdf

each of them. The promoters of the initiative will have a year to collect the signatures, which will be verified by the respective states. Once submitted, the Commission will have four months to make a decision on aspects of form and substance.

To date, the merit of the Presidency on this issue is that of having put pressure on the new European Commission, which was not formed until February, to regain lost time. This pressure led to the Commission submitting the draft rules on 31 March, a month earlier than initially anticipated. What remains to be done is for the European Parliament and Council to undertake the normal legislative process, which, considering the calendar, makes approval difficult before 30 June.

4.4.2 Fundamental Rights

A third high-priority move to implement the Treaty of Lisbon, at least according to the Spanish Presidency's program, and which has a direct impact on people's rights and freedoms, is the process of having the EU as such join the European Convention for the Protection of Human Rights of 1950. This process complements the legally binding nature that the Treaty gives to the Charter of Fundamental Rights. Here again, the delay in the Commission's proposal, along with other difficulties of a technical nature stemming from Russia's position or the fact that the convention was written by another international organisation –the Council of Europe– is delaying the EU's adhering to the agreement. However, the Spanish Presidency has begun the accession process.

4.4.3 Reinforcing Europe's social dimension

Within a context of economic crisis that tests the social cohesion and the welfare achieved by European societies, the Union may act as a guarantee of protection for citizens, even if the competences of the EU in social affairs are weak. In fact, the inclusion of a reference to "strengthen the European project's social dimension by consulting Member States, social interlocutors and the civil society" may be interpreted as the projection to Europe of the Spanish internal negotiations between unions and business to achieve a social pact on the management of the crisis and structural reforms.

The rotating presidency of the EU has also stressed the need to include social agents in the definition of the EU-2020 Strategy "because the fi-

nancial crisis, in addition to its harsh, negative effect on employment, will change the criteria for growth and the sources of innovation leadership”. In fact, the EU 2020 Strategy incorporates social protection, inclusion and integration as key elements. And, as the Commission has to submit a communication on the new 2011-2015 European Social Agenda, this may be defined as a complement to the objectives defined in the Strategy.

4.4.4 Combating gender-based violence

The Spanish government has been since 2004 at the forefront of the issue of gender balance and fight against domestic violence. All cabinets formed by Zapatero have been balanced or even with women outnumbering men, and Spain is now taking advantage of the Presidency to address gender balance and gender violence not only from a national, but from a European perspective. While labour market discrimination against women will be combated in the framework of the EU 2020 Strategy, the measures to fight violence against women are included in the Presidency’s four priorities.

Given the uniqueness of this part of the semester’s agenda, and the fact that Spain has championed the initiative more than the Commission, it is an area in which the Spanish Government’s performance in the semester will be particularly scrutinised. So far, the results are mixed. The first of the measures, which included this objective –the creation of a European Observatory on Domestic Violence and care for victims of abuse– was approved in early March in the Employment and Social Affairs Council⁵² but this does not mean that a new structure will be created, since it is part of the EU’s Agency for Fundamental Rights, and, above all, the European Institute for Gender Equality. A second measure, a single telephone number for victims of abuse, has also been approved. It is however proving much more difficult to approve the third of the major measures relating to this priority: a Europe-wide restraining and protection order, which needs to be approved by the Justice and Home Affairs Council. At the meeting of 23 April, it was confirmed that at least fifteen member states were in favour of the proposal, but many differences of opinion existed in technical

⁵² Here, the initiative belongs to the Spanish Minister for Equality, Bibiana Aído, who chaired this Council. In this case, the Spanish proposal had the support of the European Commissioner for Justice, Fundamental Rights and Citizenship, Viviane Reding.

and legal aspects among the others.⁵³ As a result of these problems, some other states openly rejected the measure, and, more seriously for Spain, it was also rejected by the European Commission. The Justice Commissioner, Viviane Reding, considered that the proposal ‘victimised women for a second time’ and ‘instead of protecting them, it would only benefit the lawyers who litigate’.⁵⁴ In any case, the text appears to be underdeveloped and full of contradictions, which means it is almost impossible that it will be successful before 30 June. The Spanish government recognises that it is only in the preparation stage, and is simply an acknowledgement that there is a general concern for the problem and has admitted that tangible success is likely to be impossible unless the European Parliament can act as an ally.⁵⁵

The Europe-wide restraining order for victims of domestic violence is intended to ensure that protective measures, such as restraining orders for aggressors, are valid throughout the 27 EU states, so that women are protected if they move to other European countries. The Commission and some states have doubts about mutual recognition of measures to protect victims of domestic violence, since countries differ in the way protection is provided in criminal, civil and even administrative law. Furthermore, it is questionable whether there is a legal basis in the EU for the draft directive proposed by Spain. Another point is that, if passed, its functioning and the practical benefits for victims remains unclear.

⁵³ The countries that supported the text of the Europe-wide restraining order submitted by Spain were: the UK, Belgium, Italy, France, Portugal, Finland, Greece, Sweden, Romania, Bulgaria, Estonia, Poland, Slovakia, Holland and Malta. Although they agreed on the main objective, the following countries had reservations on technical grounds: the Czech Republic, Austria, Slovenia, Latvia, Germany, Hungary, Cyprus and Luxembourg.

⁵⁴ A rejection that can also be explained by the fact that the Commissioner wants to present her own protection programme for victims of crime in early 2011.

⁵⁵ The Europe-wide restraining order for victims of domestic violence is intended to ensure that protective measures, such as restraining orders for aggressors, are valid throughout the 27 EU states, so that women are protected if they move to other European countries. The Commission and some states have doubts about mutual recognition of measures to protect victims of domestic violence, since countries differ in the way protection is provided for in law –criminal, civil and even administrative–. Furthermore, it is questionable whether there is a legal basis in the EU for the draft directive proposed by Spain. Another point is that, if passed, its functioning and the practical benefits for victims remain unclear.

4.4.5 EU as a common space for freedom, security and justice

With this last – but not least – priority, the Spanish Presidency aims to ensure consistency with its Swedish predecessor and its Stockholm Programme, which was launched at the European Council held last December 2009. The enforcement of the European Area of Freedom, Security and Justice for the 2010-2014 period needs the adoption by the Spanish Presidency of the Stockholm Programme Action Plan, which will develop the Union's political priorities on this matter, the application measures and the monitoring instruments for its implementation.⁵⁶

In addition, the member states already agreed the European Internal Security Strategy last 25 February, promoting the creation of a European model that will gather the EU guiding principles and strategic lines. The Spring European Council endorsed the document and now the Commission is expected to adopt a communication on concrete actions in the area.⁵⁷

As said, a fundamental element of the Spanish goals in justice and home affairs is the promotion of a common European migration and asylum policy,⁵⁸ developing the agenda for the Global Approach on Immigration and for the European Pact on Immigration and Asylum. The objective would be to achieve an organised legal migration, fight against illegal migration and human trafficking, and control the Union's foreign borders, furthering cooperation with countries of origin and transit. Within this context, special attention will be given to unaccompanied immigrant minors. The Presidency is trying to encourage immigrants' integration policies, based on Union values, education, intercultural dialogue and access and promotion of job diversity.

⁵⁶ Last 20 April, the communication from the Commission to the European Parliament and the Council delivering an area of freedom, security and justice for Europe's citizens (Action Plan Implementing the Stockholm Programme) was presented. See Powell and Sorroza (2010), Rodríguez and Sorroza (2000) and the communication at: http://ec.europa.eu/justice_home/news/intro/doc/com_2010_171_en.pdf

⁵⁷ The Council approved, after a public debate, the Internal Security Strategy for the EU that lays out a European security model, which integrates among others action on law enforcement and judicial cooperation, border management and civil protection, with due respect for shared European values, such as fundamental rights. See Arteaga (2010) and www.statewatch.org/news/2010/feb/eu-council-int-sec-prel.pdf.

⁵⁸ See González and Sorroza (2009).

5 A PROVISIONAL MIDTERM EVALUATION OF THE SPANISH EU PRESIDENCY

5.1 On the positive side

Short-term pressure seems to demand that it is the highly complex European economic situation – and specifically the handling of the Greek case – that particularly stands out when assessing the performance of the Spanish Presidency. However, from a broader perspective, it is likely that this semester will be best remembered in the history of the Presidencies of the EU Council for being the first to occur under the rules of the Treaty of Lisbon.

For this reason, the first four months of the Spanish Presidency should firstly be judged by considering to what extent the new institutional developments, which entered into force on 1 December 2009, are being faithfully and effectively implemented. The coexistence of the rotating Presidency with the new appointments is certainly complex, not only from a legal standpoint – as the relationship with the President of the European Council and the High Representative is not well defined in the Treaty or in the rules of procedure of the Council or the European Council – but also from a political point of view. It is possible that there has been occasional friction – often exaggerated by the Brussels press – as a result of rivalry between Zapatero or Moratinos and Van Rompuy or Ashton due to their respective roles. It is also certain that in many other cases, there have simply been doubts about the role that each figure should play. In spite of this, the fact is that the Spanish Government is faithfully contributing to enable the President of the European Council and the High Representative to perform their duties in full.

It would be an exaggeration to claim that coordination with them, and also with the European Commission, is perfect. However, the interim assessment has to be necessarily positive. The Treaty is being implemented correctly and inter-institutional relations are fluid. It is true that this presidency has an inevitable element of transition – for example, with regard to foreign delegations in which the Spanish diplomatic network is still assuming EU representation in many Mediterranean and Latin American countries – but, in general, the primary merit of this presidency is that it is convincingly working towards ensuring the institutional system is func-

tioning in accordance with the spirit of the Treaty. Another point is that the simplicity initially strived for by the Treaty has not been achieved. This, however, is not the fault of the Presidency, but as a result of the fact that the supposedly simplifying system has actually created more complexity and more difficult coordination. Regarding other matters, and also part of this first chapter of the positive assessment, it is important to highlight the relative normality with which the changes in the legal base and decision-making procedures in the rules have been made.

A second positive element in the assessment – also connected to the previous point about institutional normality – concerns the positive reception of the Spanish Government's priority programme. From the first month, it gained the backing of European institutions and member states, which was clearly demonstrated at the informal meeting of European ministers, held on 12-14 January, and during the General Affairs Council on 25 January. For its part, the European Parliament welcomed the inaugural speeches of the Prime Minister, Jose Luis Rodriguez Zapatero and his other ministers on 20 January. Finally, the new Commission, in inaugurating his presidency at a joint meeting in Spain on 23 February, collectively supported the Spanish programme⁵⁹.

Thirdly, and in view of the fact that the major substantive priority of the semester was economic recovery and the adoption of the EU-2020 Strategy, it can be said that the economy indeed was successfully placed at the top of the agenda. Clearly, in light of events in Greece and the fiscal deterioration of other states - including Spain itself with its budget deficit of 11.5 percent of GDP – this predominance is much more on the negative side than the positive. However, if it is of any consolation, as a result of the severity of the Greek crisis, the issue of European economic government has, in recent months, ceased to be taboo in the European Council, ECOFIN and the Eurogroup.

⁵⁹ This was the traditional meeting held between the Commission and the incoming presidency, at the beginning of each semester, which, in this case, should have been held on 8 January, but could not take place until a month and a half later, due to the delay in appointing the Commission. As has already been mentioned and will be repeated later, this delay is possibly one of the factors that is hampering progress most in the semester.

A clearer success, also relating to the economy, could be the partial adoption of the objectives of the EU-2020 Strategy at the Spring European Council. However, as mentioned above, the full definition of the strategy and its quantification will not take place at the European Council in June. Furthermore, considering that the Commission presented its proposal on 3 March and the European Council was held just three weeks later, the added value that the Presidency of the Council could have provided to the approved document is questionable. There has been no lack of criticism that such a rapid approval has prevented a more thoughtful discussion among member states to avoid a recurrence of the problems with the Lisbon Strategy; that is to say, that the diagnosis of the problems of the Spanish economy is correct but the political response on how to act has not been developed. This criticism is even more interesting, given that the Spanish Prime Minister in January set in motion the debate on governance and the replacement of the open method of co-ordination with a system in which the Commission would play more of a role, as would incentives and sanctions.

At this point, the positive elements of the assessment sector by sector become rather scarce or debatable. Several examples can be given:

- (i) Progress in negotiations on financial supervision has been put on hold by the decision to delay hedge fund regulation until after the U.K. general election.
- (ii) Approval for an Observatory on Domestic Violence will almost certainly fail due to the Europe-wide restraining order issue.
- (iii) Progress in relations with the U.S. within the Freedom, Security and Justice space has been damaged by the SWIFT vote in the European Parliament on 11 February.
- (iv) The Presidency's ability to show political initiative in the face of unforeseen and dramatic events, such as the Haitian and Chilean earthquakes, contrasts with criticism of subsequent coordination efforts during the management of the Haitian crisis and, above all, the air traffic problems in April after the volcanic eruption in Iceland.
- (v) The inauguration of the Secretariat of the Union for the Mediterranean on 4 March in Barcelona does not guarantee that the summit scheduled for June will be held.

- (vi) Approval of measures to boost electric vehicles has not dispelled the idea that combating climate change is not being kept high on the agenda after the failure of the COP-15 summit in Copenhagen, which was not anticipated by Spain when drafting its programme.

5.2 And on the negative side

The Spanish government has had to face many obstacles and the occasional resounding failure in its first four months. Firstly, the Greek crisis and the poor state of the Spanish economy (deep recession, high unemployment, large budget deficit and rapidly rising public debt) have resulted in the Presidency needing to devote much of its time to reducing the uncertainty of international investors and rejecting comparisons between the two countries. On occasions, the government has had to act in a reactive and defensive way, to the extent that it has had to defer to France, Germany or the presidency of the Eurogroup.

That is to say, the Spanish Presidency seems to have been affected by criticism about its lack of authority to lead the EU at this time because of its bad economic situation. This weakness, as explained earlier, was also reflected in the modification it had to make in January, when, faced with protests from Germany, it had to tone down its initial ambitions of strengthening economic governance in Europe, although the truth is that the subsequent Greek crisis has made all states aware of the need to better coordinate efforts to overcome the crisis and reduce the deficit in the short term, and to maintain the common goals of competitiveness in the long term. Notwithstanding the fact that the state of the economy has drawn the most attention, the greatest problem in exercising the functions of the presidency has been institutional. The main difficulty was perhaps caused by the delay of almost one and a half months of the new Commission taking up office, which complicated legislative activity and the initiatives for fully implementing the Lisbon Treaty.

Furthermore, as already mentioned, even though Spain sought to facilitate the role of the High Representative and the President of the European Council, it was not possible to completely dispel the sense of rivalry that existed, which stemmed mainly from doubts concerning the precise definition of roles to perform rather than actual confrontations.⁶⁰

In terms of foreign affairs, the Spanish Presidency, to date, has accumulated far more setbacks than successes. Catherine Ashton has had a lacklustre start as High Representative and, as already mentioned, the definition of the External Action Service is falling behind. The two most resounding failures directly affecting Spain, however, come from America, although they cannot be attributed to the Presidency: the cancellation of the summit with the US and Spain's solitary defence of its position towards Cuba.

The cancellation of the EU-US summit scheduled for May was perhaps the most serious setback in the first three months, as the meeting was the star attraction of the Spanish semester. For Rodríguez Zapatero, the photo with Barack Obama was to be a golden opportunity to boost the visibility of the Presidency. The disappointment was heightened by the manner in which the summit was suspended, when the White House announced that the trip "had never been on the agenda" and there were suspicions that the institutional complexities arising from the Treaty of Lisbon had influenced the US decision.

With regard to Cuba, the Government proposed the furthering of relations between the EU and the government of Raul Castro with more in depth dialogue that would not depend on progress in human rights and freedom. It was not officially a priority of the semester and Spain has been in the absolute minority within the Council. Most member states were strongly

⁶⁰ Stephen Castle, writing in the New York Times last January 8, warned: 'Starting the first, slimmed-down, rotating EU presidency under Lisbon Treaty rules, the Spanish prime minister, José Luis Rodríguez Zapatero, outlined how he intends to put his stamp on the EU's agenda [...] But some analysts say they worry that Spain's assertive stance will provoke turf wars and set a precedent for other nations to follow. That, they fear, could undermine one of the few concrete efficiency gains that the Lisbon Treaty promised, making it even more difficult to determine who is in charge'. New Treaty for E.U., but Same Jostling for Power, at www.nytimes.com/2010/01/08/world/europe/08iht-union.html.

opposed to any change to the “common position” adopted in 1996, and even more so after the death by hunger strike of dissident Orlando Zapata in February.

Regarding the ability to react to the emergence of a crisis, Spain has been fortunate that this winter there has been no gas dispute between Ukraine and Russia or, for the moment, the situation in the Middle East has not required special attention. It has already been mentioned that the reaction to the earthquake in Haiti was not bad after all, but, with other unexpected events, the response has been rather indecisive. Aviation safety shows two examples of this: firstly, the slowness in convening the Transport Council during the Icelandic volcano crisis in April and, secondly, its response to the debate on the controversial body scanners at airports, in which the Spanish Presidency went from opposing it to defending its introduction and seeking an agreement during the semester.

Finally, and from an internal perspective, the Presidency has become somewhat invisible. This is mainly due to Spain’s current domestic political situation, which has seen major confrontations between the Government and the opposition, as a result of the severe economic situation, corruption scandals mainly involving the Popular Party and controversies in two judicial matters involving the Supreme Court and the Constitutional Court.

5.3 Conclusion: historic or transitional Presidency?

The Spanish Government set out its Presidency with a great ambition, from the program point of view, and with very high expectations, above all from the internal policy point of view. The difficult economic and institutional context has shown, during these first months of Presidency, that the ambition and expectations of this Presidency were excessive. The Spanish Presidency will be historic only in the sense it has been the first one to be exercised with the post-Lisbon rules, but the daily routine of the EU will end up with very few spectacular changes. And it will be, in the strict sense of the word, a transition semester.

The Spanish government has correctly set out the Treaty developments and future political debates – an ambitious diplomatic service, the rapprochement to the citizens, the solidarity with Greece, the strengthening

of the economic governance, the commitment towards innovation, the advances in widening and Mediterranean neighbourhood, the attention towards Latin America, etc. – but the adverse combination of factors in the EU and at home does not allow any wonders.

The Spanish government is not politically strong, either in Brussels nor at home, and could not exercise leadership or be highly visible during the semester. However, with the post-Lisbon rules, the Council Presidency must necessarily assume a low profile and limit itself, more than ever, to exercise as an honest broker, to organize with efficiency, coordinate when needed and finally, to avoid instabilities. This role is in fact being fulfilled.

When the month of April finishes, the most intensive two months of the Presidency lie ahead in terms of Council meetings and international summits. Given that a semester is a short period of time and that there are a number of factors that are completely beyond the control of the government holding the Council Presidency,⁶¹ a fair judgement of performance should be based on whether issues have advanced adequately within the period, whether there have been no major setbacks, whether institutional stability has been maintained and whether unexpected crises have been well managed; in short, whether Spain can hand over the Presidency to Belgium, with respect to the work of the Council, in an improved state to which it was handed over by Sweden.

It would, however, be naive to believe that a considered and general assessment would prevail over journalistic and political opinion, which, without as many considerations, focuses on much more tangible issues and more specific results. Moreover, as noted above, achieving success will be difficult as a result of the particular challenges faced by this Presidency, which has had to contend with: (i) a delay to the start of the Commission's work; (ii) a new President of the European Council and High Representative, and, more generally, (iii) the relative uncertainty caused by the entry into force of the Lisbon Treaty only a month before the start of the semester.

⁶¹ For example, progress in financial regulation will depend on the UK election result on 6 May, and the EU's Mediterranean summit, scheduled for 7 June, will depend on developments in the always unpredictable Middle East conflict.

In any event, between early May and the European Council meeting of 18 June, important conclusions will emerge, which will facilitate a well considered assessment. Since the four priorities of the Presidency were so general (full implementation of the Treaty, stimulating a new economy, strengthening the EU in globalisation and providing more rights to citizens), the assessment cannot be applied to them, but to their specific aspects.

In early April, the Spanish Government made an initial assessment of the Presidency that was naturally favourable, describing it as ‘tireless in the face of the crisis, effective regarding the Lisbon Treaty, committed, supportive with those who need help (Haiti or Greece), a leader in [the battle against] climate change, pro-European and in search o a single common voice’. The final judgement will probably be more critical, but it would hardly seem fair if it is completely negative.

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APPENDIX

Overview of the priorities and strategy for each Council configuration

1. General Affairs

Institutional affairs / Treaty of Lisbon

- Launching the European External Action Service.
- Conditions and procedures for the popular legislative initiative.
- Accession to the European Convention for the Protection of Human Rights and Fundamental Freedoms.
- Increasing the number of seats in the European Parliament (IGC needed).
- The solidarity clause.
- Consular assistance for the protection of European citizens.

EU 2020

- The adoption of the new EU 2020 Growth and Employment Strategy.
- Transition to a more sustainable economy.
- The new Strategy should also accelerate the recovery and the exit from the crisis.
- Contributions from the Reflection Group headed by Felipe González will be considered.

Policies and budget review

- Report by the European Commission.

Debate about the future of the cohesion policy

Outermost regions

- Implementation of the Commission's recommendations «The outermost regions: an asset for Europe».

Enlargement strategy

- Possible conclusion of accession negotiations with Croatia.
- Opening of four chapters in accession negotiations with Turkey.

Endorsement of reforms in Turkey.

- Decision to start negotiations with Macedonia and Iceland if the Council.

- Stabilisation and consolidation of the EU perspective on the Western Balkans (Kosovo not mentioned).

2. External Relations

- The High Representative will lead the Union's foreign affairs and will chair the External Relations Council.
- The Spanish Presidency will fully support her, fostering the implementation of the External Action Service.

Common Foreign and Security Policy

- United Nations reform.
- Alliance of Civilizations.
- Human Rights Council and abolition of the death penalty.
- Strategic partnership with Latin America and the Caribbean (6th EU-Latin America/ Caribbean Summit and simultaneous sub-regional Summits):
 - a) EU Association Agreement with the Central America Integration System.
 - b) Trade Agreement with several Andean countries.
 - c) Negotiations for an EU-Mercosur Association Agreement.
 - d) Action Plan establishing the fundamental bi-regional cooperation objectives.
 - e) Implementation of a finance facility for Latin America and the Caribbean.
 - f) Work Programme stating the political dialogue priorities.
 - g) EU-Latin America/Caribbean Foundation.
 - h) Mexico and Brazil as «EU strategic partners».
- Transatlantic Dialogue (EU-US summit cancelled).
- Canada (EU-Canada summit).
- Russia: energy cooperation and the new post PCA Agreement (EU-Russia summit).
- A balance between the Eastern and the Mediterranean tracks of the European Neighbourhood Policy (ENP).
- Renewal of Neighbourhood Action Plans.
- 1st EU-Morocco Summit.
- 2nd Union for the Mediterranean Summit:

- a) Euro-Mediterranean Free Trade Area.
- b) Biennial work programme.
- c) Consolidate the UfM institutional structure and implement its Secretariat.
- Middle East: achieving a global, fair and lasting solution to the conflict Israel-Palestine.
- Iran.
- Joint EU-ACP Council.
- Africa.
- Gender equality and women's empowerment.
- Japan. 19th EU-Japan Summit.
- Af-Pak. EU-Pakistan Summit.

Common Security and Defence Policy

- Union's civil and military capabilities.
- NPT Review Conference.

Common Trade Policy

- New strategy and foreign aspects of competitiveness in the EU 2020 Strategy.
- We shall not cease in our efforts (sic) to conclude the WTO Doha Round negotiations.
- Projects of agreements with Mercosur, Andean countries; Central America, Gulf Cooperation Council, ASEAN states, India, China, Russia, Ukraine, Transatlantic Economic Council, Canada and ACP countries.

Cooperation for Development and Human Assistance

- Action Plan for gender equality in the EU development policies.
- New European food security framework.
- European Consensus on Development.
- Coordination of humanitarian assistance.

3. ECOFIN – Economic and Financial Affairs

- Consolidating the economic recovery.
- Foundations for a more sustainable growth model: structural reforms in the new EU 2020 Strategy.

- Improvement of the financial sector's regulation and supervision:
 - a) Negotiate with the EP the new financial supervisory framework.
 - b) Capital Requirement Directive.
 - c) Alternative Investment Funds Managers Directive (hedge funds).
 - d) Deposits Guarantee Fund.
- Assessing stimulus measures and exit strategy within the framework of the Stability and Growth Pact.
- Internal Market Strategy Review and the Services Directive.
- Macroeconomic Dialogue and the reinforcement of the national budgetary frameworks.
- Assessment of the convergence processes of non-single currency Member States.
- EIB external mandates.
- Revision of the Financial Regulation.
- Tax information exchange mechanism and cooperation among tax administrations.
- Reduction of administrative burdens in indirect taxation.
- Combating tax fraud.
- Improvement in the quality, reliability, transparency and efficiency of statistics.

4. JHA - Justice and Home Affairs

- Police and judiciary cooperation in criminal matters might be changed after the Lisbon Treaty.
- Internal Security Committee.
- Action Plan for the Stockholm Programme.
- Sustainable European Internal Security Strategy.
- EU's external dimension in justice and home affairs (special attention to reinforce transatlantic cooperation).

Home Affairs

- Direct and operational police cooperation.
- Mobility program for police students following the Erasmus model.
- Exchange of technical-ballistic information amongst police services.
- Cross-border warning system (with child abduction and missing pe-

- ople at special risk).
- Europol strengthening.
- Counter-terrorism coordination.
- Crime prevention.
- Special emphasis on victims of gender-based violence.
- Improve the EU response to natural and human crises and disasters.

Migration and Asylum

- Implement the European Pact on Immigration and Asylum (EPIA), the Global Approach to Migration, and the Stockholm Programme.
- Strengthen immigrants' integration policies.
- Common criteria for admission, residence and professional exercise of non-Community immigrant workers.
- Linking employment policies and migration policies.
- Unaccompanied immigrant minors.
- Frontex and better coordination with national surveillance systems.
- Progress in the implementation of new technologies (IT) to border management.
- Consolidation of the Common European Asylum System.
- Implementation of the European Asylum Support Office.
- Solidarity and Management of Migration Flows Programme.
- Visa policy: Progress in harmonising procedures.
- Cooperation with third countries regarding migratory affairs (readmission agreements).

Justice

- Promotion of fundamental rights and freedoms.
- Coordination between EU institutions and the EU Agency for Fundamental Rights.
- European Passengers Data Record system.
- e-Justice Action Plan.
- Joint and exchange programmes for magistrates, prosecutors and clerks.
- Enforcement of the European Arrest Warrant.
- Criminal Justice:
 - a) Mutual recognition.
 - b) Fight against human trafficking.
 - c) Cybercrime.
 - d) Minimum common rules for criminal procedural rights and gua-

- rantees.
 - e) Legal framework for child protection.
 - f) Measures to protect victims, particularly gender-based violence victims.
 - g) Fight against intellectual and industrial property piracy.
- Civil and Commercial Justice:
 - a) Mutual recognition and enforcement of judgments.
 - b) Family law: successions and matrimonial law.
 - c) Evaluation of the European contract law common reference framework.

5. EPSCO – Employment, Social Policy, Health and Consumer Affairs

- Restrict the effect of the crisis on labour markets and its negative social effects.

Employment

- Employment will be kept as a priority for the new EU 2020 Strategy.
- Productivity and competitiveness through better workers' training and qualification.
- New sources of employment (the so-called green-collar jobs, white-collar jobs tied to the new social assistance demands; and the blue-collar jobs, related to new technologies).
- Structural changes should be introduced into the labour market.
- Job stability and mobility between jobs.
- Investment in human capital by improving training and adjusting education and training systems Directive on the posting of workers and the guarantee of workers' rights.
- Youth employment.
- Undeclared employment, illegal employment and the grey economy should be combated.

Social Policy

- New European Social Agenda.
- Consolidation of European social protection systems.

- 2010 European Year for Combating Poverty and Social Exclusion.
- The disability and personal autonomy.
- White Paper on Ageing in Europe and a European Active Ageing Programme.
- deepening the open method of coordination.
- Second European Summit on Gypsy Population.

Health

- Expand the 2006 Council Declaration on EU health systems' common values and principles.
- Directive on organ donation and transplant.
- e-Health.
- Food security.

Consumers

- Regulation of consumers' rights and products' general safety.

Gender Equality and non-Discrimination

- Labour equality between men and women and balance between professional and family and personal life.
- Gender equality perspective throughout the EU 2020 Strategy.
- Roadmap for gender equality.
- European Observatory on Gender-based Violence within the European Gender Institute.
- Beijing Action Platform and the «Beijing+15» European Forum.
- Discrimination based on religion or belief, disability, age or sexual orientation in non-working environments

6. Competitiveness Council (Internal Market, Industry and Research)

Internal Market

- Reducing companies' administrative burdens by 25% in 2012.
- Legislative initiatives on Company Law and Competition Law.
- European Union's supply chain security in the Customs Union sphere.
- Intellectual and industrial rights.
- European patent.

- Entry into force of the Services Directive.

Industry

- Small and medium sized enterprises' operating conditions.
- European industries' competitiveness in a globalised scenario.
- Reform the European Standardisation System.
- Electrical vehicle.
- European shipbuilding sector's future competitiveness: 2015 Leader-SHIP stage.
- Tourist policy. A socially responsible European Tourist Model.

Research

- Development of the European Research Area (ERA).
- European Research Council will be assessed and adjusted.
- Participation in the Framework Programme will be further simplified.
- Launching of the first Innovation and Knowledge Communities selected by the European Technology and Innovation Institute within the framework of the European Innovation Plan.
- R&D&I in social cohesion and the fight against poverty and social exclusion.

7. TTE – Transport, Telecommunications and Energy

Transport

- Transport's role in the economic recovery and the new sustainable economic growth model.
- 2010-2020 White Paper on Transport.
- Promotion of railways and maritime highways.
- European Economic Recovery Plan's «green vehicles» initiative.
- Intelligent Transport Systems (ITS).
- EGNOS system and the Galileo Programme.
- Air security.
- Reform of the European Maritime Safety Agency.

Telecommunications

- European Charter of Rights of Telecommunication Service Users.
- 2010-2015 European Action Plan for Electronic Administration.

- New 2010-2015 Strategy to promote the Information Society (i2010 follow-up).
- Security and protection of intellectual and industrial property on the Internet.

Energy

- 2010-2014 Energy Action Plan (adapted to Energy and Climate Package).
- Energy Security and Solidarity Action Plan: interconnections, market transparency and warning mechanisms
- EU security and energy infrastructure instrument.
- Energy relations abroad.
- Support for national plans following the adoption of the Directive on renewable energies.
- Improving energy efficiency, to adjust it to the Energy and Climate Package 20-20-20 commitment.
- Third package of measures about the internal energy market.
- Cooperation Agency for Energy Regulators.
- European Strategic Energy Technologies Plan (SET Plan).
- Promotion of industrial initiatives on solar energy, intelligent networks and CO₂ storage and capture.

8. Agriculture and Fisheries

Agriculture

- Debates on the future of CAP beyond 2013 (Spanish position: The CAP objectives are still fully valid and sufficient resources should be guaranteed).
- European agriculture and agri-foodstuff competitiveness.
- Equal conditions between European and third country producers.
- Dynamic and sustainable rural environment.
- Women in agriculture and the rural environment.

Fisheries

- Review of the Common Fisheries Policy, which will conclude in 2012.
- Exploitation of fisheries resources based on respect for socio-economic and ecosystem objectives.

9. Environment

Climate change

- Implementation of the energy and climate change package.
- Implementation of the agreement reached at the Copenhagen Conference.
- Regional cooperation on climate change to reinforce the EU's role as a global actor.

Biodiversity and sustainable use of natural resources

- The Commission will present the Green Paper on Forest Protection.
- Marine Strategy Framework Directive.
- Joint strategy to manage draught and/or water shortages.
- Collaboration in water issues with Latin American and Mediterranean countries.

10. Education, Youth and Culture

Education

- Education and training as a key component of the EU 2020 Strategy.
- Equal access to education.
- Professional training linked to the «New skills for new jobs» initiative.
- Bologna process.

Youth

- European Youth Pact.

Culture

- Role of cultural and creative industries in the EU 2020 Strategy.
- Working Plan for culture, agreed by the Council for 2008-2010.

Sports

- Implementation of the White Paper on Sport and creation of the «Sport Framework Programme».

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