# THE EUROPEAN UNION IN THE FOG

Building Bridges between National Perspectives on the European Union



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#### **About Building Bridges**

Called "Building Bridges Between National Perspectives on the European Union", the project aims to stimulate the public debate around national experts on the relationship between their Member State and the EU and on the future of the Union. This project confronts their visions with others' from different member states, but also those of people from different horizons via workshops in Warsaw, Madrid, Paris and Brussels, which took place in 2015 gathering experts and local citizens.

The project is coordinated by the French Institute of International Relations (Ifri) with three major partners: the Polish Institute of International Affairs (PISM), Real Instituto Elcano and EUROPEUM—European Institute for European Policy. The project has also benefited from the support of institutes in each Member State.

You can find all the information and publications about the project at this address: <u>http://www.ifri.org/en/recherche/zones-geographiques/europe/projet-building-bridges</u>.

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## **INTRODUCTION**

#### Context

The European Union is in the midst of a fog: the fog of crises, the fog of uncertainty, and the fog of criticisms. Rarely has the context been so dim for the EU. It has been going through a deep economic crisis since 2008. While the outlook is showing signs of recovery, it remains fragile, following years of economic slowdown, social tensions, and austerity policies. To give one possible illustration, 14 out of 28 Member States have seen their GDP per capita decrease, level off or barely grow between 2008 and 2014.<sup>1</sup>

The economic and financial crisis has firmly anchored the EU within domestic politics. Up until the Maastricht treaty, the EU benefited from a "permissive consensus" - the European project was largely legitimised on the basis of its positive image. It helped make the continent safer and the economy grow. The 1992 treaty rocked this state of affairs. The raucous ratification processes in Denmark, France and the United Kingdom were early signals that the future would not be as unruffled as before. Likewise, the rise of critical opinions crystallised. Since then, the criticism against the EU has increased and the number of its detractors has swelled. The rhetoric may differ across the EU, but the arguments are broadly similar: The EU is not democratic enough, it lacks legitimacy, and it is an elite-led project divorced from the interests and concerns of its citizens.

Since the outbreak of the economic and financial crisis, the EU has strived to correct the shortcomings, which had plagued the Eurozone since its birth. It passed numerous legislative acts to make the financial sector more resilient, to reduce government debts and deficits, and to provide conditional financial assistance to countries in need. This has triggered bitter debates in many Member States. In the creditor countries, the impression was that they had implemented the necessary policies to clean out their public finances, and they therefore failed to see why others, which had gone astray, should receive their help. In the countries whose living standards plummeted, bitterness against austerity policies prevailed, which were considered to be imposed from abroad. These actions tarnished the European edifice, and the resultant tensions fuelled criticism against the EU. Never before had the EU been discussed so much within Member States, but never before had the tone been so negative.

The post-Maastricht period saw the progressive emergence of a "constraining dissensus" on the EU.<sup>2</sup> In other words, the EU entered the national political arena and political parties and other political actors started to invest in it. Slowly, further integration lost ground as the automatic response to a collective action problem.

That being said, EU membership has affected the way Member States conduct policymaking at the European level. Most countries today feel that belonging to the EU contributes to their wellbeing. Membership has transformed how they approach problems. They may seek national solutions, but the EU level can provide another arena to find others, especially if similar problems are shared by many Member States. Moreover, the search for consensus, which characterises the EU decisionmaking process, has compelled Member States to negotiate intensively with each other to iron out differences and to keep the organisation moving forward.<sup>3</sup>

However, the crisis has fostered a situation in which national governments do not discount the virtues of integration, but are conversely cautious about surrendering more sovereignty. The development of the Economic and Monetary Union (EMU) is a prime example. Member States came to an agreement on the monetary policy, whose supervision was given to the European Central Bank. However, the Eurozone's economic pillar was left half-built. Member States remained in charge of their economic decisions regardless of the effects of their decisions on the rest of the monetary union. Sharing a currency is hardly sustainable without decisions made at the appropriate level. This does not mean that the Eurozone's initial flaws triggered the economic crisis or prevented Member States from implementing necessary reforms. Rather, it illustrates that the Eurozone was not built for rainy days and Member States did not appreciate it sufficiently.

The refugee crisis is also putting pressure on the EU's cohesion. Figures concerning refugees fleeing the conflicts in the EU's neighbourhood are staggering. The EU has received 1,322,145 asylum applications in 2015 – twice as many as in 2014 and four times as many as previous years.<sup>4</sup> 1,803,370 people have used the main three migratory routes to enter the EU in

the past year alone.<sup>5</sup> It is implausible to argue that such movements of people could not be However, acknowledging forecast. that millions of people could try to enter Europe is one thing. Taking the appropriate measures to address the upcoming crisis is another. There again, the system is built for sunny days. The Schengen Area relies on two main pillars: the freedom of movement within its borders and the protection of its external borders. The first one is a success, which few would be ready to jeopardise. The second pillar is very shaky. The external borders should indeed be guarded by the countries that have an external border. In normal times, this can be managed. In exceptional situations, geography is a clear enough indicator that those countries could face an awesome challenge. Very little was done early on to help those countries manage exceptional situations. It is certainly possible to argue that they should have prepared better for such cases, but it would be unfair to blame them entirely for their failure to cope with millions of people arriving on their territory. Similarly, the Dublin regulations on asylum were friable from the outset. They argue for instance that an asylum-seeker should claim asylum in the first EU country he/she enters. Those countries are once again likely to be those that have an external border, especially in circumstances of populations fleeing conflicts.

The EU has been scrambling to find solutions to this crisis, which can address both the short and medium terms. It has for instance tried to implement a "relocation scheme", whereby 160,000 refugees would be distributed among the Member States. This caused high tensions in several countries that were opposed to the system. The common argument was that they refused the imposition of being obliged to host a certain number of refugees and that they should be free to decide who to welcome and how many. The disputes concern the number of people, but also more fundamentally they affect the societies at their core. This crisis is indeed very intimate. It asks every society to consider which blending of population it is ready to have. In countries where immigration is a relatively marginal phenomenon, the debates are more acute.<sup>6</sup> In this field, the EU is powerless. As such immigration has become instrumentalised by national leaders, especially under the pressure of radical right wing parties. Solutions coming from the top (EU level) are consequently resisted.

Those crises and the perception of the EU, ranging from critical to sceptic, have damaged the Union's legitimacy. At the height of the crisis in 2011-2013, the EU's image was badly damaged. It may have improved since then, but it remains striking that 38% of Europeans have a neutral image of the EU.<sup>7</sup> Indifference is a more difficult feeling to sway than criticism or optimism.

#### **Description of the project**

The Building Bridges project was born in this context. The EU is under stress both at the EU level and within the Member States. Simultaneously, those same Member States increasingly assert their interests at the European level, rendering the decision-making process slower and more complex. But it also generalises a phenomenon outlined by many authors: blame the EU for what does not work and reap the rewards when the EU performs well. This behaviour has been widespread in older Member States, but seems to have propagated to the newer ones.

The project aims to look at the EU from the eyes of the Member States. Regardless of the state of integration - how far it should go or whether it should continue at all for that matter - the EU remains a body composed of 28 Member States. They are the ones that decide the EU's future and shape. However, no analysis has ever been undertaken that looks at all the Member States in this way. This is certainly a complicated endeavour, but a necessary one if we want to understand what all 28 members think about the EU and what their expectations are. This basic understanding can help to better gauge the extent to which the EU is in a deep structural crisis. It can help to assess whether the European project is facing an inextricable future of muddling through. More fundamentally, it can hint at what the Member States want from the EU. This is a simple question that rarely features in times of crisis where urgency trumps cool-headed reflections.

This project, and this publication more specifically, have two complementary goals. The papers in this publication hope to be educational. They all follow the same structure answering five questions: "What does your country hope to gain from its membership to the European Union?", "Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?", "Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?", "According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?", and "Which policies would you deem essential to conduct at the EU level in order to *better legitimise the European project?"*. It enables an easier comparative reading. The papers aim to provide a solid analysis on each of the 28 Member States in a way that is accessible to the wider public. The intention is that this publication is used as a reference guide that interested readers can consult when they want to know more about any country.

The papers also have an analytical purpose. First, each author analyses how his/her respective country perceives the European Union and what it expects, which is an exercise rarely conducted. Second, they provide food for thought on options that can be brought onto the European agenda to better legitimate the EU in the eyes of the citizens. This is a very important component because the project aims to qualitatively study how citizens view the EU and its actions, how they can feel more included, and how to instil a feeling of belonging to a common public sphere.

One expert from a think tank or a university was invited to join from each country. Prior to this publication, four workshops were held across the EU (Warsaw, Madrid, Brussels and Paris). Each meeting gathered experts from the group and local citizens. Those exchanges allowed for frank and fruitful debates about how the EU is seen in that given country. While it is certainly impossible to capture the variety of opinions held in one country, those gatherings aimed to expose as many representative views as possible. The objective was for the experts to be confronted by other discourses on the EU. They may know their national debates as well as those at the EUlevel, but they rarely have the opportunity to exchange with non-expert citizens from other Member States of the EU. Those meetings proved useful to open the experts' perspectives on other topics and other approaches to a similar topic. The publications reflect those considerations.

Each article aims to present national debates in their diversity. They obviously cannot encompass the different layers because of a lack of space and due to the specific format of the publication. They do, however, provide a snapshot of what Member States think and this publication should be seen as such.

#### Outcome

At the start of the project, the objective was to see whether one or two main political initiatives could emerge at the European level, which might refresh the EU's image and credibility in the eyes of the citizens. The short answer is: none could instinctively revitalise the EU across all Member States.

Three main trends can, however, be discerned from the contributions. The first is that the EU is expected to show results. Instead of grand projects, which can hypothetically federate the Europeans, the EU should focus on delivering on concrete projects. In other words, it should be "an EU of projects". This may not epitomise the new narrative many are calling for, but this reflects the ambient lukewarm mood vis-à-vis the EU. It often plays out in countries, which have been experiencing economic troubles, or in those that are more recent Member States and did not grow up with the overarching narratives that the EU could tell in its first 50 years (peace and economic prosperity). This shows in different forms. In some countries, it is a question of investments. The importance of the cohesion funds is clearly emphasised in the Polish and Slovak articles. The latter even proposes the creation of a "Small Business Act", which the cohesion funds can be a key component of. Considering the importance of cohesion funds in other Member States, it could undoubtedly carry some weight in the debates in other countries. In many others, the role of the Energy Union, especially in Central and Eastern European countries, or the completion of the Single Market feature prominently.

The second main trend is more specific to the Eurozone countries. Solving the economic crisis is a priority. There is broad support for a more robust EMU, but the recipes to reach this stage may be different. Some, such as Finland and the Netherlands, are calling for more responsible Member States first before embarking on the road to further integration. Others, on the other hand, are preaching for more flexibility for countries to implement reforms, in particular Cyprus, Italy and Malta. This is a classic debate in the Eurozone, and it demonstrates the difficulty in moving forward. While almost everyone agrees in principle to do more together, they differ on the best policies to make sure that the Eurozone is stable, thriving and of benefit for all. Overall, the persistent economic crisis is an impediment to talking about grand projects.

The third worthwhile trend to mention is the importance given to foreign policy. Many contributions stress that there is an expectation that the EU should play a greater role in foreign and security policy. However, discussions portray the variety of points of view, which complicate the outlook. The first difficulty lies in setting the priorities. Some countries see EU foreign policy very keenly in the light of further enlargement, as mentioned by Croatia and Slovenia. Others see the need to do more within the Eastern Partnership, in particular Romania and the Baltic countries. The underlying position behind the support for more engagement in the East is a thinly veiled call for further enlargement in that direction. These are two policy fields the EU has already invested in. Others, France in particular, consider that participating in the resolution of the crises in both the East and the South almost represents a make-or-break test for the EU. This is more ambitious, and few countries would go as far as to bet the EU's future on its capacity to solve crises in its neighbourhood. Several other contributions also call for a much more common foreign and security policy. This is reflected in the Bulgarian, the Czech, the Italian and the Portuguese contributions. While the explicit mention is marginal among the papers, the debate seems present in other countries as well.

Other issues were developed in some papers, such as the need for a greater "social" dimension in the EU. The Belgian and Slovak contributions particularly touch on this issue. This issue is seldom mentioned in most papers. There is, nonetheless, the expectation that the EU can guarantee social cohesion, mostly it seems by helping to curb unemployment rates or guaranteeing financial stability across the EU, rather than by deciding on a "European social model".

Migration and asylum were other often mentioned topics. It is, however, difficult to distinguish between the contextual and structural elements of this issue. The project and the papers have occurred over a period of intense media and political attention on this issue. It is a matter of debate whether these topics were included because of the context, or because a European solution would further legitimise the EU and a failure to do so would undermine the Union. What is certain is that many national citizens expect actions, but it differs from one country to the other. For some, the time is ripe for a common migration and asylum policy while for others, the urgency is to find a way to stem the flow of refugees.

Overall, the contributions emphasise an overwhelming sentiment across Europe: criticism against the EU is more widespread and ingrained in mainstream political debates. This is reflected in contributions from founding members, such as France and Germany, as well as newer Member States, such as Cyprus and Slovenia, to say nothing about the United Kingdom. In several other countries, a paradox emerges between a continuous support and a eurosceptic attitude vis-à-vis specific policies. This is revealing in the Danish and Slovak papers. Many of those countries embody a utilitarian view of the EU. Poland and Sweden are additional examples of this approach.

However, it would be disingenuous not to mention that the EU retains a general positive view in some other Member States. Lithuania and Luxembourg are prime examples of europhile countries despite the crisis. Ireland could also fall into this category. The Irish contribution indeed points out how the population has not blamed the EU for the crisis, but its national leaders.

An overwhelming element has surfaced in the discussions with local citizens and in the contributions to create a greater European public sphere: the EU should be more talked about. While achieving a common public sphere might be a long-term goal at best, creating links between national societies can help citizens to become better informed and can quash stereotypes.

Two aspects are often mentioned: the role of education and the role of the media. There is a clear call from many corners of Europe to provide more space to teach the EU at school. It may be premature to discuss a common education policy, as evoked in the Portuguese contribution, but Member States should adapt their curricula in order to provide more lessons about what the EU is and what it does. It would make for better informed citizens and possibly more interested citizens as well. The role of exchange programmes is also often cited as a positive way to become better acquainted with other Member States.

A corollary to this is the role of the media. It is accepted that the EU gets more coverage now than in the past, but mostly because of the economic crisis and the migration crisis, which generate more negative than positive opinions. Growing attention from national outlets on the EU would be a welcome development. Some contributions also emphasise the role of civil society in stimulating the debate on the EU.

In the end, the project may not offer a new narrative for the EU, simply because none can broach the different views and expectations that exist on the EU. It provides an overview of the diversity of views on the EU and perhaps a call for a change of tune. Instead of looking for a positive and overarching narrative, the EU's primary goal should be to deliver as much as possible with the competences that it has. This last element also requires а better understanding of what the EU can achieve and what remains entirely in the hands of the Member States.

This is not a grand strategy and may give the impression that the EU's political dimension has weakened. Perhaps it has, but it seems unpalatable to have lofty discussions on the future of the EU without addressing seriously and steadily the crises at play today. This does not mean that the two are mutually exclusive, but whatever happens at the European level should be justified on the basis that it would improve the EU, the Member States' trajectory and citizens' lives. A failure to bridge today's concerns with plans for tomorrow could be disastrous for the European Union.

#### Endnotes

1. Eurostat, Main GDP aggregates per capita, in current prices, in euros.

2. Liesbet Hooghe and Gary Marks, "A Post-Functionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus", *British Journal of Political Science*, Vol. 39, No. 1, 2009, pp. 1-23.

3. Christopher J. Bickerton, *European Integration: From Nation States to Member States*, Oxford, Oxford University Press, 2012, p. 12.

4. Eurostat, Asylum and new asylum applicants - annual aggregated data.

5. Frontex, "Migratory Routes Map", http://frontex.europa.eu/.

6. This was very clear at the workshop organised in Warsaw at the Polish Institute of International Affairs (PISM) in May 2015. Immigration was a sensitive topic and many participants emphasised that Poland was perhaps not ready to become a country of immigration economically and culturally.

7. European Commission, Standard Eurobarometer, No. 84, Autumn 2015, http://ec.europa.eu/COMMFrontOffice/.

## **AUSTRIA**

#### Lola Raich

#### Two Sides of the Same Coin

# What does your country hope to gain from its membership to the European Union?

Back in the aftermath of the second World War and during the Cold War, Austria's status among the major players was very controversial and the country gained its independence in 1955 under the promise of neutrality.1 For decades to come, the conflicting interests of powers, and forbidding legal major connotations to the term 'neutrality', made it impossible for Austria to consider membership of the European Communities.<sup>2</sup> By the late 1980s, and especially the early 1990s, the need for adjustments to the new round of economic integration in Europe was increasingly gaining momentum within Austria. This trend was intensified by major structural economic problems within the nationalised industry and banking sector.3 The end of the Cold War era and the widening of the neutrality concept towards a more "differential"<sup>4</sup> one are seen as the crucial geopolitical determinants that led Austria to, what some have called "a rather late", membership in the European project.<sup>5</sup>

The argument used in a bid for membership some 20 years ago, still holds relevance today: protection of wealth and securing a prosperous future. Austria is a relatively small country. Being export-oriented, the possibilities that participation at the EU level gives it are very important. In fact, every six out of ten euros are earned through exports. The pronounced importance of the single market for Austrian

#### Highlights

- Due to geopolitical constellations, Austria could be seen as "a rather late" comer to the European Union (it joined in 1995). The rationale to join remains relevant: protection of wealth and securing a prosperous future. Being very reliant on export, the access to the single market is fundamental to its economy. The enlargement has also helped Austria become a hub between Western and Eastern Europe.
- ★ There is almost a paradox among Austrians whereby euroscepticism reaches a high level of acceptance, while they have a distinct europhile feeling, especially when it comes to questions of identity.
- EU membership is not perceived to be equally beneficial across all sections of society: there is a gap between younger and older generations and larger and smaller companies. Addressing the concerns of the disadvantaged groups could further legitimise the EU.

interests is evidenced by the fact that 70% of the country's exports are with EU Member States.<sup>6</sup>

For some in Austria and other EU Member States, the big enlargement in 2004 is viewed as having had a negative influence in terms of the EU project losing its clarity. From an economic point of view, the enlargement is perceived to be a very positive development and, as a result, Austria has become an important business and industrial hub between Western and Eastern European countries.<sup>7</sup> Currently, Austria counts itself among the richest countries, and this has been propitiously stimulated by EU membership.<sup>8</sup>

Not surprisingly, a majority of Austrians (58%) place the free movement of people, goods, and services at the very top of gains/achievements that membership to the EU has brought about. As the second most relevant accomplishment, 55% of Austrians place peace among EU Member States.9 Were we to divide these data according to age groups, then we would see that the older generation of Austrians have learned to appreciate a life in security, political stability, peace and freedom. The younger generation, on the other hand, would not appreciate a European Union of border controls, without the Euro or without the possibility of studying and/or working in another EU country.<sup>10</sup>

In terms of foreign policy, through participation within the EU's structures Austria has grasped the opportunity to advocate and forward its own interests and positions. With an EU-backing, issues of common interest such as the protection of civilians in armed conflicts, strengthening of human and minority rights, disarmament, arms control and nonproliferation of weapons of mass destruction have been productively promoted at the multilateral and international levels.<sup>11</sup>

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

In Austria, there is an observable and intense euroscepticism, which contrasts with an even stronger europhile feeling. Expressed in numerical terms, more than a third (36%) of Austrians have a negative image of the EU, while, at the same time, almost three quarters (72%) of them have a distinct feeling of being a European citizen.<sup>12</sup> The first two words they associate with the word "Europe" are the "EU" and "euro". Austrians feel confident in their local identities, and concurrently, they have a very strong sense of a European identity (87%). About half of them (49%) would like a closer cooperation among EU Member States.<sup>13</sup>

Currently the country is governed by a socalled "grand coalition" between the Social Democrats (SPÖ) and the Christian Democrats (ÖVP), much the same as it has been for most of the last 60 years. Austrians feel that this political elite is stuck, overly preoccupied with internal factions, and that their programmes speak to a less and less engaged public, as made visible by the latest electoral results.<sup>14</sup> This seems to have engendered a perception that they are stalled in inward reflections rather than having a distinct proactive European vision.<sup>15</sup>

Since the very beginning when Austria launched its bid for an EU membership, the pro-EU political parties (SPÖ & ÖVP) employed a campaign of "national egoisms" by merely focusing on an inflated positive campaign on Europe's contribution to Austrian interests, instead of also including Austria's contribution to the European project.<sup>16</sup> In this environment, important issues such as the neutrality of the Austrian state, or the eventual effects that an EU common market would have on the social structure of a relatively wealthy state such as Austria, were left undiscussed.

Much has changed since Austria first became an EU member. Buzzwords that come to mind when talking about the EU are Schengen, Euro, financial crisis, excessive redtape procedures, bent cucumbers, and more recently the refugee crisis. In Austria, there is a "two sides of the same coin" approach when it comes to the EU: being able to travel without encountering burdensome border controls is largely appreciated; on the other hand, perceptions of "unbridled criminality and abuse of asylum"17 result in the surfacing of champions for closed borders. The euro, another largely appreciated achievement of the EU, can similarly engender negative connotations, such as being presented as the culprit for perceived high costs of living. These are some of the very arguments used by eurosceptics. On the 1 July 2015, a week-long popular petition on exiting the EU collected around a quarter of a million signatures, or 4.12% of those entitled to vote.

In 2000, the Christian Democrats (ÖVP) partnered with the Freedom Party of Austria (FPO) to govern Austria. The disagreement between the EU (at 15 Member States at the time) and Austria as a result is still seen as a missed opportunity for staging an open debate about the EU in Austria. Although the resultant "diplomatic boycott" by other EU Member States was not the outcome of a decision taken within the EU institutions and structures, the ÖVP-FPÖ government, together with the majority of Austrian media, nonetheless chose to represent it as "EU sanctions against Austria". This provoked a national discourse that resulted in the formation of a rather patriotic sentiment throughout the country: the EU having taken an unjustified offending stance towards the country of Mozart.<sup>18</sup>

The data mentioned at the beginning of this section, while contradictory at a first glance, can be understood to be an expression of the frustration of Austrians with their political elites, rather than with the European project.<sup>19</sup> People perceive "a total failure of the political class" to adequately engage with and at the EU level. Austrian politicians see themselves as pragmatists, and delay taking a stand except for when it comes to advancing the country's business interests. This muddling through approach,<sup>20</sup> though long accepted as second nature, seems to have contributed towards a conflicting image between the status quo and the potential or desirability of the EU.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Historically, the EU has been a project of the political centre, with the parties outside this spectrum against the EU. During the last elections for the European Parliament (EP), the political centre attracted 4/5 of the votes cast, even showing a combined 10% increase. The only party with a eurosceptic stance that has a presence in the EP, and which managed to show the biggest gain for a single party (+7%), was the Freedom Party of Austria (FPÖ).

The following will present an analysis of the positions the main parties hold on political and economic integration by looking at their respective programmes, especially the ones from the 2014 EP elections.

The two biggest parties, the Christian Democrats (ÖVP) and Social Democrats (SPÖ), secured 5 out of 18 seats each. The ÖVP won 27% of the votes cast and campaigned for a stronger Europe and a more prosperous Austria. For them, both are mutually reinforcing. They envision an EU with a stronger role in the world and, at the same time, a more democratic, responsible and secure Europe.<sup>21</sup> The SPÖ campaigned for a more social Europe. Their focus is on combatting unemployment, especially among the young

generation, and here they see the need for the EU to engage more financial means. They argue for European social minimum standards that combat wage and social dumping. Regulation of financial markets is another issue that the SPÖ believe should be handled at the EU level.<sup>22</sup> The Austrian Chancellor was among the first proponents EU-wide financial for an transaction tax. They have not been successful in implementing it at an EU or even Eurozone level, but many EU Member States have decided to implement the tax individually.

The FPÖ's success, the third strongest party in terms of EP seats (4), was achieved thanks to votes cast by Eurosceptic voters: 60% of them voted in favour of the FPÖ. Their slogan was "Austria revises its own opinion: too much EU is stupid". For example, they point out the stupidity in a range of EU characteristics and policies: from a centralisation of red tape and regulatory insanity, borderless criminality and abuses of the asylum process, to the unattainability of the single currency and the financing of bankrupt states. The FPO keeps the option available to exit the Eurozone if the euro is not stabilised.<sup>23</sup> Their programme gives a and rather simplistic even asinine understanding of the EU. That is not to say that the relevance of topics singled out is nonexistent. In fact, they do concern all citizens, not only the FPÖ electorate, and as a result, a decidedly less populistic presentation could have brought a more insightful discourse within the wider population.

The Greens were initially against an EU accession for Austria. Their slogan was "small is beautiful". After the referendum and the accession, they underwent a complete U-turn. Ever since, their campaigns have carried decidedly pro-EU themes that are traditionally associated with the green movement across Europe: transparent politics, cleaner environment, better education, human rights, social responsibility and Europe-wide solidarity.<sup>24</sup>

A relatively young party, Neos (Neues Österreich) claims to address contemporary concerns felt especially by the young. Among all the Austrian parties present in the EP, Neos offers the most pro-European perspective: a democratic united states of Europe with a federal constitution and global reach.<sup>25</sup>

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

If we define a common European public sphere as a space of communication between citizen and political actors for discussing matters of common European interest, then the creation of such a sphere, in Austria and EU-wide, despite some recent development, is still lagging.

The EU permeates the daily lives of most Europeans: the euro, driving licences and passports are only the most obvious examples. Notwithstanding these facts, and after 20 years of membership, the Austrians still perceive the EU to be a distant, abstract and non-transparent polity.<sup>26</sup> The reason for this relates to its inherent systemic problems, political divergences, lack of a political vision and mostly grave miscommunication.27 Obviously, when it comes to European integration, experience has shown that the process is driven by political elites. The age of 'permissive consensus' has passed and the channels for political communication between the EU level and European citizens are seen as increasingly inadequate, sparking a debate on the democratic and legitimacy deficits of the EU.28 Thus, the formation of a dynamic European public sphere would necessitate the development of a crucial factor for the social and political integration in Europe, while concurrently serving as a legitimisation of EU policies.<sup>29</sup>

The economic and financial crises, most prominently the Greek crisis, as well as the refugee crisis, have spurred a heated discourse that can be considered to have created a vibrant common European public sphere. Such a sphere is tangible at both the European level (with a bout of decisions made in Brussels and Frankfurt) and the national level of Member States (with decisions taken in national capitals, such as the Austrian parliament's decision to continue negotiations with Greece in mid-July 2015).

In addition to this dual characteristic, a wellformed public sphere needs to develop and stabilise in both a top-down and bottom-up way.<sup>30</sup> Using the same crises as illustrations, a top-down development-stabilisation of the public sphere led to an extensive and recurrent media coverage of the European Council summits and the EU-Turkey compromise on the management of the refugee crisis.<sup>31</sup> This included the debates of Members of the European Parliament on these issues and accounts of relevant meetings and decisions being published in the Official Journal of the European Union. The solidarity and support for refugees at border crossings or train stations and the ensuing discussion are perfect examples of a bottom-up stabilisation-development of a common European public sphere.

Additionally, most of the print and online media in Austria have a permanent section on European issues, either as a stand-alone column or within the "International" headings. The *Wiener Zeitung*, provides a standalone "Europe" heading that engages readers on EU topics through such means as newscasts from other Member States, interactive pages on various data of different EU Member States' debt, employment, education, environment, energy etc. *Der Standard*, within the international heading, offers articles in two separate sections about Europe and the EU. Other media such as *Die Presse, News, Profil* etc. also consistently report on European topics.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Every EU Member State, and Austria in particular, has had to adapt to constantly changing contexts due to endogenous as well as exogenous factors. EU internal integration, EU enlargement, the development of the single market, economic and financial crises, dangerous geopolitical situations such as the Ukraine conflict and the difficult relationship with Russia, the Arab Spring, the Syrian war, the rise of Daesh, and the ensuing refugee crisis, have all made it imperative to realign policies and establish new interdependencies.

Observations within different groups in Austrian society show that not all have equally gained from the EU membership.<sup>32</sup> The EU has been propitious for younger Austrians while the older generation, blue-collar workers and persons with lower formal education have not fared as well. The same can be said about the advantageous effects for multinational enterprises, while for small and medium sized enterprises and farmers (at least initially) the disadvantages sometimes surpass the gains. Tackling the concerns of the disadvantaged would not only have a positive effect in further legitimising the EU project, but would even push down the high level of euroscepticism that is prevalent within these groupings of Austrian society.

Austria, as is the case EU-wide, is under increasing pressure to accommodate large numbers of refugees. Whether it is the result of a humane inclination, solidarity and/or an obligation, a clear communication from the EU on the reasons for Member States' accommodating refugees would help quell resentment and distrust among the above mentioned groups.

Austria has proven of а record accomplishment in consistently supporting initiatives aimed at the strengthening of the single market in all sectors, especially those focusing on ecological performance and sustainability of European industry. Further action at the EU level on issues such as the cutting of red tape to enable the cross-border operations of SMEs, a clear opposition to GMOs, protection of phytosanitary standards, as well as greater consumer protection would resonate well with Austrian society.

Austria places great emphasis on creating a level playing field, and would expect measures ensuring that service providers from other EU Member States competing in the Austrian market do not engage in illegal competition, for instance by refusing to pay taxes and social insurance contributions or illegally employing foreigners without a work permit. Large wage differences with certain EU Member States would also be considered problematic.

In addition, Austria has very stringent quality and environmental protection standards and wants these to be respected by service providers regardless of their origin.<sup>33</sup>

Austrians expect European solutions for transborder/transnational problems. They want closer cooperation at the EU level in the areas of peace and security, foreign policy, reduction of roaming charges, a sustainable phase out of nuclear power, antiterrorist measures and the fight against international/organised crime, protection of the environment and immigration.<sup>34</sup> In the fight against youth unemployment, Austria proposes to develop its own model of a dual education system at the EU level. Working on EU solutions in these fields would see, on the one hand, the interests of Austrians satisfied by making a difference on a much larger scale than simply within the national level, and, on the other hand, a continued motivation to participate in in the EU project that would ultimately engender greater legitimisation.

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## **BELGIUM**

#### A Discreet and Pragmatic Europhile Approach

# What does your country hope to gain from its membership to the European Union?

Belgium has historically been a very pro-European country. It was one of the founding members of the European Coal and Steel Community, the precursor to today's European Union, and since then has remained at the forefront of most advances in European integration. Concerning political actors, this pro-European tendency has translated into support for various forms of European federalism, while euroscepticism has traditionally been restricted to the margins of the political spectrum.<sup>1</sup>

Various reasons can be advanced to explain this europhile tradition. First of all, there has always been a very clear economic interest for a small country like Belgium to deepen the economic aspect of European integration. Being very much dependent on trade and being very open to foreign investment, the Belgian economy has generally profited from the liberalisation of goods, capital and services. Moreover, like other small countries, Belgium benefits from being part of a set of institutions that balances the power of bigger European States - another reason for Belgian elites to support the construction of a common European entity. Besides, the fact that Brussels hosts an important part of the EU institutions is not irrelevant to this general europhile tendency.

However, the most important cause for this consistently positive view of the EU is most

#### Highlights

- Belgium has historically been a pro-European country. It depends on trade and foreign investment. As a small country, it benefits from being part of an institutional framework that balances the power of bigger Member States. The lack of a strong sense of national identity also helps to explain why there has been less reluctance to transfer competences to the EU.
- ★ The arrival of an explicitly conservative government ending a 24-year socialist presence in government could impair the general pro-EU consensus among elites in the country. Moreover, the change of tone by the nationalist conservative N-VA, which has become more eurosceptic, could also be consequential on the Belgium intellectual debate on the EU.
- Solving the economic and social crisis is the first priority for Belgians. Several options would be supported including a bigger European budget, a common minimum income and a bolder EU investment policy. A greater involvement of citizens in the EU decision-making process would also help legitimise the EU further.

likely the lack of any strong sense of national identity in Belgium. This remark necessitates some elaboration. The Belgian state, besides being a relatively artificial and recent construction, has never been, as such, a distinct nation state. In other words, there was never an overlap between central political institutions and a common cultural community based on a common sense of identity, anchored in a common history, belief system, culture or language. On the contrary, from the start, Belgium was extremely divided. The divisions pervading Belgian society were historically numerous and did not overlap: between the centre and the periphery, between Catholics and secular movements, between ruralism and industries, between the working class and the bourgeoisie, and between Flemish and Frenchspeaking citizens.<sup>2</sup> These cleavages have given birth to most of the current parties in Belgium. In the twentieth century, the linguistic divide, in particular, has increased rather than declined and generated the federalisation of the state (in the sense of disintegration): this process started in the 1970s with the first institutional reforms and has been going on since then, to the point where the federal government has seen its competences reduced over time.

These characteristics of the Belgian state both reflect and explain the very weak sense of a common identity in this country. And the latter offers one of the reasons why nationalism has not been an obstacle to the substantial transfer of national competences to the European level. The low saliency of European issues within public opinion and political debates has, paradoxically, facilitated the maintenance of this general pro-European approach. This traditional feature of Belgian politics on European issues3 was reinforced in 2014 by the fact that the European elections were taking place at the same time as the regional and general elections. The fact that the consociational tradition<sup>4</sup> has not completely disappeared could also have made it easier for

national political actors to accept the pragmatic, functional and even oligarchic tendencies of the European decision-making system, which shares similarities with Belgian institutions. The recent economic crisis does not seem to have dramatically changed this underlying vision: most political forces in Belgium have not gotten rid of their official pro-European message, even if they do vary according to their ideological obedience.

#### Do you think the European Union appears to be a clear project in your country? If not, what are the main reasons?

Traditionally the EU has been perceived in Belgium as a clear project closely linked to federalist ideals and principles. Even if the federalist credo is much less voiced than it used to be by mainstream political forces, it still partly imbues their vision of the EU. This has historically gone hand in hand with the general support of the population for this broadly europhile approach. Indeed, the "permissive consensus" on the EU in Belgium has always been very strong: Belgian public opinion has always been highly supportive of European integration. Opinions stating that Europe is a "good thing" are always above the EU average.<sup>5</sup> Moreover, this tendency has not been substantially eroded by the recent difficulties pervading the EU. A recent Eurobarometer<sup>6</sup> indicates that Belgian citizens trust the European institutions more than their own national government and parliament: half of the sample affirms their trust in the European Parliament against 36% for their national parliament. By the same token, 47% of Belgian citizens say that they trust the European Commission. More generally, Belgian citizens consider themselves European citizens and would support a more integrated EU in financial, fiscal and banking matters.

Thus, 69% state that they feel like European citizens (compared to 63% as the EU average), and 75% believe that it would be efficient to grant the EU a more substantial role in regulating financial services (64% for the EU average). Another interesting finding is that Belgian citizens consider the general economic situation, unemployment and pensions to be the biggest priorities, in line with the position of other EU citizens.

Two caveats should be mentioned concerning this general thesis. First of all, the revival of the left-right divide could potentially affect this broad consensus among political towards elites European issues. The government put in place after the last elections is explicitly conservative (liberals, social-Christians and Flemish nationalists), putting an end to a grand coalition of right and left. The socialist party, in particular, has been thrown back into opposition at the federal level after having been in government since 1988.

In this context, it is not impossible that the general pro-European consensus among elites could crumble or, at least, be weakened. For instance, the debates over the Greek referendum seemed to indicate an evolution towards a more clearly eurocritical discourse voiced by the centre left: the president of the socialist party Elio Di Rupo talked about the democratic right of the Greek people to decide on the bailout's conditions,<sup>7</sup> while the parties in power condemned both the referendum and the "no" camp. More generally speaking, the socialists have become more offensive on the social front since they have been in opposition. This has not been without contradictions since they are still in power in Wallonia, but it remains a noticeable tendency. Combined with an active radical left (Parti du Travail de Belgique or PTB) and Green Party (also in

opposition)<sup>8</sup> pushing the socialists to be more left wing, this evolution could pave the way for a more critical discourse against the EU. The emergence of new grassroots social movements and more critical trade unions could also be contributing to this change affecting the centre-left in Belgium.

Certainly, the Flemish eurosceptic Vlaams Belang<sup>9</sup> has not disappeared, but the rise of the nationalist conservative Nieuw Vlaamse Alliante (N-VA) has weakened its electoral support.<sup>10</sup> In this respect, another factor is worth mentioning: the decision made by the N-VA to join a eurosceptic group in the European Parliament (the European Conservatives and Reformists - ECR -, to which the eurosceptic British Conservative Party, the German party Alternative for Germany and the Danish Popular Party all belong), thereby refusing the invitation put to them by Guy Verhofstadt (a Belgian, and leader of the liberals in the European Parliament) to join the Alliance of Liberals and Democrats for Europe group.<sup>11</sup> This confirms an evolution in the Flemish nationalists' approach to the EU. They were formerly members of the Green and Regionalist alliance and voiced a generally pro-European message. This inversion by a nationalist party that is also part of the Belgian government could pave the way for future changes and, more specifically, contribute to an erosion of European federalism in Belgium. Besides, the current security threats and refugee crisis are likely to increase these tendencies.

Until now, however, these tendencies have not indicated the rise of a strong anti-European populism, either within parties or outside of them, and this is for all the reasons mentioned above. Indeed, there are no signs of the emergence of new anti-EU populist parties or movements in Belgium. We could therefore say that if, in other countries, euroscepticism has moved from the margins to the mainstream,<sup>12</sup> it is not yet the case in Belgium. On the contrary, it might be interesting to note that the "federalist galaxy" has, for its part, undergone a renewal.<sup>13</sup> Dynamic new federalist movements aim to instil more democracy at the EU level and to mutualise various national policies at the EU level.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Despite a generally favourable perception of the EU within the political class, there is also a low saliency of EU-related issues in political debates, reflecting and reinforcing the general lack of interest in and ignorance of the EU among ordinary citizens.

The federalist credo of the majority of mainstream parties (with the exception of the N-VA) still occasionally comes up in their official positions on Europe. It is, however, much more clearly expressed by Belgian politicians when they are Members of the European Parliament (MEP) than at the national level. In this respect, Belgium is not an exception: most national political actors give priority to domestic issues over European ones, even during European campaigns. This is one of the elements that have allowed political scientists to qualify the EU elections as "second order elections".14 The fact that the last European elections were held at the same time as regional and general elections diminished the importance granted to European issues even before the election took place.

Furthermore, when European issues are mentioned, it is very rarely in a way that puts forward specific long-term European "projects". In order to understand this absence of European projects, several reasons may be given. First of all, there is a lack of political projects in general: in Belgium and in other Member States, we are still in a period of "end of ideologies". Let us note that this lacuna is particularly striking on the left: socialist, socialdemocratic and communist parties have historically been at the vanguard of utopias and long-term political projects. However, since the end of the Soviet Union and its impact on the communist worldview, they have found it particularly difficult to elaborate a common ideology to mobilise disadvantaged groups – as opposed to voicing a strictly critical message.

In Belgium, as elsewhere in Europe, the constraining contemporary character of supranational (European and global) frameworks is one of the reasons accounting for the difficulty for political actors (even more so for those who struggle against the status quo) to propose convincing alternatives to the current relations of power. The economic and institutional constraints put in place by the EU have greatly limited the freedom of manoeuvre of social democracy in particular.<sup>15</sup>

We are at a stage of disconnection between the level of politics and political debates on the one hand, and the actual (direct or indirect) decision-making of policies on the other:<sup>16</sup> the former still take place at the national level, while the latter happens more and more at the European level, directly or indirectly. What happened in the Greek situation is a perfect illustration of this disconnect: a people elected a government and gave it a mandate it could not realistically apply within the current EU setting.

From a more clearly normative perspective, any coherent and powerful project for the EU would have to solve this conundrum around sovereignty: the only viable alternative seems to be between rehabilitating sovereignty at the national level or building a fully-fledged sovereignty at the EU level.<sup>17</sup> The only political actors taking a clear stance on this issue are the populist eurosceptics; the centre right and centre left continue to praise or accept the hybrid institutional framework characterising the EU, and do not want to clearly engage in the renewal of sovereignty at this level.

# According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

Belgium has managed to build functional institutions despite incredibly strong internal divisions more specifically, the "philosophical" (church vs. state), socioeconomic (workers vs. capitalists) and linguistic (Flemish vs. French-speaking) cleavages.<sup>18</sup> Certainly, those common institutions have been increasingly challenged in recent decades, by Flemish nationalist movements, among others, but they still survive. In this context, Belgian political actors have become accustomed to thinking pragmatically and functionally about institutions and not in terms of values and identity. This ability still pervades Belgian politics and could still be a tremendous asset to revamp the EU institutions in a way that would appeal to citizens' heads and reason as much as to their hearts and emotions. Because of its singular characteristics, Belgium is particularly suited to being at the forefront of a battle to relegitimise the EU in terms of both output and input, and to convey a rational and functional message about the EU, as opposed to merely identity-related or romantic ones.

Nonetheless, much work remains to be done regarding the emergence of a common European public sphere. Strengthening this idea among Belgian citizens would be a challenge since there is actually no public sphere yet at the European level. What we could do is encourage Belgian citizens to support ideas and actions aiming at building this common public sphere, for instance through various federalist organisations.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

As already mentioned, the latest Eurobarometer's in Belgium show that the population is mainly interested in seeing a swift and efficient resolution of social and economic problems. This probably means that, if the EU was perceived to be delivering outputs in that respect, it could hope to re-boost its legitimacy among Belgian citizens.

Again, this is a much broader issue that does not only concern Belgium. In line with what was said earlier, the EU could, for example, be much more active and efficient in solving the unemployment issue, with a bolder investment policy funded by a bigger European budget, creating a minimum income that prevents a race to the bottom in that field. Another avenue for boosting output legitimacy would be to harmonise taxation on profits, in order to prevent a race to the bottom in that field, as well as to create new proper EU own resources.

In addition, rebuilding the legitimacy of the EU would require a response to the sense, widespread among Belgian citizens as well as in the rest of the EU, that the European "governance" is insufficiently democratic. Of course, this does not mean that they have a higher trust in their own institutions. Therefore, proposals aimed at involving citizens more clearly in the EU decision-making process – such as the election of a president of the EU or the bestowing of the European Parliament with

powers to propose new legislation – could contribute to relegitimising the EU in the eyes of the population. All the more so, given the fact that Belgian citizens are becoming less attached to their own (already extremely complex and divided) democracy, this would make it easier for them to accept further leaps towards increased power for supranational institutions.

As we have seen, Belgium has always had a strong objective interest in European economic integration because of its small size and because of its very open economy.<sup>19</sup> Besides, the "sovereigntist" alternative is almost impossible to consider and to put into practice in this country, because of its total lack of national identity and unified sovereignty.

Nonetheless, given the very high level of integration reached between European economies and societies, it is harder and harder to conceive of distinct national visions of how far European integration should go. There seems to be a very strong objective interest for European citizens to deepen European integration in several fields, at least within the Eurozone. Whether this will be done or not will mainly depend on political will. In any case, it is probably sensible to confront the various risks of disintegration with proposals to consolidate a core around the most europhile countries. The possibility building of "enhanced cooperation" among a group of countries exists in the current treaties and could clearly be used to that end.

On the contrary, pursuing the current path will not help solve the economic crisis and the social consequences thereof. Despite recent calls for the implementation of an "economic government<sup>''' 20</sup> of the Eurozone, we are still very far from having a "positive integration" that would impede the "race to the bottom" triggered by the liberalisation of goods, labour, capital and services without common taxation and social standards. Indeed, the "economic governance" put in place in the years following the financial, fiscal and economic crisis<sup>21</sup> is far from neutral from an economic and political point of view: it still relies on a postulate that "orthodox" economic policies (including austerity) are inevitable and economically sound. We are also still very far from the economic convergence required in an "optimal monetary zone".22 In that respect, the consolidation of austerity through the "six pack", "two pack" and Treaty on Stability, Coordination and Governance did not help much. We need a different macroeconomic policy, focused on demand rather than supply, which means that we need a dramatic increase of the EU budget and a proper investment policy (much more substantial than the Juncker investment plan) as well as a mutualisation of debts. Such economic redirection is indispensable, not only to alleviate the terrible social situation of an increasing part of the European population (poverty and unemployment are still very high and the targets fixed by the 2020 strategy will probably not be met in that respect), but also to boost growth and to save the real basis (rather than the purely financial ones) of the European economy.

#### Endnotes

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9. The Vlaams Belang (which has formed a group with the French National Front inside the European Parliament) is in favour of a "confederal Europe" in congruence with the undermining of the Belgian State and the independence of Flanders. See "The manifesto of the Vlaams Belang", <u>http://www.flemishrepublic.org.</u>

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## ★ BULGARIA

### The Spectre of a Two-Speed Europe

# What does your country hope to gain from its membership to the European Union?

Before the collapse of communism, membership in the European Communities or NATO was simply unthinkable for any of the countries of the Soviet bloc. The peaceful end of the Cold War and of the bipolar confrontation in Europe took politicians by surprise in both the West and the East. They were confronted with the challenge of how to best guarantee the democratic and economic transition and the further development of the former communist countries. From the very beginning of the process in these countries. transition membership in the EU and NATO was considered an important geopolitical "return to Europe", and a solution to both soft and hard security problems.

Some former communist countries embarked on the painful road to reforms early on. The so-called "shock therapy"1 was indeed painful, but in the countries that did apply it early on, positive results became evident quite soon. Bulgaria was however rather slow in introducing reforms on its own. Politicians were paying lip service to the EU by arguing that membership was a high priority from late 1989 onwards. The country finally embarked on the road to deep reforms in 1997 after a serious political, economic, financial and social crisis, which was inflicted as a result of the stop and go policies between 1990 and 1997. So, whereas several former communist countries were very much advanced with their transition

#### Highlights

- One of Bulgaria's paradoxes is that 25 years after the collapse of communism and almost ten years of EU membership, it seems to be quite unhappy with the transition but rather happy with its EU membership. In this way, the EU continues to be a beacon outside rather than the reality inside the country.
- Bulgaria is generally pro-integration, identifying energy union, migration and asylum in particular as key policy domains where more should be achieved at the EU level. However, it shuns policies that could slow down its economic catch-up with other EU countries, such as common taxation policy.
- ★ The EU does not suffer from any lack of legitimacy in Bulgaria. However, it needs to remain credible in the eyes of the citizens, help EU countries to be ready to face today's globalisation and be a relevant actor on the international scene.

agenda when they started accession negotiations, Bulgaria's transition agenda was shaped virtually in parallel with its EU accession agenda.

Bulgaria continues to be the poorest EU Member State, but the profound reform agenda

of post 1997 governments and the clear perspective to join the EU resulted, between 1998 and 2008, in the attraction of high levels of Foreign Direct Investment and GDP growth rates higher than the EU average.<sup>2</sup> From a country with an overdependence on trade with its old Comecon partners,<sup>3</sup> Bulgaria developed into a country with more than half of its trade with EU Member States. The positive result of these developments is beyond doubt: back in 1997 upon the presentation of the European Commission's Opinion on the country's membership application, Bulgaria's GDP was 24% of the Union average, whereas in 2014 it reached 47% of the Union average.

The continued low level of GDP makes the country eligible for the EU's Structural Funds and the Cohesion Fund. While the administration of the EU funds had a lot of deficiencies in the first years of membership, in the last two or three years these problems have been broadly overcome. Improvement of infrastructure in the big cities, and throughout the country in general, is becoming more and more visible and is perceived to be a direct result of the EU funds.

A comparison with the unstable situation in the Western Balkans demonstrates a further advantage of Bulgaria's EU membership – stability and peace.

While ordinary Bulgarians may not have had any overwhelming or personal expectations during the accession negotiations regarding the geopolitical and economic framework, they simply hoped for a better life within a democratic and prosperous society. The EU accession agenda facilitated the shaping of the transition agenda in a depoliticised way that secured broad political support in the most decisive years of the preparation for EU membership. Consequently, the tough but depoliticised reform agenda was not perceived to be imposed by the EU or as humiliating – contrary to the way necessary reforms are perceived nowadays in neighbouring Greece (and beyond). Bulgarian analyst Ivan Krastev got to the heart of these different attitudes: "In Central Europe, Brussels was viewed as a friend and ally; in Greece it is viewed as a creditor and hostile power."<sup>4</sup> This paramount difference explains why Bulgarians have difficulty understanding the Greek reluctance and resistance to implement urgently needed reforms.

Fairness requires mentioning that Bulgarians were rather modest in their expectations about the EU regarding their personal well-being. In the years prior to the much aspired EU membership, the percentage of Bulgarians believing that EU membership would be a good thing for the country was always much higher than the percentage of people expecting personal benefits from the EU membership.

One of Bulgaria's paradoxes is that 25 years after the collapse of communism and almost ten years of EU membership, Bulgarians seem to be quite unhappy with the transition but rather happy with the country's EU membership. A national poll, conducted in 2014 with the aim of exploring the state of society after 25 years of democratic development, displayed rather high levels of appreciation of pre-1989 life in general, and low levels of appreciation of the post-1989 social and economic life.<sup>5</sup> Only 9% of Bulgarians consider the current situation of the country's economy to be "good" in contrast with 88% who consider it to be "bad".6 However, in general, Bulgarians consider "good" both the situation of the European economy (68%) and the quality of life in the EU (78%) - obviously, excluding Bulgaria from this assessment, and in-so-doing contrasting starkly with the much lower EU average. To put it in a different way, for Bulgarians, the EU continues to be a beacon outside the country rather than the reality in the country. It should not come as a surprise that free movement of people tops the list (at 51%) of what the EU means for Bulgarians in personal terms.

In 2015 Bulgarians continued to be among the strongly pro-EU minded nationals. For 55% of Bulgarians the EU has a rather positive image and 56% tend to trust it. In Bulgaria, the EU continues to be a project sustained by hopes and aspirations but there is also awareness about the danger of transformation of the Union into a project "surviving on shared fears and confusion".<sup>7</sup>

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Regardless of the strong support for EU membership, for most Bulgarians the EU does not seem to be a clear project. A high percentage of Bulgarians answer with "don't know" to many Eurobarometer questions about their assessment of different EU related issues.

In parallel, 69% of Bulgarians agree with the statement that the EU needs a clearer message. This result should not, however, be taken at face value and translated into demands for transforming the Union into a clear project with a predefined *finalité*.

Elaborations on the EU need to be embedded into the context of the paradigm of multilevel governance: the European level of governance cannot compensate for dysfunctionalities at the national, regional or local level. To make the EU a scapegoat for failures at the national, regional or local level is indeed not fair (although many national politicians often do this). Moreover, it is also unfair to place unrealistic demands and expectations on the EU level.

That said, the problems triggered by globalisation will still be better addressed in a joint European effort than through national isolationism.

For federally governed countries the leverage of the different governance levels in their traditional multilevel models is selfevident. But the Bulgarian tradition is one of high centralisation, and respectively lacks a tradition of self-governance at local and regional level. Unfortunately, the EU accession has hampered rather than facilitated the badly needed decentralisation. Centralisation was even reinforced. In spring 2008 the position of Minister responsible for the administration of EU funds was introduced.

One of the reasons for an overreliance on the EU in Bulgaria is that the EU accession agenda was synonymous with the reform agenda, and this fostered an unjustified belief that the EU could provide blueprints for any policy. However, the experience of membership has, to some extent, facilitated a better understanding of what the EU cannot do. The current widespread discontent with the national economy and the functioning of the social system is blamed not on the EU, but on the national politicians.

Thus, Euroscepticism in Bulgaria is a marginal phenomenon. Of course, this could change. However, attempts to foster illusions by presenting the EU as a clear project with unrealistic social ambitions can hardly be the proper prevention mechanism against possible euroscepticism.

In early 2014 for instance, the Confederation of independent trade unions in Bulgaria succeeded in mobilising 30 000 Bulgarians to sign the European Citizens' Initiative for an Unconditional Basic Income (UBI) in the last days of a year-long campaign. Bulgaria did surpass the national eligibility target level of participation, but since the UBI initiative was far from achieving the one million signatures required for consideration of the issue by the European Commission there was no need for official rebuttal either. The organisers of the initiative were enthusiastic about the level of mobilisation, but in a country like Bulgaria an initiative with an unrealistic goal can do more harm than foster trust in the EU.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

The marginal Euroscepticism in Bulgaria's political landscape, and the continuing reliance upon the EU as a provider of blueprints for reforms and policies, is the backdrop for understanding the relatively high levels of support for further EU integration among Bulgarians. In general, 61% agree that more decisions should be taken at the EU level.8 There is only one question among the traditional Eurobarometer questions on integration that leaves ordinary Bulgarians less enthusiastic and quite divided: while 43% are in favour of an Economic and Monetary Union with one single currency, 44% are against it. This reflects citizens' fears in several pre-in countries that the adoption of the Euro would mean higher prices and thus a higher financial burden for households.

Most Bulgarian politicians and decision makers would also subscribe to the integrationist camp. In the process of EU membership negotiations their socialisation into the EU was mainly channelled through intense contacts with European the Commission. This anchored broad а

understanding that Bulgaria's interests are better served when the Commission is strongly involved because of the existence of common EU policies. Furthermore, the youngest generation of officials and politicians has often gone through Europhile academic training and has thus a generally pro-European attitude.

Nevertheless, it has to be stressed that the accession process was one of unconditional acceptance of already existing EU policies. It had indeed been assessed that the level of integration already achieved by the EU was in the political and economic interest of Bulgaria. The accession process was one of downloading European provisions to the national level without any scope for uploading national priorities to the European level.

As a Member State, Bulgaria now has the possibility to try to upload nationally important issues to the European level, and to voice arguments against uploading certain policies still in national competence to the European level when perceiving them to be in contradiction with national interests.

Bulgaria is eager to preserve any competitive advantage considered important for facilitating an economic catch up with the richer countries in the EU. Taxation levels lower than in old Member States are one such important competitive advantage and are the backdrop for understanding Bulgaria's negative stance on a possible common fiscal and taxation policy.

Bulgaria's economic development is closely linked to sustainable energy supply and energy prices. In the process of EU accession, Bulgaria had to agree to closing down four units of its Nuclear Power Plant. This was broadly perceived as a big sacrifice and as the reason for increasing energy prices. In 2014, Russia abandoned South Stream (a project announced
in 2007 to transport natural gas from Russia through the Black Sea to Bulgaria and through Serbia, Hungary and Slovenia to Italy and Austria) but blamed Bulgaria for this decision. Bulgaria's "fault" was that it played by EU rules and insisted on compliance with the Third Energy Package, EU competition and energy legislation. With all the political tensions around the Crimean crisis, sanctions on Russia and uncertainties around future gas supply through Ukraine, Bulgaria is very vulnerable.

A European Energy Union is thus a vital Bulgarian interest linked also to the hope that in contacts and negotiations with Russia there will be no double standards.<sup>9</sup> Both Bulgarian citizens and politicians support a European Energy Union, but with a slightly different rationale. For citizens, the top priority is affordable energy prices; the political benefits of continuous supply, energy independence and interconnectivity come further down on the priorities list. Climate-friendly energy isn't a top priority either for citizens or for politicians. Overly high environmental standards are often perceived to be in conflict with the financial capabilities of the country.

The 2015 refugee crisis is also increasingly recognised as a serious challenge to the further functioning of the Schengen zone and even of the EU. Having an EU external border (with Turkey as a neighbour in the South) Bulgaria is deeply concerned about the situation. In contrast with the Visegrad countries, Bulgaria did not oppose the plan for the relocation of refugees from Italy and Greece. Both solidarity and national self-interest explain the Bulgarian position. The main route of refugees and migrants has been going through the countries of the Western Balkans, not through Bulgaria, but under certain circumstances the Bulgarian-Turkish border might be attacked by traffickers as well, presenting Bulgaria with the same challenge. Anticipating any future developments, Bulgaria considers cooperation with Turkey at the EU level and moving towards a common guarding of the EU's external borders and a common asylum and migration policy a priority of vital national interest. There is also growing concern about any attempts to turn the Balkans in general, and Bulgaria in particular, into a buffer zone between some kind of core EU (mini-Schengen) and the refugee and migrants' wave.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

Bulgaria joined the EU back in 2007. Upon accession, the incumbent politicians were determined to prepare Bulgaria for joining the Schengen area in 2011 and the Eurozone as soon as possible. A new government elected in 2009 was similarly very ambitious in this respect. Until recently, political rhetoric in Bulgaria, especially that of parties in opposition, tended to present the lack of progress on joining the Schengen area and Eurozone as a governmental failure, which put Bulgaria into a second class membership. As a result of the Eurozone and refugee crises, some marginal political players have started to raise concerns that accession to the Schengen area, as well as to the Eurozone, might have disadvantages, or at least be premature while they are shaken by internal crises. Still, the prevailing mood is that belonging to the Schengen area and the Eurozone is in the interest of the country.

The feeling of being a citizen of the EU is increasing in Bulgaria (50% in 2015), but is still below the EU average (67%).<sup>10</sup> It is foremost the younger generation, people with higher education and people living in big cities that

have benefited from EU membership. Because of the cleavage along age, education and living place there can be no one-size-fits-all formula to increase the sense of being part of the EU in real life and not only on paper. EU alienation might in many cases be linked to personal socioeconomic circumstances, rather than to the facts that the country is still not part of the Schengen area and the Eurozone and continues to be under EU monitoring with regard to the reform of the judiciary. Socioeconomic circumstances hampering the sense of being part of the EU can be twofold. Part of the reason may lie in the remaining great gap in living standards between the country and the EU average. It may also be the result of the sevenyear long transitional period for the free movement of Bulgarians and debates in late 2013 and early 2014 in the UK and Germany about alleged "welfare tourism", and the option for possible further restrictions to the free movement of Bulgarian workers.

The spectre of a two speed Europe has been haunting Bulgarians from the very beginning of the EU accession process. Before the EU committed itself to the fifth enlargement there were several ideas floating in the air about how to integrate the Eastern candidate countries sooner rather than later, but without granting them full rights. The provisions that made Schengen and Eurozone accession conditional upon future assessment of the new members' readiness are, of course, a kind of two speed Europe, but they were designed as a temporary solution.

However, recent debates in Eurozone countries about the need to deepen integration revive fears in Bulgaria that the Eurozone countries might embark on a road that will result in even less cohesion within the EU. The October 2015 proposal of the Luxembourg EU Presidency to consider promoting a social dimension of the Euro area, and to introduce special meetings of the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council among Eurozone members only, triggered immediate critical reactions by all non-Eurozone members, including Bulgaria. Stabilisation of Eurozone countries should definitely not happen through Eurozone caucusing and discrimination against future members. Stronger cohesion at both the European and national level is the only way to increase the sense of EU belonging in Bulgaria.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Talking about the need to better legitimise the European project suggests that the EU somehow lacks legitimacy and often results in demands for stronger powers for the European Parliament. The EU's legitimacy is not questioned in Bulgaria and ordinary citizens do not demonstrate a special appreciation of the European Parliament. "Credibility" might be appropriate catchword when the more considering the EU's role in citizens' lives and around the world. Compared to its beginnings, the EU of today with its 28 members is much more diverse and has to play a role in "a more connected, contested and complex world".11

The EU still has to convince its citizens that it can help them and their national states to cope with the challenges of the globalised world. This can only happen through the development of a genuine common foreign and security policy (including energy security) and a common defence and security policy. An EU as a credible player not only in its Eastern and Southern neighbourhood, but also worldwide, will be better placed to improve its credibility within its own borders.

#### Endnotes

1. Decisive measures taken by the post-communist countries in the early years of reform were labelled by critics as "shock therapy"; in fact, they very much resemble measures applied nowadays within the EU that are labelled by critics as "austerity".

2. In 2008 Bulgaria was also affected by the international financial crisis.

3. The Council for Mutual Economic Assistance, founded in 1949 by the Soviet Union, Bulgaria, Czechoslovakia, Hungary, Poland and Romania, later expanded by further communist countries and dissolved in 1991.

4. Ivan Krastev, "A Greek Farce, Then Gloom", New York Times, 17 July 2015, http://www.nytimes.com.

5. Alpha Research, http://alpharesearch.bg.

6. This and all other opinion polls' data without specific reference are from European Commission, Standard Eurobarometer, No. 83, Spring 2015.

7. See footnote 3.

8. In more detail, 74% would favour a common foreign policy, 56% are in favour of further EU enlargement, 76% are in favour of a common defence and security policy, 67% are in favour of a trade and investment agreement with the US, 78% in favour of a common EU policy on migration, 67% in favour of a common energy policy, 65% in favour of a common EU army.

9. In a meeting with Council President Donald Tusk in October 2015, Prime Minister Bojko Borisov voiced his confusion and discontent about the different way compliance with the third energy package is interpreted in the case of the North Stream and the South Stream gas pipelines and expressed hope that a European Energy Union will not allow double standards.

10. European Commission, Standard Eurobarometer, No. 83, op. cit.

11. European External Action Service, *The European Union in a changing global environment: A more connected, contested and complex world,* June 2015, <u>http://www.eeas.europa.eu</u>.

## **CROATIA**

### Senada Šelo Šabić Sonja Borić

### An Expanding Learning Curve

# What does your country hope to gain from its membership to the European Union?

Croatia became the 28<sup>th</sup> member of the European Union (EU) on July 1<sup>st</sup> 2013 after almost a decade-long negotiation. It also became the first country to enter the Union in the framework of the Stabilisation and Association process that the European Commission designed for the countries of the Western Balkans. It is also the first postwar country that entered the EU in recent history. All this played strongly on the political will to carry out the negotiations and on the expectations of citizens regarding their EU membership.

Croatia is a relatively small country of roughly 4.3 million citizens, almost 90% of which are ethnic Croats. Being a former member of ex-Yugoslavia which broke apart in a violent conflict in the early 1990s, it had to go through multiple transitions to achieve its current status as an EU and NATO member. This included a transition from a communist one-party system to а democratic multi-party political system, from a state-run to a market economy, from one of the six members of a federal union to an independent state, and from war to peace. Once these goals were achieved, Croatia set out to become a member of the EU and NATO. It joined NATO in 2009 and the EU in 2013.

### Highlights

- The expectations of Croats are modest since the country entered the EU in the midst of the financial crisis and the popular feeling is one of cautious optimism. The membership serves as a catalyst for the creation of national identity as one rooted in the West. It should also boost growth in the country, which Croatia is only starting to see.
- Croatia sees its capacity to influence EU policy making as limited. However, it shows willingness to deepen integration and to play its role in certain policies, in particular vis-àvis enlargement. Widening the EU in the Western Balkans is seen as a key national interest to facilitate peace and prosperity in the region.
- ★ Education and mobility are two important elements to develop a European public sphere along with more common actions, rules and debates at the European level. A focus on the youth would be particularly welcome in Croatia.

Now in the Union, the question still remains how Croatia will consume its membership and how it will contribute to the EU's progress. The expectations of Croat citizens are modest since the country entered the EU in the midst of the financial crisis and the popular feeling is one of cautious optimism.

Euro-Atlantic integrations have also been seen as a way to confirm Croatia's identity as being more rooted in the West and less in the Balkans. Thus, the membership also serves as a catalyst for the creation of national identity.

The largest challenge for Croatia remains its economic prosperity. EU membership is associated with economic growth but, in the case of Croatia, this was interrupted by the Agreement) members in 2014, in comparison to 2013, is showing a growth of 11.5%, most notably towards Montenegro, Serbia and Moldova.<sup>1</sup>

### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

The accession to the Union was supported by all relevant political parties and this remains the case. Citizens, of course, are less directly related to EU daily affairs than

Statement	I support a European economic and monetary Union with a single currency - euro	I support a common European foreign and security policy	I support further enlargement to include other countries in the future years	I support a common defence and security policy	I support a common energy policy	I am in favour or somewhat in favour of a common European army	I feel more decisions should be taken at the EU level
EU Average	57%	66%	39%	74%	72%	55%	53%
Croatia	56%	74%	61%	81%	78%	68%	65%

Table created by the authors according to Eurobarometer data

severe economic crisis, thus delaying the most tangible benefits. Hence, Croatia did not experience the same economic take-off as did the ten states that entered the Union in 2004.

Yet, the first effects of economic reforms have started to pick up in the third year of membership. The government reported the growth of exports, the growth of foreign investments, industrial production, personal consumption, and an increase of employment in the tourism sector. The growth of exports to EU member states is noted to be almost 11%, most notably towards Latvia, Portugal and Spain, and not only towards traditional partners such as Germany, Italy and Austria. Despite the negative expectations, the trade towards CEFTA (Central European Free Trade politicians, but that does not mean that they are not aware of its influence. What perhaps remains as the biggest challenge in Croatia, and it may also be true for some other, particularly new, member states, is for the membership to be more clearly viewed in terms of being commitment а to strengthening the common policies, contributing to the betterment of the EU project, and sharing responsibility for the future of the Union. Croatia still feels quite detached from the EU-core and sees membership more as a way to receive certain benefits, such as access to the EU funds, rather than considering membership in a more holistic way.

According to the Strategy of the Ministry of Foreign and European Affairs 2014 -2016, "the affirmation and the protection of the interests of the Republic of Croatia in the upcoming three year period will be directed at the functioning in the conditions of the membership in the European Union and NATO". Furthermore, the Strategy for 2015-2017 period states that "Active and engaged participation in articulation and implementation of European policies, as well as deciding on important global questions, especially in the area of ensuring world peace and peaceful resolution of international crisis situations, will define the further actions of the Republic of Croatia as a member of the European Union and the NATO".2

The membership of the European Union opened the possibility of using the EU funds. In the financial period 2014 – 2020, over 10 billion euros are available for Croatia from the European Structural and Investment Funds. Out of that amount, 8.397 billion euros are foreseen for the aims of the cohesion policy, 2.026 billion euros for agriculture and rural development and 253 million euros for the development of fisheries.<sup>3</sup>

However, slow preparation of national policies and investment projects led to limited capacities for the use of EU funds. Until December 1<sup>st</sup> 2014 Croatia used 45% of available funds.<sup>4</sup> This has, however, improved recently. According to the Government data, Croatia now has a positive account with the EU, where it paid 952.2 million euros into the European budget, and used 1.057 billion euros from EU funds.<sup>5</sup>

### Which degree of integration seems adequate to the position and ambitions of your country, both politically and economically?

Croatia is not a part of the Schengen area and the Eurozone which makes it, obviously, less fully integrated into the EU-core. It has expressed its intention to join both policy areas, but at the moment of entry in 2013 there were additional conditions that Croatia needed to meet to qualify for joining both Schengen and the Eurozone. The initial plan was to join Schengen in 2015 while the entry into the Eurozone was not specified. With the Greek and the migrant crises occurring in the meantime, there is less public debate on the need to press for joining these two policy areas. However, official documents keep these two goals open and reiterate Croatia's ambition to realise them.6

The public opinion polls show a high level of approval for certain aspects of political and economic integration.

Generally, Croatia sees its capacity to influence EU policy making as limited. At the same time, however, it has expressed a desire to contribute more substantially to the functioning of the Union through certain policies where it has recognised its comparative strengths and distinct interests. These include the effective administration of external borders of the European Union, as well as establishing itself as an active member within the Common Foreign and Security Policy.<sup>7</sup> Unlike the majority in the EU, Croatia is a staunch supporter of further enlargement of the six Western Balkan countries. This is seen as a national interest because it would facilitate peace and prosperity. With neighbours to the south and the east in the Union, Croatia would cease to be a country on the external borders of the EU, while being in the same organisation would mitigate some open has issues that Croatia with these neighbours. The bottom-line is that enlargement of the Western Balkans into the EU is seen as a way to increase the security and stability of the European Southeast as a precondition for fostering economic growth.

Furthermore, Croatia sees its active role in the area of development cooperation. It believes it has a comparative advantage as a former aid recipient who is now a donor with specific knowledge that can be effectively used. Having stated its ambition to "share its knowledge and experiences acquired during peacebuilding and post conflict democratic transition",<sup>8</sup> it has made development cooperation an important part of its foreign policy.

A new Development Cooperation Strategy for the period 2015 – 2020 foresees projects in several key partner countries: Southeast Europe (programme county: Bosnia and Herzegovina), North Africa and the Middle East (programme country: Jordan), and in less developed countries and countries in (programme transition country: Afghanistan). Special attention will be paid to Columbia, Myanmar, Tajikistan, Tanzania and Ukraine.9 Key priority sectors are war and post-war democratic transition and personal development, with special attention awarded to education, health, protection and

the empowerment of women, children and youth as well as sustainable economic development.<sup>10</sup>

Tackling the migrant crisis has become a significant challenge. In September 2015 Croatia accepted the quotas proposed by the Commission for relocation of 160,000 refugees. However, being geographically located on the so-called Western Balkan route, it also had to deal with several hundred thousand migrants transiting its territory in the Autumn of 2015, which has caused turmoil frictions internal and with neighbours. Lacking European answers to the migration challenge, the public pressed for national answers. The unity of the EU has been seriously questioned as a result.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

Education and mobility are ways to strengthen the idea of sharing the European common sphere, today and in the future. Expanding the area of common legislation, increasing the number of shared regulations, debating on mutual goals, and building coalitions for joint actions are necessary if we want to achieve a more functional EU. However, the long-term effort, the one that will create the mental space for the creation of a common European identity, is through education and the ability of citizens to move and work across the EU territory. Visions of the future of the EU and related strategies on how to realise these visions need to be more coherent. There is no common agreement on either the visions and/or the strategies, but one thing is clear - a united, strong and viable EU can survive only if its citizens believe in it.

Statistically, the support for EU membership has remained stable in the two years since Croatia's entry, at above 50%. Young people expect greater mobility, more employment and education opportunities. One liability of membership is decreased sovereignty, but this is not (yet) a political issue in the country, rather an acknowledgement of facts. There is also no strong eurosceptic political party.

global leadership on foreign policy issues and climate change actions is also needed.

Furthermore, reducing the democratic deficit would contribute to a sense of civic participation and ownership, thus contributing to the legitimacy of the European project. Much work has already through been done the institutional empowerment of the European Parliament. addition, the Croatian Parliament In "expressed belief that further its improvement of cooperation and

What does	Freedom to	Economic	Democracy		I feel,	at	I see myself	I see myself	I see myself	I see myself
the EU mean	study, travel	Prosperity			least	to	as only (my	as (my	as European	as European
to you	and work				some		nationality)	nationality)	and (my	only
personally?	anywhere in				extent,	EU		and	nationality)	
	the EU				citizens			European	-	
EU average	49%	14%	19%		67%		38%	52%	6%	2%
Croatia	49%	26%	25%		63%		30%	63%	5%	1%

Tables created by the authors in accordance with the Eurobarometer data

Further investment in programmes of student exchange, traineeships and academic and research exchange supports this goal. Research shows that the benefits of European integration are most strongly felt among the population through these exact policies.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

The European Union needs to continue its work on the strengthening of the internal market and designing policies that will further enhance the four freedoms, as these represent the most tangible benefits of European integration and contribute directly to the quality of life of European citizens. A set of policies that could be translated into coordination of national parliaments in the enforcement of review over legislative procedures of the European Union, with full participation of all stakeholders, would contribute to the strengthening of trust of citizens in EU policies, and consequentially, their engagement at European Parliament elections...".

In the context of recent crises in the European Union, such as *Grexit*, the migration crisis and the potential *Brexit*, it seems essential that the EU works on policies that enable common European solutions, while protecting the national interests of its member states. Of course, this is easier said than done. What we can hope for is that the crises will lead to a breakthrough regarding how we conceive of the common European framing of thoughts and actions.

If we are able to remind ourselves of the fundamental reasons why the EU was created, why we began the European project, why we have been ready to devolve parts of national sovereignty to the European level and why it is important to continue to do so, then we have a chance to overcome the obstacles we are currently facing and will be exposed to in the future. If we care strongly enough in a common European future, we shall give legitimacy to leaders who are able to overcome conflicting interests and instead focus on fostering mutual solutions.

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# CYPRUS

### A Divided Island Coping With the Financial Crisis

# What does your country hope to gain from its membership to the European Union?

The European project is considered a success story that brought peace and economic growth across the European Continent. The reality is that over the years the project lost its momentum. On the one hand lies examples of economic deterioration along with a number of social problems; and on the other, the lack of political will to further enhance the political unification of the Union. Despite the voices of disapproval, member states appear to support the European project but are reluctant - more than ever before - to "surrender" their national powers to Brussels. Cyprus is not an exception to this.

Cyprus is the only member of the European Union with 37% of its territory occupied by a foreign army; more than 40,000 Turkish troops settled in the Northern part of the island in 1974. With this in mind, the priority of the political elites, which also garnered the support of the majority of the society, was to join the European Union in the hope that membership could act as a catalyst to solving the Cyprus problem. The same opinion was shared by the European institutions.<sup>1</sup>

However, it would be a mistake to address Cypriot membership solely on the grounds of this political problem. In fact, another major motivation for membership was the perceived economic benefit of joining the Union. As the third smallest country in the Union and being

### Highlights

- Both politically and economically, Cyprus retains mixed feelings toward the benefits of its EU membership. The country remains divided in two parts despite the "European solution", which should have solved the situation. The economic crisis has also left a bitter taste in the mouths of Cypriots, especially considering the events that led to the bail-in programme. Overall, the experience has disillusioned the population.
- ★ Three facts and beliefs explain why the younger generation does not feel a strong attachment to the EU: the distance from Brussels and mainland Europe; a perception of disappointment with the EU; a failure to communicate the EU adequately.
- ★ Cyprus remains committed to further integration, however, a better Europe does not necessarily mean more, but rather greater cooperation among Member States. On a related note, the EU needs to better appreciate the fact that its member states are not all similar. Small countries, in particular, have fewer resources available to cope with specific policies.

located at the periphery (eastern Mediterranean), Cyprus' economy faces particular challenges. Cyprus' economy is highly dependent on exports and has high production costs.<sup>2</sup>

Having outlined the two major issues behind Cyprus' ambition to join the EU, a crucial question arises: Has Cyprus gained what it hoped for from its membership? Regarding its political problem the answer is clear. Eleven years after its membership, the Cyprus problem remains unsolved, if not worse. The so-called "European Solution"<sup>3</sup> for the Cyprus problem never came. The talks for a solution continue without it being clear whether or not the leaders of the two communities will manage to bring a viable proposal to the people of Cyprus. Despite obvious difficulties, a positive momentum has been created following the election of a new Turkish-Cypriot leader in April 2015. Both Greek-Cypriot and Turkish-Cypriot leaders expressed their determination to intensify negotiations for a viable solution.<sup>4</sup>

Problems also exist in the economic field. Following a series of downgrades from the main rating agencies, the Cypriot government lost access to the financial markets in mid-2011. In addition, its major banks begun to show signs of deterioration. In summer 2012, the government applied for assistance from the European Union and the International Monetary Fund (IMF).<sup>5</sup> The negotiations with the "Troika" or "the Institutions" (consisting of the European Union, the European Central Bank and the International Monetary Fund), for a multi-year bailout programme concluded on 16 March 2013.6 Part of the agreement reached at the Eurogroup summit was that, in order to save the banks, depositors should cover the cost (bail-in).

The Cypriot parliament did not ratify the agreement and a new extraordinary meeting of the Eurogroup took place on 24-25 March. The

outcome of this meeting was that, in order for Cyprus to get the 10 billion euros it needed, the investors and depositors of the two largest banks in the country should share the cost. As a result, the island's second largest retail bank went into liquidation, with depositors losing all their funds over 100,000 euros, while the depositors of the largest bank lost a major percentage of their deposits (on amounts above 100,000 euros per individual).<sup>7</sup> The events that took place during and after the Eurogroup meetings had a negative impact on the people. Not just financially, but also in general, Cypriots lost faith in the EU and its representatives.<sup>8</sup>

The Cypriot economy suffered its worst demographic outflow since the Turkish invasion of 1974. The general feeling is that a different approach could have been utilised.9 Today, the priorities have shifted towards short-term expectations. What Cyprus hopes to membership gain from its is: less unemployment, higher growth, and to be able to provide a better future for the younger generations. But for Cypriots the European project failed. A 2014 Eurobarometer showed that one out of two Cypriots believes that today's Europe has no future.<sup>10</sup>

### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

It is a fact that what is decided in Brussels directly affects the lives of European citizens. Despite the efforts of the institutions to communicate their work to the citizens of Europe, this does not always happen successfully. In general, the European project has never been clear, partially due its complex institutional structure, and partially because an 'end-point' has never been defined.<sup>11</sup> Before we discuss why the European project does not appear to be clear, it would be helpful to examine the actions taken by the European Union to communicate with its citizens. The representation of the European Commission and the European Parliament opened in Nicosia in 2004. Since then a number of TV and radio programmes have been aired with topics related to the EU. In addition, through various European projects, such as "Jean Monnet", citizens are educated in issues related to the EU.

Moreover, today the younger generations have the opportunity to be part of Comenius, Erasmus and other student exchange programmes, granting them the opportunity to better appreciate and understand Europe. But this same generation fails to appreciate what has been achieved over previous years, and is becoming more and more sceptical about the European project.<sup>12</sup>

Three facts/beliefs can help us to better understand the reasons behind this. First, for a Cypriot, Brussels and mainland Europe are too far away. This applies both in geographical and political terms. Geographically, Brussels is around 3,780 km from the Larnaca airport. The only way to reach Brussels is by airplane and most of the time you are unable to find direct flights or easily connected flights. Equal distances apply in political terms. The decision-making also happens far away from Cyprus and people find it difficult to connect with European politicians, as they do not have any direct impact on their election, except for Members of the European Parliament. Moreover, as is happening in local elections, the number of voters decreases each time, mainly as an act of disapproval of politicians. Specifically, in 2004 the turnout was 72.5%, while in 2009 it was 59.4%. In the last European

Parliamentary elections in 2014 the turnout of Cypriots voters fell to 43.9%.<sup>13</sup>

Second. there is а perception of disappointment concerning Europe.14 Since 1974, the political problem has been at the top of the agenda both for the Cypriot government and for civil society. As a result, all actions, decisions and national interests were directly correlated to the political problem. Membership to the Union created high expectations for finding a viable solution under the umbrella of Europe. But the reality was that the EU had little to offer, primarily as the negotiations were held under the auspices of the United Nations, and, most importantly, the refusal of Ankara to accept the EU's more proactive role. Also, people to a great extent failed to understand that the EU is a bloc of 28 countries and that compromises are the norm. This is also linked to the events of March 2013 and what followed with the bail-in. The general belief is that while actions in Cyprus were primarily intended to affect the Cypriot banks, they were also targeted at Russian funds on the island, and consequently to affect good relations between Russia and Cyprus. To sum up, the expectations of what the EU can deliver are higher than what the EU can really offer.

Third, politicians and officials fail to communicate with the people. Most of the time people do not know what is happening behind closed doors. The EU seems more or less like a 'private club', which only a few individuals can access or benefit from. And somewhere in the middle, we have member states trying to promote national interests. Cyprus is no exception. The Cypriot government knows that due to its country's size and level of influence, the only way to promote its national interests is to align with other Member States. A clear example is the efforts the Cypriot government made to tone down its political problem when it held the presidency of the Council in 2013. Sometimes the positions expressed by the Cypriot government at an EU level on specific matters do not necessarily reflect the opinion of its civil society.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Being a small country, Cyprus has little effect on the degree of integration in the European Union. Nevertheless the events that took place in March 2013, and the discussions that begun (especially inside the country, but also at the EU level) on whether Cyprus could or should remain within the Eurozone showed that even a very small state can create a negative "snowball" effect.

Most political parties in Cyprus have promoted the idea that a more 'European' Cyprus can have a positive impact on the negotiations for a permanent solution to the Cyprus problem. It is a fact that after the solution of the Cyprus problem the acquis will be implemented in all parts of the island. And the opinion expressed by the political parties is that the acquis can provide additional security that will prevent any future conflicts between the two communities. It is important to mention that currently the Turkish Cypriots insist on derogations from the acquis:<sup>15</sup> specifically, on the freedoms of property and settlement they raise a number of issues that contradict, in many aspects, the fundamental principles of the EU.

In addition, for a small state, more integration can be seen as a means to furthering security. An example is the discussions at EU level on energy security. With the recent discoveries and exploitation of the hydrocarbon reserves within the Exclusive Economic Zone of the Republic of Cyprus, the government is pushing for further actions from the EU in the area of security. On this matter, during a recent visit to the island by the European Parliament delegation from the Committee on Industry, Research and Energy, its chairwoman Martina Werner said: "Cyprus plays a very strong role for energy security everywhere in Europe" and also said that there is a need for "more Europe" in the region.<sup>16</sup>

The adoption of the euro as the national currency and the accession to the Eurozone countries was considered to be the second most important national target for Cyprus next to the accession to the European Union. Indeed, the accession to the Eurozone looked promising both for individuals and companies. Being a small country and with its pre-existing currency, the Cyprus Pound, Cyprus had limited resources to access international markets on its own. With the adoption of the euro Cyprus is part of a greater market.

Unfortunately being part of the Eurozone meant that Cyprus lost some of the economic tools that could have been used to tackle inflation, rather than adhering to economic decisions taken at the EU level and within the European Central Bank. With increasing problems in its banking sector and with a poor fiscal policy, Cyprus eventually applied for help from the Troika. If Europe had the tools at its disposal today – namely the European Stability Mechanism and the banking union – a number of negative outcomes could have been avoided.

Economic integration has an impact on the national problem too. The European Commission and the leader of the Turkish Community have recently announced that an ad-hoc committee is working on the adoption of the euro in the Northern part of the island. This action will prepare the occupied territories to affiliate more easily with a united Cyprus.<sup>17</sup>

Despite its small size, Cyprus continues to support and strengthen its national interests. The voice of Cyprus can be heard clearer as part of the group than outside of it. Yet, national states must have the liberty to form cooperations and pursue national agendas within the framework of the European Union. Better Europe does not necessarily mean more Europe, but rather united. This way we can achieve more than on our own.

Currently Cyprus is undergoing а tremendous transformation as a result of its EU membership. Part of this transformation is the creation of new institutions and the harmonisation of its legislation. Countries, such as Cyprus have no power whatsoever to influence institutions and policies at the EU level - due to a number of factors, primarily its size - or at least not to the level that powerful countries can. In a way "it is doomed always to follow the rest".18

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

There are many things that need to be done in order to make national citizens feel part of a common European public sphere.

First of all, we need to increase public discussions on European issues. As with national projects when a decision affects an important number of citizens, public discussions take place with the participation of actors across civil society, the private sector, the government and the political parties. Similarly such discussions must take place when European policies (i.e. Environmental Policy; Energy Policy; etc.) might have an impact on the lives of Cypriot citizens (or on any European citizen for that matter). Officials from the respective Directorate Generals (DG) of the European Commission should first visit the affected country to hold extensive discussions with various members of the society, and not just with governmental officials. Such discussions will help people to feel that their concerns are taken into consideration. This would be productive for the Commission officials as well, as it could improve their proposal and allow it to be more easily accepted by the European Parliament and Member States.

Secondly, European politicians (i.e. the president of the Commission, the president of the European Parliament, Commissioners, etc.) when they are visiting a member state for official discussions/matters should also spend time to have open discussions with other members of society. This will increase the feeling of belonging. It will also be a good opportunity to present their work and get feedback on what further actions must be undertaken. Their role is to serve all European citizens equally without bias or personal agendas. Similarly, they must avoid any actions that may be considered as campaigns for re-appointment. Their role is more supranational and as such must value equally citizens from all across Europe.

Thirdly, a decentralisation of institutions is necessary. For both historical and economic reasons, the majority of the European institutions, or at least the most important of them, are located in Belgium, France, Luxembourg, and Germany. Efforts should be made to decentralise these institutions all across Europe, taking into consideration the uniqueness (in size, geographical position, and existing infrastructure) of each member state. Any decision should serve the interests of both the European Union and each particular member state. This would not necessarily have any direct effect upon the citizens but it will increase the interaction of local societies with the said institutions and as such will strengthen the idea of belonging. Brussels will no longer be too far away. This will also give the chance to EU officials and bureaucrats to have a daily interaction with local societies, bringing mutual benefits to all sides.

Finally, it is important for citizens to first learn and understand their own culture in order to be able to embrace a common European future and values. Consumed by everyday activities that promote money and consumption as the most important values; people have lost connection with their roots, their values and their traditions. As a result, in today's societies we see extremism and nationalism getting stronger, especially among younger generations. Understanding who we are, what our history is, and what mistakes took place in the past can make people re-appreciate the common values of Europe. That's why the European Idea/Project and the European values must be embodied in the solution which the two communities in Cyprus will agree upon.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

The European project has been the greatest success story of Europe and national states since the end of World War II. If we examine the history of Europe we easily understand that 65 years of peace in Europe are nothing compared to centuries of bloodshed and conflicts. Nevertheless, the concept of the European project to promote prosperity and peace by surrendering national powers to a supranational organisation is fascinating. However, after years of legislation, directives, rules, bureaucracy and institutions the European project has lost track. It has become too complex to understand or even appreciate. Failures to integrate member states and their societies create tensions domestically and miscommunication abroad. In other words, the Union has failed in a number of ways to act as a union. Some recent examples are: the issue of Kosovo and the fact that some member states recognised its independence and others did not, the Monetary Union and the financial crisis, protection of internal and external borders and migration policies.

For small states that have little impact on European policies or decisions, the question is not so much what specific policies must be conducted at the EU level. Rather the question is what policies require amendments or alterations in order to take into consideration the different characteristics of each state, without compromising what has been achieved at a European level.

Specifically, there is more to be done for a complete monetary union. Perhaps the most obvious mistake where the EU got it wrong regarding the single market and monetary issues is that not all member states are the same. A clear example of this is the fact that the European Central Bank (ECB) was modelled more or less on the German Bundesbank.<sup>19</sup> But not all states have the capability or the knowhow to cope with different kinds of situations in the way the more powerful states are able to; as was the case for Cyprus. So, the first step to better legitimising the European project is to reconsider the monetary policies and new regulations that are to be adopted. This will lead to a better appreciation of the different characteristics of each state, while leaving enough room for flexibility in order to adjust to

those characteristics without violating EU treaties or criteria.

In order for more policies to be conducted at the EU level and especially in order for the economic union to be successful in all areas, member states must agree to a more political union. All policies that are currently in place cannot have any real effect without the political will of member states. Most importantly several member states including Cyprus are not willing to give more powers to the Commission.

For example, the unification of the tax system in the EU requires the existence of political will in member states. Existing policies should be redesigned to address the issue of further political union and all new policies should take into account this aspect. Failure to achieve this will lead to the danger of the dissolution of the Union. This is not to say that current policies have not worked properly up until now, but rather, as was the case with the financial crisis, the EU lacks the necessary mechanisms to act promptly and efficiently. Currently, there are so many EU bodies and national institutions (such as national parliaments) involved in decision making (i.e. amendment of a treaty) that instead of acting proactively they end up trying to fix what went wrong.

In order for the above to really matter, member states must first decide what future they want for Europe. "A federation of nation states" has always been a hypothetical (and quite controversial) scenario. A more popular scenario that is gaining ground is the one for a multi-speed Europe. In the last few years, new words have been emerged such as "Grexit" and "Brexit" - both of which imply the possibility of exiting the EU. The only way for the European Union to be seen as legitimate is when member states take into account what future their citizens want for Europe. This does not necessarily mean that the only options are either a federal Europe or dissolving the EU as we know it. Rather, it means decisions need to be made and fast.

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## ★ CZECH REPUBLIC

### **Vladimir Bartovic**

In Favour of Deeper Integration Without Being Aware of It

# What does your country hope to gain from its membership to the European Union?

The Czech Republic has benefited from its membership of the European Union both politically and economically. According to the study, "Economic evaluation of the Czech Republic's membership in the EU after ten years" commissioned the Czech by government, its EU membership helped the Czech economy grow by an extra 1.1% annually than if it had been outside.<sup>1</sup> The government estimates that the economic benefit from the first ten years of Czech EU membership equate to around 115 billion euros. The net budgetary position of the country during this period has been positive by more than 12 billion euros. The first five years of the Czech EU membership represented the period with the strongest economic growth in the history of the country, coupled with fast convergence to the EU average, which was put on pause by the economic crisis and consequent austerity measures between 2009 -2013.

Politically, the country has benefited from its EU membership in many areas. Already during the accession negotiations, the country had to align its legislation with the Copenhagen criteria and EU standards. Many such reforms that led to the raising of standards of human rights protection and the rule of law were therefore EU driven (such as antidiscrimination legislation, reform of the judiciary, state administration reform. protection legislation consumer etc.).

### Highlights

- ★ The Czech Republic has moved from being a pro-EU country focused on benefits it can reap, such as the freedom of movement, to a more sceptic country in recent years. The critiques against the EU date back to the accession and do not focus on the integration process, but rather on the conditions of membership - especially those discussed during the negotiations on the Lisbon treaty and after on the euro adoption.
- ★ The country feels that the current level of integration is adequate and would favour deepening cooperation in existing policies, such as the single market or the Energy Union. The Czechs also consider that a multi-speed EU is in their interest.
- ★ The Schengen Area is a cornerstone of the EU. Its preservation is crucial to fostering a European public sphere. Other policies or instruments could be further enhanced in the Czech Republic, such as the Erasmus and Europe for Citizens programmes. While this may point to long-term solutions, a change of attitude cannot happen instantaneously.

Additionally, through the EU Common Foreign and Security Policy (CFSP), the country has been better able to promote its foreign policy interests, mainly in its neighbourhood.

In the first years of its membership, the country focused on its strategic interest to become a fully-fledged member of the Union. Its aim was to integrate into the Schengen Area, thus allowing its citizens to travel without any barriers within the EU. This aim was achieved in 2007, less than four years after accession. Since then, the country has been one of the biggest beneficiaries of the Schengen system, because similarly to Luxembourg for instance, it does not have any external (non-Schengen) borders - except for those at international airports. Free movement of workers was another priority for every Czech government in this period. With the exception of Austria and Germany that utilised the maximum seven year period to protect their labour markets, all the other EU Member States lifted barriers to the free movement of labour after a relatively short period of time.

Businesses, the political leadership of the country, and citizens alike benefited significantly from the EU membership. The freedom to travel across Europe; the possibility to work, live and study in other EU Member States; and new infrastructure, educational and social projects are the most visible direct benefits of the EU membership for Czech citizens.

On the other hand, there are diverging opinions on the pros and cons of EU membership among the Czech political leadership. This is a relatively new phenomenon in the Czech political discourse. Support for EU integration was a top priority for all the governments ruling the country in the 1990s and there was a nationwide consensus among all the relevant political parties about the importance of EU membership. The roots of the division date back to the negotiation process, when part of the political elite started to challenge not the integration process as such,

but the membership conditions negotiated by the government. The most vocal critic of the EU membership conditions was former President Vaclav Klaus. He absolutely refused to acknowledge the Lisbon Treaty, arguing that it represented the end of national states in the EU. He became the symbol of Czech euroscepticism and his opinions inspired part of the political leadership of the country. When he lost his fight and the Lisbon Treaty entered into force he turned his attention to fighting the introduction of the euro, where he was much more successful than in the case of the Lisbon Treaty. Relatively weak governments ruled the country between 2010 and 2013 that did not oppose him on EU issues. To the contrary, the country refused to participate in mechanisms such as the so-called "fiscal compact" or the banking union. He managed to absolutely dominate the public debate on EU issues, fostering a growing negative sentiment towards the EU membership within public opinion.

When the current President, Miloš Zeman, came into office, he promised a completely opposite attitude towards the EU. One of his first decisions was to raise the EU flag over Prague Castle. He claimed to be a eurofederalist, supporting a strong EU with a common foreign policy and a quick introduction of the euro in the Czech Republic. Contrary to this proclamation, he has increasingly adopted very critical stances towards the EU. For instance, he strongly opposed the introduction of sanctions on Russia, and in the current migration crisis he plays the role of one of the most vocal critics of the EU response. Many of his public statements have the potential to incite hatred towards refugees and undermine more and more citizens' trust in the EU and its core values.

Public opinion on the membership of the European Union is extremely negative. According to the regular survey conducted by the STEM agency since 2000, in September 2015 only 39% of Czechs were satisfied with the membership of the country in the EU.<sup>2</sup> This represents the lowest number since the survey began. Until 2011 there were always more citizens satisfied with EU membership than those who were not. The satisfaction reached its highest level during the Czech Presidency of the Council of the EU in 2009 -69%, but it has started to decline since then. Current dissatisfaction can be attributed to concerns about the current refugee crisis and the way in which the EU is handling the issue. More than 65% of Czech citizens are afraid that refugees could be granted asylum in the country. Opinions on the EU membership differ widely according to people's age, level of education and political preference. EU membership is supported among young people with higher education that are very well aware of the benefits it brings. On the other hand, elderly people and those who have a lower level of education are opposed to the membership. The same difference can be observed between the voters of the left wing parties, who mainly oppose the EU membership, and voters of right wing parties that mostly support it.

In the past eleven years, the Czech EU policy frequently looked like an accounting operation – the country was promoting policies and measures that would bring the biggest profit. First was the cohesion policy. It enabled fast development of public and social infrastructures to the extent that it would not have been possible to finance them only with national resources. On the other hand, the Czech Republic disapproved of measures that would bring additional economic or political costs to the country. This was the case during the Eurozone crisis when the country remained passive and refused to participate in the mechanisms leading to the stabilisation of the Eurozone and the EU economy. Recently, this attitude was visible in the Czech position towards the refugee relocation mechanism, when the country refused to accept part of the "burden" that lies on other Member States of the Union.

### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

As evidenced by the lack of understanding about the EU in the Czech Republic, the Union does not appear to be a clear project. The level of understanding of the EU among citizens in the Czech Republic is among the lowest in the Member States. According to the EU Eurobarometer 83 survey, 48% of people declare that they understand how the EU works (only 6% responded "totally agree"), while 50% declare the opposite.3 Similarly, only 44% of respondents know what their rights as citizens of the EU are, while 54% of Czechs do not. The earlier Eurobarometer 80 survey showed that only 27% of Czechs said they felt sufficiently informed about European affairs, while up to 71% said the opposite.<sup>4</sup> A similar picture is offered by national opinion polls, for example research carried out by the MEDIAN agency asking citizens whether they are informed about the activities of the European Parliament, and of the work of Czech Members of the European Parliament (MEPs, showed that only 1% of Czechs consider themselves very well informed, and another 13% only quite well, while 37% of Czechs consider themselves to be poorly informed and 49% quite poorly.<sup>5</sup> This research also provided alarming information that 68% of Czechs cannot recall the name of even one

MEP. A particular consequence of the absence of basic information about the EU became evident in a survey by the PPM Factum agency in September 2013, which recorded that only 32% of Czechs knew that MEPs are directly elected, while the majority of the people thought that they were nominated by the government, or by the President, or chosen from among the members of the Czech Parliament.<sup>6</sup>

This lack of understanding and interest in EU matters resulted in the extremely low participation of citizens in the last elections to the European Parliament in May 2014. Voter turnout was only 18.2%, which was the second lowest recorded participation within the 28 Member States of the European Union after Slovakia. A survey conducted by the STEM Institute attributed the causes of low voter turnout to a lack of interest in the EU (78%), a lack of information about MEPs' work (75%), a lack of understanding of what EU membership brings (76%), a lack of understanding of the European Parliament competences (75%), and the fact that the media failed to explain the importance of the elections (60%).<sup>7</sup>

It would be easy to blame the media for not providing enough EU information and thus not contributing to the citizens' understanding of the EU. A focus group, conducted by the Policy Association for an Open Society (PASOS) in 2014, showed that Czechs do receive enough information on the EU, but they are not very interested in it because they consider the Union and its policies to be a mostly technical, rather than political, project. They do not understand why they should vote in the European Parliament elections if they do not vote, for example, for officers in the Czech state administration. This can be regarded as a failure of the political elite to explain to the citizens the role and impact of the EU in their everyday life.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

The prevailing opinion among the political leadership of the country is that the current level of integration is reasonable. The government's EU strategy refuses to entertain further complicated treaty changes in the foreseeable future, yet proffers deepening the cooperation in existing policies. The country's biggest priority is the further development of the single market, especially in the area of services, digital union, energy union and free trade treaties with third countries. The newest policy in which the country asks for deeper cooperation is the migration policy where it calls for the common protection of external Schengen borders (with the exception of the relocation mechanism).

The country prefers the community method with full participation of the EU institutions, rather than intergovernmental negotiations. The intergovernmental method hides two pitfalls: first, the domination of the biggest Member States in the decision-making process negates the interests of smaller countries like the Czech Republic; second, it increases the danger of strengthening the reality of a twospeed Europe, especially the detachment of Eurozone countries from the rest of the EU. On the other hand, when the community method was applied in the decision on relocation quotas, the Czech government demanded that the European Council decide the issue, thus invoking the intergovernmental method.

There is a consensus that multi-speed EU or multi-level EU concepts are in the interest of the

country. The Czech Republic is especially afraid of the cleavage between the Eurozone Member States and the rest of the EU. Although its EU strategy sets Eurozone membership as a matter of strategic interest for the country, the government is reluctant to take any steps in this direction, because one of the coalition parties (ANO 2011) does not agree with the introduction of the single currency.

Although most businesses and economists acknowledge the benefits of the single currency and support its introduction, there is a strong opposition towards it among major political forces in the country. There are no strong advocates of the single currency; however, there are many opponents. They argue that the Eurozone instability has not yet ended and that the Czech Republic would have to participate in the rescue mechanisms should it join. Furthermore, they praise the preservation of the national monetary policy that helped to restart growth in the Czech economy. The introduction of the euro is also extremely unpopular among citizens. According to the newest Eurobarometer 83, 73% of Czechs are against membership of the Czech Republic within the Eurozone, which is the highest number in the EU.<sup>8</sup>

There are also no advocates of political union among the political leaders, with the notable exception of President Zeman, who declares himself to be a euro-federalist. Contrary to his declaration, as mentioned previously, his concrete positions and steps, especially in the area of foreign policy, are in contradiction to the common positions of the Union. On the other hand, a substantial part of the political representation can be labelled as eurosceptic, with the extreme left, the Communist party, on one side, and the conservative Civic Democratic Party on the other.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

It is extremely difficult to think about the European public sphere given that the 'community' does not share a single language. However, the growing quality of education has helped language barriers to slowly disappear, especially among younger generations. Education is the area where most work can be done in an attempt to create a European public sphere. In many Member States, the understanding of the EU is not an integral part, or it is only a marginal part, of the educational curriculum. The clear exception is the Erasmus programme, which has proven to be a great tool for young people to interact with other Europeans. However, only a very low percentage of university students takes advantage of it. Fresh ideas are therefore needed to encourage more students to participate in the programme, by travelling abroad for at least one semester.

Others outside university campuses should also be encouraged to participate in direct interaction with citizens from different Member States. The EU's main tool to support citizens' interaction and cooperation is the Europe for Citizens programme. This programme supports citizen-based projects and the twinning of EU cities. Its funding is, however, very limited. Its overall budget in the current multiannual financial framework 2014-2020 is only 185 million euros, from which about 60% is dedicated to civil society projects and cities twinning.9 It is absolutely negligible in comparison with the overall amount of the EU budget for the same seven year period (around 1.1 trillion euros), and, if substantially increased, it could also help in the efforts of creating a common European public sphere.

A certain potential to create a European public sphere also lies in the ability to initiate and participate in a European Citizens' Initiative. This new instrument, created by the Lisbon treaty, aimed to enable EU citizens to request the European Commission to propose pieces of legislation within its new competence. Unfortunately, this instrument has been far from successful until now. Only three initiatives fulfilled the conditions for the European Commission to deal with them. However, none of the initiatives resulted in a new legislative proposal from the European Commission. Moreover, this right of EU citizens suffers from very low awareness. According to the Eurobarometer 83, only 27% of EU citizens (23% in the Czech Republic) were considering to make use of the initiative. As a result, none of the successful initiatives collected a sufficient number of signatures (16,500) in the country.<sup>10</sup>

In the end, it is important to mention that despite the recent negative tensions in the EU and insufficient effort from EU institutions and Member States, most Czechs and other Europeans feel themselves to be citizens of the EU (67% in the EU and 62% of Czechs). On the other hand, we get a much worse picture if we ask whether people know the rights associated with their EU citizenship (only 50% in the EU and 44% of Czechs). The first of the two most visible parts of EU citizenship - voting in the European Parliament elections - is not exercised by most European citizens. And the foundations of the second one - the Schengen Area - are currently on unstable ground due to the migration crisis and subsequent reintroduction of border controls between the various Member

States. The preservation of the Schengen Area is a key element in fostering a European public sphere, and the freedom to travel should be regarded as a unique achievement of the European integration process.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Until the onset of the economic crisis in 2009, membership of the Economic and Monetary Union was also one of the key goals in Czech EU policy. However, instability in the Eurozone, together with growing opposition towards the membership from parts of the political elite as well as society more broadly, led to the suspension of all efforts towards Eurozone membership.

Removal of the remaining barriers and obstacles in the single market is an absolute priority for the Czech government. The Czech Republic is a small, industrial and export oriented country that is extremely dependent on its involvement in international trade. The deepening of the single market in the area of digital services and energy is a long-term priority for the country, together with the further removal of all obstacles in the area of free provision of services. The country also strongly supports all free trade agreements the EU plans to conclude, as they could further strengthen the Czech capacity to profit from its involvement in the global economy.

As most public investments are financed from the EU Structural and Investment Funds, the Czech government wishes to ensure an adequate level of finances for this policy within the EU budget. The country also acknowledges that protection of the environment and climate cannot be achieved at the national level, and therefore supports policy making at EU level in this field.

Another government priority is the common policy of the EU in the fight against tax evasion. The Czech Republic demands the introduction of the reverse charge mechanism because it is the most effective instrument for tackling VAT fraud in the EU. The government is even prepared to support the harmonisation of rules via the Common Consolidated Corporate Tax Base.

In response to the migration crisis and terrorist attacks, the Czech Republic supports the need to find solutions at the EU level, including a joint asylum procedure, the common protection of external Schengen borders and the creation of an EU intelligence agency.

That being said, most Czech citizens do not want more decisions to be taken at the EU level – 48% against vs 44% in favour.<sup>11</sup> But if we analyse individual policies, with the exception of the euro, Czechs are in favour of more decisionmaking at the EU level in all other areas. According to a special Eurobarometer from January 2014, the absolute majority of Czech citizens support more decision-making at the EU level in the areas of protecting the environment, tackling unemployment, immigration issues, health and social security, economic policy and taxation. They also support the direct election of the President of the European Commission and the designation of the EU justice minister.12 According to Eurobarometer 83, citizens also support common foreign, defence and security policies, as well as energy and immigration policies, and the creation of an EU army.<sup>13</sup> This logical inconsistence between people's feelings and the government's relative opposition to further integration can be explained by the fact that, although people are rather sceptical towards the growing size and competence of the EU, they understand that there is a need for European solutions in diverse individual policy areas.

### Endnotes

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## ★ DENMARK

### Maja Kluger Rasmussen Caterina Sørensen

## A Pragmatic Euroscepticism

# What does your country hope to gain from its membership to the European Union?

Through its EU membership, Denmark hopes to gain access to a broader and deeper single market. This is evidenced by its support of the Juncker Commission's agenda on digitalisation of the single market, the removal of obstacles to the free movement of services, and a focus on trade agreements, most notably with the United States.

The Danes are generally happy with the EU's level of economic integration and are proponents of furthering the integration of the single market. However, they are sceptical when it comes to the EU's federal trimmings and EU process standards in social and employment policies. As such, high levels of public support in Denmark for EU membership obscure a degree of euroscepticism, as attested to by the continued presence of three Danish opt-outs from key areas of EU cooperation (on Justice and Home Affairs, the Euro, and Defence).

The Danes have been, and continue to be, amongst the most eurosceptic populations in the EU when it comes to questions of ceding (perceived) sovereignty to Brussels. Danes, for instance, react the most negatively in the entire EU to the Eurobarometer question surveying attitudes to the idea of federal union. In 2014, when this question was last polled, 74% in Denmark were against this prospect, compared to a mere 34% on average in the EU as a whole.

### Highlights

- The Danes are generally happy with the EU's level of economic integration and are proponents of furthering the integration of the single market. However, they are sceptical when it comes to the EU's federal trimmings and EU process standards in social and employment policies.
- ★ Issues, such as roaming costs, CO2 emissions, and asylum hold the potential to show the Danes and other Europeans the interrelatedness of many of today's challenges. Despite this, there is currently little public awareness that these issues have anything to do with the EU.
- ★ The Danes' support for the EU is grounded in the pragmatic perception that the EU is a necessary and costefficient relationship for a small, continental country. Yet, Denmark displays a sovereignty-based euroscepticism, which means that they prefer an EU whose decision-making favours a strong role of the Council, that is the Member States.

The federal elements of European integration constitute the thorniest issues in the eyes of the Danes. As a result, mainstream politicians typically try to accommodate voters' preferences by showing support for proposals that have a predominantly economic focus, such as ways to support and even strengthen the single market; but hesitate on issues with a predominantly political focus, such as endeavours to build a more social Europe or to expand the scope of qualified majority voting. Federalist rhetoric on, for instance, a "European army" or "EU taxes" is also typically opposed.<sup>1</sup>

The Danes also tend to be critical of the possibility of majority voting in the Council and of moves towards more "Social Union". There is no contradiction between this sovereignty-based euroscepticism and the high levels of support for membership itself. The Danes want intensive European cooperation, but they want it on predominantly economic affairs - except for when it comes to Denmark's participation in the Euro.

Denmark greatly acknowledges the crucial need for common solutions and European leadership so that the EU and Denmark can move out of the economic crisis. Since the beginning of the crisis, the Danish perception has been that the austerity measures taken by the EU were necessary. With this in mind, the general belief has also been that Germany should continue to exert leadership in the EU's economic governance, as has happened throughout the crisis.

A more cautious note has been struck in recent debates on furthering EU economic governance, such as the establishment of a banking union or the creation of euro-bonds, where a clear national position has not yet been formed. On the banking union, for instance, the Danish Parliament has taken a "wait-and-see" approach in order to see how it evolves before deciding on whether or not Denmark should join in.

### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Overall, the European Union appears to be a clear project in Denmark, although there are, of course, differences of opinion across political parties and population groups. There is broad agreement among the Danish mainstream parties and voters that EU membership is a good thing. There is strong backing for the EU's single market, as long as it concerns the free movement of goods, services, and capital. However, it is a different matter when it comes to the free movement of people with regard to EU citizens' access to social benefits in Denmark and debates about building a European Social Union. The current Danish Liberal minority government, for instance, supports British Prime Minister David Cameron's attempt to introduce stricter rules on the ability to send child benefits abroad.

The topic of curbing non-Danish EU citizens' access to Danish benefits, particularly those from Central and Eastern Europe, was widely discussed ahead of the European Parliament elections in 2014. The radical right Danish People's Party, Denmark's second largest party, has been particularly successful in bringing the issue of welfare benefits onto the media's agenda and pushing the mainstream parties (such as the Liberal Party and the Social Democrats) to take a more restrictive stance on the matter. Mainstream pro-European parties have become receptive towards some of the arguments made by the Danish People's Party and have taken a more critical EU line when it comes to EU citizens' access to Danish welfare benefits.

There is no clear position on border control (Denmark's participation in Schengen), where the Danish People's Party wants to reclaim border controls, while the mainstream parties are in favour of continued participation in Schengen. Due to the current Danish Justice and Home Affairs (JHA) opt-out, Denmark participates of on the basis an intergovernmental agreement but not on a supranational level.

Other than a clear unwillingness for the Danish people to join the Euro and hesitancy towards EU citizens' access to Danish benefits and Danish participation in Schengen, the Danes are very supportive of its EU membership and access to the single market. EU membership is thus seen as a remarkable economic benefit for Denmark, although the Danes become withdrawn when there are talks about moving towards a more federal union.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Denmark's approach the EU to is characterised by pragmatism: Typically, the existing level of integration meets with broad political consensus, but Denmark rarely demands additional integration. New policies are supported if they are deemed necessary for maintaining a cost-efficient Union. First and foremost, Denmark takes part in European cooperation because it makes good sense from the political and economic perspective of a small country with a land-border with Germany. Cultural, historical, and idealistic considerations play second fiddle.

This has been the situation right from the То understand Denmark's outset. EU ambitions, we need to understand its rationale for joining the cooperation in the first place. Free from a history of recent authoritarianism or a severe World War II legacy, Denmark's path to EU membership in 1973 was wholly tied to that of the United Kingdom (UK) - a major trading partner. Denmark applied to join together with the UK in 1961, withdrew its application as soon as French president de Gaulle vetoed UK membership, and reapplied in 1967 when the UK was able to reapply.

Politically and economically, Denmark's ambitions were initially modest and entirely focused on the single market. The first fifteen years of membership were even characterised by a largely hesitant political elite. Doubts about the advantages of cooperation led the Danish government of 1986 to call a voluntary referendum on Denmark's participation in the Single European Act. The result, a reassuring yes, marked a turning point.

The fall of the Berlin Wall in 1989 together with a broad public support for European integration led the centre-left and centre-right political parties to adopt a pro-integration stance. This situation still characterises Danish politics today. A tangible outcome of the broad pro-EU consensus is a written cross-party agreement to steer Denmark as close as possible to the core of the EU.

Had it not been for the Danes' unexpected rejection of the Maastricht Treaty in 1992, leading to the adoption of four Danish EU optouts, Denmark might have enjoyed a long spell as one of the EU's foremost supporters. However, the no-vote cemented political awareness that there was a widespread, diffuse and elusive euroscepticism amongst the Danes that only supported integration to a certain extent. Still today, this impression continues to tie the hands of the pro-EU elite.

As a result, recent Danish governments tend to wholeheartedly support existing cooperation but take a conservative stance on the need for additional integrative steps. Public opinion seems to support this approach. For the past several years, the Danes have been among the populations of the EU, who are the most supportive of membership itself but the most opposed to any move perceived to be leading towards a more federal union.

Throughout the mid-1990s and early 2000s, new treaties, including the Amsterdam Treaty of 1997, which received a successful public vote, and the Nice Treaty of 2001, have been justified to the Danes as necessary steps to accommodating a Union that was expanding in size – Denmark being among the most fervent supporters in the EU of the 2004 enlargement to ten Central and Eastern European countries.<sup>2</sup>

However, other integrative steps, notably the single European currency, which took shape during the same period, were not seen as necessary or attractive developments and did not meet the same permissive consensus in Denmark. The Euro was decisively rejected in a referendum in 2000 as one integrative step too far, after a very emotional campaign focused on the symbolic value of the Danish Krone.

An old saying has it: If something happens once, it never happens again. If something happens twice, it always happens again! The fact that the Danish voters voted no twice (resulting in a major defeat to the government and established parties), has firmly rooted the perception in Denmark that there are, quite simply, limits to how far European integration can go in the eyes of the population. In terms of the current EU agenda, Denmark's position towards, for example, the banking union and a common migration policy, are likely to be one of hesitancy or even rejection, while positions towards, for example, the Digital Single Market or closer energy cooperation, are positive. Crudely put, the perception of which level of integration is seen as adequate in Denmark depends to a large extent on whether or not a new integrative step is seen as a move too far in the direction of a more federal union.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

"Realist" definitions of a common European public sphere envision an environment where citizens feel connected to citizens in other EU countries, and participate in joint discussions on European topics, displaying willingness to exchanging views as fellow Europeans, rather than as isolated national entities.

As such, a precondition for a European public sphere to exist, let alone to be strengthened, is the presence of a European mindset in the various EU Member States. How well developed is the Danes' European mindset?

For decades, Eurobarometer has surveyed whether or not people feel that they are citizens of the EU, and whether they see themselves as being exclusively their own nationality or also European. The Eurobarometer poll from July 2015 shows that 74% of Danes feel that they are citizens of the EU (the EU average is 67%). 58% of Danes see themselves as being both Danish and European (the EU average is 52%).

On the one hand, these figures suggest that a large number of Danish citizens already feel that they belong to Europe. There seems to be a rather widespread presence of a European mindset in Denmark. In fact, in Denmark, the sense of belonging to Europe, at least on these two indicators, is more developed than in most other EU Member States.

On the other hand, a non-negligible amount of Danes continue *not* to see themselves as EU citizens – that goes for about one quarter of the population. An even larger proportion of Danes continue to see themselves as "Danish only", even when presented with the option to answer "nationality and European" – this holds for 34%.

Crudely put, with Denmark's EU membership, all Danes are citizens of the EU. Likewise, by definition, all Danes are Europeans. In this light, let us turn to the question of how the idea of belonging to a common European public sphere can be strengthened in Denmark.

In light of most Danes' pragmatic approach to European cooperation, this achievement would need to involve at least three tangible developments.

First, the Danes would, to a larger extent, need to see the rest of Europe as a relevant, important, and necessary forum for deliberation. Issues of concern to the everyday lives of Danish citizens would need to have clear and tangible links to the everyday lives of other European citizens. Sharing with and learning from citizens in other corners of Europe would have to be experienced as a cost-efficient way of going about meeting one's own ends.

The European Union can play an important role in facilitating a European public sphere. Its policies, for instance, on roaming costs, energy independence, CO2 emissions and, as we witness at the time of writing, asylum and migration, are clearly of cross-border relevance and impact on the everyday lives of many citizens.

Such issues have the potential to show to the Danes and other Europeans the interrelatedness of many of today's challenges. But currently there is little public awareness that these issues have anything to do with the EU. A majority of Danes do not think that there is a connection between, for example, EU membership and improved consumer rights when buying goods in another Member State; or cheaper use of mobile phones when travelling in another Member State.<sup>3</sup>

There is a need for improved EU communication to demonstrate the importance, the rationale and the impact of joint decisions.

Some may argue that a phenomenon such as asylum and migration is playing a divisive, rather than a facilitating, role when it comes to the possible development of a European public sphere. Nationalist parties have surged in several Member States over the past years, including in Denmark, where the Danish People's Party came second in the June 2015 national elections with 21% of the vote. Often these parties advocate fiercely for the resurrection of borders between EU countries. The increasing prominence in recent years of such populist-nationalist parties across the continent is an indisputable fact. However, in terms of our definition of a European public sphere, this does not preclude its development in the EU. Rather, the contrary could be said, given that the populist trend is indeed common to a host of EU countries today. Similar concerns can be expected to be present across the electorate in these Member States. The challenge for the development of a European public sphere is to find a way to increase deliberation across these populations.

This brings us to the second necessary element for the Danes to be able to partake in a European public sphere. Social media has, to a large extent, provided the tools for easy crossborder deliberation, but significant language barriers prevail on all sides of the borders. Although somewhat proficient in English, there exists a large number of Danes across all age groups who cannot be expected to readily engage in deliberation on European affairs in any language other than Danish.

Nevertheless, as Danish schools have started to introduce the English language to children much earlier today than even 20 years ago, and there has been a similar tendency in many other European countries, a "common language" is becoming increasingly prevalent across Europe. Quite independently of political communication efforts, younger generations may, therefore, automatically come to witness a European public sphere to a greater extent than the present generation.

Finally, familiarity with other European countries would help. At present, there is still only a limited inclination amongst a majority of Danes to consider the prospect of working, living or studying in a different Member State. Around 9 out of 10 Danes do not foresee any of these possibilities happening in their own lives. This is likely to dampen the likelihood that these Danes will feel a natural inclination to take part in a European public sphere.

The gradual increase in the availability of educational and cultural exchange programmes across Europe (such as the Erasmus programme), combined with the social media frenzy that often happens in connection with pan-European shows and sports events, may lead to a growing number of people gaining first-hand experience of other EU countries and populations. (When) Will it happen? The EU, pro-European Danish politicians, English-language teachers, public figures (such as former football player Michael Laudrup), and other cultural persona can only go so far in forging a European public sphere in pragmatic Denmark. However, judging by developments over the past two decades, things are moving in that direction. Time, by itself, will likely play the role of the most powerful driver in facilitating the idea of a European public sphere to the 5.3 million citizens of the small kingdom of Denmark.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

The sovereignty-based euroscepticism of many Danes is currently not "activated" because there is no pending treaty change or major new project that requires Danish participation. As a result of the Euro opt-out, and the Justice and Home Affairs opt-out, Denmark is neither required to join the new banking union nor adhere to decisions concerning the relocation of asylum-seekers and migrants from Greece and Italy. However, this sovereignty-based euroscepticism was recently activated when the Danish electorate voted "nej" (no) to changing the current Danish JHA-opt-out to an opt-in model, similar to the British and Irish model, in a referendum on 3 December 2015.4 Those campaigning for a "novote" won because the Danes perceive national sovereignty and EU cooperation as a zero-sum game. The idea behind the vote was to empower the Danish Parliament to choose, on a case by case basis, which EU JHA laws it wanted to be a part of. However, the formal handing over of sovereignty was deemed to be unacceptable by those voters who rejected changing the current opt-out.

Danish euroscepticism is evenly represented across social divides. There is a slight underrepresentation of well-educated people among the no-sayers, but other factors such as income, age, gender and geographical situation do not sufficiently explain the scepticism of society at large.

As set out previously, the Danes' strong support for the EU is grounded in the pragmatic perception that the EU is a necessary and costefficient relationship for a small, continental country like Denmark.

The policies that justify this relationship most precisely in the eyes of the majority of Danes have to do with the internal market, trade agreements (including the TTIP), climate change, and the environment. Danes support EU policies that allow the EU to speak with a stronger voice globally and to address security issues, such as the fight against organised crime and terrorism.

These are the policies that many Danes would like the EU to focus on, and which confer legitimacy on the EU in Denmark.

Overall, the EU enjoys high levels of public support in Denmark. According to the latest Eurobarometer poll, 75% of Danes are convinced that their country would not fare better outside of the Union. In terms of legitimacy through public support, the situation is not bad. The current mix of EU policies, it would seem, is more or less acceptable to a majority of Danes.

In terms of policies that could "delegitimise" the EU in the eyes of the Danes, we can think of EU decisions that affect core areas of the Danish "way of life". This encompasses EU decisions perceived to dictate the workings of the Danish welfare system (e.g. on more Social Union, or on the access to welfare benefits by migrant workers), as well as largely symbolic decisions - if, for instance, the EU were to ask Member States to fly the EU flag on public buildings. Eurobarometer 83 (Spring 2015) asked just this question, and the Danes were by far the population the most opposed to this idea across the EU. There was even a margin of 15 percentage points between the 15% of Danes, who thought flying the EU flag on public buildings was a good idea, and the 30% who thought so in the rather eurosceptic Great Britain.

Contrary to what some might expect from a country that prides itself on its democratic traditions, a strengthened role for the European Parliament, or the idea of the European Citizens' Initiative (where one million signatures across seven Member States will require the Commission to consider a proposal for new legislation) are not met with enthusiasm amongst the Danes. On the contrary, the Danes are the population in the EU where fewest wish to see a strengthened role for the EP, and where fewest foresee that they will want to make use of the citizen initiative.

In line with our finding that Danes share a strong sovereignty-based euroscepticism, we may speculate that this is due to most Danes preferring decision-making powers in the EU to rest with the Council of Ministers, in other words with the Member States.

For now, as mentioned above, the vast majority of Danes would prefer to remain inside the European Union. Perhaps, in a union marked by tremendous diversity, this is the most important success criterion that most leaders should strive to maintain.

#### Endnotes

<sup>1</sup>. Catharina Sørensen, "Love me, love me not... A typology of public euroscepticism", *SEI Working Paper*, No. 101, *EPERN Working Paper*, No 19, 2008, <u>https://www.sussex.ac.uk</u>.

<sup>2</sup>. Catharina Sørensen, *A conceptual analysis and a longitudinal, cross-country examination of public scepticism towards the European Union*, PhD Thesis, Copenhagen University, 2007.

<sup>3</sup>. European Commission, Eurobarometer, No. 80, November 2013, questions D8.2 and D8.3, <u>http://ec.europa.eu/public\_opinion/</u>.

<sup>4</sup>. Catharina Sørensen, "To be in, or to be out: Reflections on the Danish referendum", *EPIN Commentary*, No. 29/10, December 2015, <u>https://www.ceps.eu</u>.
## **ESTONIA**

### Despite Difficulties, Support Remains High

# What does your country hope to gain from its membership to the European Union?

Estonia declared the restoration of its independence in 1991, following which the country has been looking to the West and Europe, aspiring to become better integrated into Western institutions. Out of fear of being left behind by the European Union and reduced to the status of being a peripheral country, Estonia's main foreign policy objective became membership of both the European Union and NATO. Integration into the EU, Eurozone and NATO was crucial, mainly because it provided answers to its security concerns as a small country, but also because it held considerable economic benefits. Given that the three Baltic States were both poor and relatively unknown, inclusion in the EU was not at all certain and the general strategy was to be integrated into as many Western institutions and organisations as possible - something that would ensure the survival of their independence. One could argue that inclusion in the European Union made Estonia's influence greater than it actually is.

Fulfilling the "Copenhagen objective" criteria became the national mantra, as many inside and outside the country doubted the possibility of Estonia becoming an EU member. By the time the referendum on membership to the EU was held in September 2003, the political elites were more optimistic about the EU than the general public. Some argued that going

#### Highlights

- Estonia joined the EU, as well as NATO, and afterwards the Eurozone in the midst of the economic crisis, to participate in all Western clubs. The participation in those institutions has allowed the country to punch above its weight. A good example is how Estonia has played a key role in the cyber and digital agenda at the European level.
- Estonia supports stronger political and  $\star$ economic integration of the EU and area in order foster euro to competitiveness, growth and financial The need for stability. greater integration originates from the need to achieve a greater sense of security, belonging and identity, and the fear of being left out from the core of the EU.
- ★ In just over ten years in the EU, it is not surprising that Estonians have not completely absorbed the "EU identity". Quality discussions and increased media coverage are important factors, but people-to-people interaction between the EU member states, including longer term education and science or cultural programmes and workshops would be helpful.

from one union (USSR) straight to the next would threaten Estonia's independence again something that was so highly valued. Secondly, Estonia had enjoyed economic growth during

the 1990s, and that made some Estonians question the need to join the EU.<sup>1</sup> Despite that, about two-thirds of votes were positive, and on 1 May 2004 Estonia joined the European Union. During the first years within the EU, Estonia started supporting the Community model and saw the benefits of further integration, since the Lisbon Treaty allowed the EU to speak with one voice in its external relations- something that gave Estonia bargaining power. Prior to that Estonia had joined NATO on the back of huge public support (some people actually saw this as a reason not to join the EU), which implies how important the security dimension was in Estonia's decisions – understandably security related topics were connected to Russia. Another episode, which demonstrates Estonia's willingness to participate in all the Western "clubs" was joining the Eurozone in 2011. Joining at a time when the Eurozone was experiencing fundamental problems, and questions about its future were being raised, demonstrated that the single currency was not so much about economics for a small country, but more about "national security". This allowed Estonia to identify itself as a country belonging to the Western region.

Estonia's European Union policy framework document for the period from 2011 to 2015<sup>2</sup> underlines priorities for Estonia in shaping EU policies, most of which are driven by the previously mentioned need for greater security and economic integration. The document states that the major and paramount objective of Estonia's EU policy is to do the utmost to further strengthen the euro area in conjunction with further deepening of the Single Market. Economic and Monetary Union and the single currency are the pillars for a single Europe for both economic policy and general policy reasons.

The initial benefits for Estonia have also come from the EU's four freedoms - the free movement of goods, capital, services, and people - because Estonian companies have benefited from the internal market, freedom of movement and sense of security. As Estonia's exports to the EU member states account for about 75% of the total volume of Estonian exports, the common market and low trade barriers are extremely important for Estonian entrepreneurs. Important topics for them include the widening of the internal market and bringing it closer to Estonian businesses and citizens, as well as breaking down the regulatory barriers inhibiting cross-border economic activities, especially services. In addition to that, the EU's Structural Funds have been beneficial for Estonia.

One whole chapter (out of eight) in Estonia's European Union policy framework has been devoted to digital and cyber policy, and identifies two key goals: The Single Digital Market and embedding of cyber security into the Common Foreign and Security Policy. Estonia has been promoting itself as a leader in the information technology field and is trying to integrate digital tools (digital signature and authentication) within the EU Single Market. Other agendas that Estonia is pursuing are related to the Eastern Partnership. Estonia has been supportive of the enlargement of the EU as it has experience of the positive impact of the integration process, and could share its reform experience and know-how. Last, but not least, Estonia is trying to limit its dependence on Russian energy supplies and achieve greater integration into the EU's energy markets. Therefore, Estonia has been trying to instil energy security issues in EU policies, as the three Baltic States have been disconnected from the interconnected energy market and are still overly reliant on Russia's energy supply.

International prestige and the EU's ability to speak with one voice at the international level are also key focuses, and Estonia supports the coherent representation of the EU and euro area in international forums.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Despite the fact that Estonia joined the Eurozone at the height of the financial crisis and enjoys widespread support for the euro (in 2014, according to a poll, 75% of respondents supported using the euro), membership in the Eurozone has brought up new dilemmas and questions about responsibilities. Estonia has been one of the best behaving countries in the EU in terms of budget limits and fiscal responsibility, and supported Greece which had ignored the rules of the EU while being perceived as a much richer country than Estonia, forcing Estonians to consider their responsibilities to EU for the first time. The European Stability Mechanism (ESM) and the European Financial Stability Fund (EFSF) triggered the most serious public debate in Estonia about the EU since accession. Nevertheless, a strong EU and Eurozone was a question of strategic security and the government ratified the ESM in 2012. In 2013, the Governor of the Bank of Estonia said that the euro has lived through good and bad times. "Globalisation of [the] economy and capital free movement have widened growth possibilities, but also heightened several risks. The risks have been underestimated."3 During the "second Greek crisis" in 2015, public discussion about the future of the EU, responsibilities of member states and the need for fundamental reforms have resurfaced again and questions about responsibilities, values and empathy have been brought up. Many Estonians are again pointing

out that Greece's behaviour has no basis and there is no justification for bending the rules or avoiding responsibilities. Even the President tweeted about a potential experiment: putting the question "Do we raise our taxes to bail out Greece? The odds of a yes?" to a referendum. During the same period, at the 2015 parliamentary elections more radical parties gained seats, giving them a platform to express more conservative views and take the discussion further on the nationalist side. They have brought to the fore more conflicting opinions about "European values" when questions of solidarity, support for Greece and refugees have been raised. In general, the Estonian government has followed Germanys' example during the discussions about financial measures regarding Greece and is not trying to be a troublemaker, as well as emphasising the need for a strong and unified EU and Eurozone.

Despite these problems, public support for the EU and Eurozone has remained high and the trend has been improving. According to a poll conducted on behalf of the Government Office (Elanikkonna suhtumine ja teadlikkus Euroopa Liidu küsimustes, Nov. 2014)4 84% of respondents supported Estonia belonging to the European Union, achieving a historical maximum. In 2013 and 2012 the support numbers were 80% and 74% respectively. During recent years, the percentage of people who "definitely support" belonging to the EU has risen to 54%, also reaching historical heights. The poll concludes that, according to their judgement, the improvement is probably due to international conflicts (Russia-Ukraine conflict), have improved which and strengthened understanding of EU values. To be more pragmatic, security issues have again pointed to the potential benefits of the EU for Estonia, making it easier to accept some of the risks and responsibilities. In addition, the Prime

Minister, Taavi Rõivas, said during a debate with European Commissionner Jyrki Katainen in 2015 that Europe is much better protected against any negative scenario now than five years ago.<sup>5</sup>

On the other hand, at a more detailed level, people are not extremely well informed about Estonia's priorities and interests in the EU. About half of the respondents acknowledge that they are well or rather well informed, whereas 44% of the respondents consider their level of understanding to be bad or rather bad. Having said that, the trend has been improving and 2014 was the first year when those who themselves consider well informed outnumbered those who consider themselves not well informed. The general public considers the most important objectives for Estonia in the EU as follows: infrastructure development (Rail Baltic, Balticconnector), securing a stable euro, regulating the banking sector and bringing Ukraine, Georgia and Moldova into the European Union. Support for securing visa-free travel to Russia has dropped (reflecting the current international situation) and support for a wider digital signature usage in Europe has remained the same. According to the survey, areas that should be supported through EU funds include education and science. agriculture and regional development and national security. Support for security rose the most, reflecting that Estonians see the EU mostly as a security umbrella with benefits for their economic situation.

In 2014 Estonia celebrated its first decade in the European Union. Compared to bigger and more mature countries, it is a short period of time. Being a small country at the periphery, our interests are mostly security related and therefore in favour of greater integration. Most Estonians tend to see the EU project trough that particular prism. As we have seen, the EU itself is developing and new problems are surfacing, meaning that some aspects of the whole project might be clearer and some less so. Also, there are still quite a large number of Estonians who seem to think that the EU project neither concerns them nor affects their daily life.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Initially Estonia favoured the intergovernmental approach to EU affairs, but as the benefits of "speaking with one voice" in external affairs became evident, the government gradually realised that Estonia's interests were best served by the community method. Although sceptical about deeper integration at the beginning, the contradictory Nord Stream project and interaction with Russia made it clear that the European Commission can be useful for Estonia's external affairs, especially by not letting smaller countries become dominated by the larger states. The Estonian government's EU policy framework document states that the decisionmaking process in the EU and the euro area be different must balanced between cooperation models and interests, and whenever possible Estonia prefers to use the Community method. The role of institutions that balance the size and interest of member states (the European Commission in particular) must be strengthened. Therefore, Estonia has never sought to lessen the Commission's power. In addition, Estonia has abided by the following framework statements: Estonia is willing to place new areas under EU jurisdiction and broaden its current powers and does not support reversing or limiting the EU's powers. Additionally: Estonia is ready to integrate with

new cooperation formats, including the expansion of policy areas operating on the basis of enhanced cooperation.

On the other hand, in terms of federalisation, especially in light of the recent and developments in Greece, there has not been much active or detailed discussion in the Estonian media about the topic. Among the political elite the idea has found some support as it could help the country avoid falling into the periphery. However, giving total control over budget lines to the EU and giving up Estonia's flexibility is not so attractive. Although it would bring some member states under greater control, the problem could be better addressed via banking regulations, requiring strict fiscal policy in each member state, more extensive coordination and surveillance of the budgetary and economic policies of member states, and addressing economic competitiveness.

As regards economic integration, Estonia fully supports the four freedoms - the free movement of goods, capital, services, and people. Given that up to 75% of Estonia's exports end up in the EU, and the country has experienced a relatively quick recovery from the 2008 financial crisis owing to the openness of its economy, Estonia is supportive of greater economic integration with the EU. Estonia's EU policy is focused on the development of the internal market and the expansion of its operating principles and supporting actions widening of the internal market and bringing it closer to Estonian businesses and citizens, as well as breaking down the regulatory barriers inhibiting cross-border economic activities, especially services. Political elites agree that development of the internal market will contribute to enhancing Europe's competitiveness. Estonia has branded itself as a

leader in the information technology and innovation field and therefore continues to promote the creation of a Digital Single Market agenda. At the moment the most important topics on the agenda are digital signatures and authorisation, which would further enhance synchronisation and usage of digital services and provide opportunities for greater economic integration. As the Prime Minister put it in 2015, in the digital world there is no periphery and no physical location for a small country.

In sum, Estonia supports stronger political and economic integration of the EU and euro area in order to foster competitiveness, growth and financial stability. The need for greater integration originates from the need to achieve a greater sense of security, belonging and identity, and the fear of being left out from the core of the EU.

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

Member States are inseparable actors when it comes to raising awareness of EU issues, especially since a considerable part of the Estonian population considers itself badly informed on EU topics, or feels that EU issues are irrelevant. At the national level, politicians and national administrations in particular, can be generators of media interest and public debate on important topics and agendas that Estonia is seeking to instil in EU policies (Digital Single Market, Eastern Partnership, energy security). Moreover, the administration of each Member State has the responsibility to explain and launch discussions on why certain decisions were made, especially during these turbulent times.

Estonia will assume the Presidency of the European Union in the first half of 2018, and preparations have already begun. More than 1000 dedicated civil servants will be employed by the Government to accomplish the task, and the Estonian Presidency has the potential to raise awareness and interest on EU issues and policies among citizens. The Presidency will cost around 75 million euros and most of it will be spent on creating events in Estonia and organising different meetings, but around 5% of this amount will be allocated for cultural events in EU capitals. By creating enough media coverage, quality discussions and events, Estonia has a chance to use the presidency to discuss many important topics and bring the EU closer to the average citizen.

Since Estonia celebrated its first decade in the EU in 2014, it is not surprising that during such a short period of time Estonians have not completely absorbed the "EU identity". Quality discussions and increased media coverage are important factors, but probably the best way to strengthen the feeling of belonging to a common European public sphere would be people-to-people interaction between the EU member states, including longer term education and science or cultural programmes and workshops. Discussing the topics that are most important to the general public (infrastructure development, securing a stable euro, regulating the banking sector and bringing Ukraine, Georgia and Moldova into the European Union) and areas that, according to public perception, should be supported by the EU (education and science, agriculture, regional development and security) is crucial. Furthermore, it is necessary to address problems and risks that the EU is facing. Lastly, exchanges between member states' civil servants would be useful for gaining a better understanding of the EU and national administrations.

Grants for different initiatives to activate and promote debate on EU policy priorities and how they relate to Estonia could be an important tool for raising public awareness and bringing national publics closer to the institutions of the European Union. For example, both the EU refugee quota plan and "Grexit" have created an active discussion in Estonia, and with many polarised opinions emerging the debate has sometimes been lacking quality (especially compared to the crisis in Ukraine, where Estonians arrived at the about EU's conclusion the united responsibilities rather quickly). Overall, a rising awareness of sovereignty, responsibilities, European values, human rights, diversity in society and belonging to a common space (via grants for facilitating debates, seminars, conferences and workshops in universities, educational establishments, think tanks etc.), is beneficial for understanding emerging problems in the context of how the EU project is perceived in other Member States.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

In my opinion, most of the key policies Estonia is trying to instil in the EU agenda will further legitimise the EU project. Estonia has placed a great emphasis on the EU's ability to speak with one voice at the international level, and every time the EU has done so (mostly regarding issues concerning Russia) the EU project has become more meaningful for Estonia. Due to security issues, coherent and consistent representation of the EU and the euro area in international forums and organisations is a source of trust for Estonia.

The same can be said about the greater integration aspects of Estonia's EU agenda – transport connections, energy security, lower trade barriers, free movement of capital, labour etc., and open markets all bring about greater integration and interdependence that consequently alleviate fears of falling into the periphery. Estonia considers it important that the political and economic role of the European Union is further strengthened, although in light of a "second Greece crisis" more public discussion is needed about different aspects of integration, sovereignty and responsibilities. Historically Estonia has been supportive of understanding enforcing common of regulations and improving compliance to economic commitments. Although the topic is relevant now more than ever, political aspects of new problems have surfaced and solutions should be seen in a new light. In general,

Estonia has invested a great amount of time, money and political capital into being part of the EU and Eurozone. A unified and strong EU is in Estonia's interest and a lot needs to be done inside the country (in terms of understanding our responsibilities and rights) to further legitimise the European project.

Although economic problems that have surfaced during the past five years have taken a political turn, their source is either structural or economic. The EU needs reform, but innovation and economic competitiveness are key for a strong EU project. Policies that support innovation, growth or enhance competitiveness, hold the opportunity to further legitimise the EU project.

#### Endnotes

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### ★ FINLAND

### In Search of An Effective and Equitable European Union

# What does your country hope to gain from its membership to the European Union?

Having a population of only 5.5 million and sharing a border with Europe's largest and most populous country (Russia), Finland has a pronounced small state identity. This small state identity has decisively shaped Finland's relationship with the European Union (EU) and the country's behaviour and objectives within the Union.<sup>1</sup>

Fittingly for a small state, security was one of the main catalysts for Finland's decision to apply for EU membership in 1992 and constituted a central argument for the supporters of membership ahead of the national EU referendum in October 1994.<sup>2</sup> In Finland, the European Union was not only seen to have a positive impact on European security at large; membership in the Union was expected strengthen also to Finland's international position and to help it protect itself against military threats and external political pressure.3 Moreover, the EU's institutional order was considered to provide small states like Finland with unique opportunities to raise their voice, allowing them to influence decisions that they would otherwise have little control over.4

Economic arguments also played a key role in Finland's decision to apply for membership and to join the EU. As a member of the European Economic Area, Finland had access to the EU's internal market even prior to

#### Highlights

- Finland joined the European Union with three main goals in mind: protection against military threats (Finland remains outside NATO), gaining influence within and through the EU, and economic opportunities via a full-fledged participation in the Single Market.
- ★ The past eight years have blurred the nature of EU integration in Finland. The compounding of the Eurozone crisis and constant rambling between Member States on the one hand, and the great leap forward into integration on the other hand, has cast a shadow over the future of the EU.
- ★ In order to restore legitimacy to the EU project in Finland, the European Union should focus on solving the economic crisis especially as the Finns feel the EU is equipped to deal with it. Relatedly, it should better enforce common rules, which Finland strives to respect. It may want to work on how to engage citizens further, but this is only secondary in the short term.

joining the Union. However, it was argued that only full membership of the EU would allow Finland to participate in developing the single market and shaping its legal framework.<sup>5</sup> At the same time, EU membership was expected to increase the stability of the Finnish economy and boost growth.

The three above mentioned objectives enhancing Finland's (and Europe's) security, gaining influence both within and through the EU, and ensuring economic stability and growth - still form the core of Finnish EU policy. This is clearly expressed in the most recent government white paper on Finnish EU policy, published under Prime Minister Jyrki Katainen's government in 2013. The paper states that "for Finland, the European Union is the most evident political community, whose development fosters Finland's prosperity and security".6 The paper also underlines that "membership provides Finland with a level of influence over cross-border issues way beyond anything achievable as a lone actor".7 The problems currently experienced by the Finnish economy and Russian military activity in the Baltic Sea region have further served to highlight the centrality of economic and security issues in Finnish EU policy.8

The citizens' views on the real or potential gains of Finnish EU membership are not identical to those of the Finnish government, but there is a high degree of overlap. According to a recent Eurobarometer survey, the two things that Finns most commonly associate with the EU on a personal level are the freedom to travel, study and work anywhere within the Union (67% mentioned this) and the common currency (61%).9 On a more general level, Finns also include peace between the Member States in the list of the EU's achievements.<sup>10</sup> The majority of Finns also agree or strongly agree that the EU contributes to the protection of its citizens, helps in tackling global threats and challenges, enhances the quality of life in Europe and creates the conditions for improving employment in Europe.<sup>11</sup> On the other hand, in the citizens'

view, the gains are somewhat overshadowed by the negative qualities associated with the EU; a total of 85% of Finns see the EU as a source of excessive bureaucracy.<sup>12</sup>

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Some of the main achievements of the European Union appear quite clear to the Finnish public. Thus, according to opinion polls, Finns attach great importance to the EU as a guarantor of peace in Europe, to their freedom to travel, study and work anywhere within the EU territory and to the common currency.<sup>13</sup> That said, the European Union as a political entity or a political project is much more difficult for the general public to grasp. While surveys show that Finns are interested in EU issues and suggest that they know more about the Union than the aggregated average given by citizens across the EU, only a very small percentage of Finns claim to understand the EU very well.14

All in all, there has been only a limited amount of public debate in Finland about the direction of the integration process, let alone its desired end state. The developments within the EU in recent years have further blurred the nature of the integration process. On the one hand, the economic downturn, the Eurozone crisis, the constant wrangling between the Member States and the upcoming membership referendum in the United Kingdom are all clear signs of a weakening of the EU. On the other hand, the Eurozone crisis in particular has compelled Member States to seek closer coordination and transfer new powers to the level. These European contradictory developments have understandably raised many questions about the state and direction of the EU. As the Finnish government's 2013 white paper on EU policy states, "[...] the debate on the Union's future has been characterised by increasingly polarised positions. [...] [T]he alternatives are presented in the form of oversimplified binaries: federalism or fragmentation."<sup>15</sup>

The uncertainty surrounding the direction of the integration process is also clearly reflected in the contradictory answers of the Finns to questions concerning the EU's future. In a survey conducted by the Finnish Business and Policy Forum in 2012, altogether half of the respondents agreed or strongly agreed with the statement that, "Europe's problems cannot be solved by further integration as many of the problems stem from too far-reaching integration". At the same time, 29% of the respondents agreed or strongly agreed with the statement that Europe can only succeed by deepening integration.<sup>16</sup> Despite the problems and the uncertainties currently associated with the EU, the general public has remained rather supportive of the Union. Moreover, although the majority of Finns think that things are currently going in the wrong direction in the EU, two-thirds are optimistic about the Union's future.17

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Finland's identity as a small state has had a significant impact on how Finland views the integration process and its own position therein. First of all, as a small Member State, Finland has always had a strong interest in an EU structure that mitigates the existing power asymmetries between the Member States and hinders the biggest Member States from taking too dominant a position within the Union. Secondly, in view of the advantages that the EU is able to provide to small states, Finland has emphasised the importance of an effective decision-making system. For these two reasons, Finland has traditionally staunchly supported the Community method of EU policy-making – which envisages a central role for the supranational bodies, such as the European Commission, the European Parliament and the Court of Justice of the European Communities – as opposed to a more intergovernmental mode of policy-making.<sup>18</sup>

Due to its support for the Community method, Finland has been ready to support further integration in numerous policy areas, even in the Common Foreign and Security (CFSP).<sup>19</sup> Finland's traditional Policy commitment to and support for further integration has also been motivated by the idea that as a small Member State, Finland is best able to influence EU policies by taking a constructive and proactive - in other words, integration-friendly – attitude and by promoting common solutions.

As far as the public attitudes towards EU integration are concerned, the picture is somewhat different. While the great majority of the population sees the European Union in either positive or neutral terms, the attitude of the Finns towards far-reaching integration is rather sceptical.<sup>20</sup> The population is particularly wary of any elements of federalism, with only 9% thinking that such an orientation would be desirable or highly desirable, and 64% regarding it as undesirable or highly undesirable.<sup>21</sup>

Until the beginning of the Eurozone crisis, eurosceptic attitudes were hardly visible in Finnish EU policy, as there was a strong interparty consensus favouring a constructive and pragmatic attitude towards the integration process. However, the Eurozone crisis has strengthened the critical voices within the Finnish party political landscape. Most notably, the rapid rise of the populist and eurosceptic Finns Party, starting with the party's strong showing in the national parliamentary elections in 2011, has posed a challenge to Finland's earlier consensus-oriented and integrationfriendly policy line.

As a result of the Finns Party's success, many of the old mainstream parties have felt compelled to adopt a more cautious approach towards the EU. While remaining an essentially pro-integrationist Member State, Finland has thus taken a somewhat more reserved stance on further integration. This is clearly reflected in the 2013 white paper on Finnish EU policy. It states that Finland supports closer integration as long as it can be achieved in a manner that the Member States and citizens find necessary, fair and just".<sup>22</sup>

A similar tone characterises the EU policy orientation of the current Finnish government, which includes the eurosceptic Finns Party. The programme of the government describes Finland as an "active, pragmatic and resultoriented Member State" that seeks, "in a constructively critical and cooperative way, to combine the national and joint European interest in Finland's EU policy".<sup>23</sup> As far as the general degree of integration is concerned, the programme states that the European Union "must focus on the most essential issues; it is not necessary to deepen integration in all policy areas".24 However, even the new government believes that "[t]he Community method is the way of guaranteeing the stable and equitable functioning of the Union as well as ensuring democracy in EU decisionmaking".25 Moreover, the government has a strong interest in developing the EU's internal market and strengthening the EU's Common Security and Defence Policy (CSDP).

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

There are different ways to understand the concept of a European public sphere. However, essential components of a European public sphere are generally considered to be comprehensive media coverage of European issues and actors – including issues and actors both at the EU level and in the different Member States – and a general interest on the part of the citizens to engage in discussions about these issues and actors. In this sense, events in recent years have certainly contributed to the development of a European public space: as a result of the Eurozone crisis, events at the EU level and in several Member States have been closely followed around Europe through different media. At the same time, EU affairs have become increasingly politicised and have forcefully entered the domestic political arenas around Europe.<sup>26</sup>

These developments can be particularly well observed in Finland. Traditionally, EU issues have featured only at the margins of national debates and electoral campaigns.27 However, the first bailout package for Greece in 2010 led to heated political debates in Finland. The crisis also turned into a major electoral topic, as the the Finnish national campaigns for parliamentary election of April 2011 coincided with Portugal's request for a bailout package. The populist and eurosceptic Finns Party successfully built its campaign around the Eurozone crisis. Throughout the crisis, developments both at the EU-level and within the individual Member States have been closely followed by the Finnish media. This has also been the case in the context of the so-called refugee crisis, even though the impact of the refugee situation on Finland has been the most important issue in the media.

Despite the fact that the big European crises of recent years have seen a more intensive Europeanisation of Finnish media coverage and an unprecedented politicisation of EU issues in the Finnish political arena, the process is still far from complete. Thus, an analysis of the domestic salience of the key issues dealt with by the European Parliament between 2009 and 2014, revealed that the two issues receiving most media coverage in Finland were more national than European in nature - and were largely framed in national terms.<sup>28</sup> This indicates that European issues are still dealt with very selectively. Furthermore, although the various crises of recent years have put many European issues on the Finnish political agenda, their relevance as election campaign themes is still limited. Consequently, the campaigns preceding the European Parliament elections of 2014 and the Finnish national parliamentary election of 2015 saw very little debate about European issues.<sup>29</sup>

Finally, the extent to which the general Finnish public feel themselves to be participants in a European opinion-forming and policymaking process is also questionable. The low voter turnout at the 2014 European Parliament elections, for example, indicates that Finnish voters did not consider the elections to be very According to the important. European Parliament Eurobarometer of January 2015, there is roughly the same percentage of Finns who consider their vote to count in the EU as there is of Finns who feel their vote does not count in the EU.<sup>30</sup> This suggests that even though the crises have increased the perception that EU citizens face common problems, the Finns are not sure whether or how they can shape the EU's response to these problems.

It has been, and will remain to be, difficult to increase citizens' opportunities to directly participate in EU decision-making, and thereby strengthen the feeling that they have an influence on EU policies. The consensusoriented nature of both EU-level politics and Finnish politics is also a significant factor in this equation, as it means that the citizens usually cannot choose between clear-cut alternatives. Against this backdrop, it is essential to continue efforts to inform the public about the functioning of the EU's policy-making system, openly discussing both its advantages and its drawbacks.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

As a result of the economic/Eurozone crisis, the EU's legitimacy – regardless of whether it is measured in input, output or throughput terms – has been seriously compromised. <sup>31</sup> Despite so far being able to stop any country from falling into insolvency, the EU has struggled to tackle the economic downturn and the high levels of unemployment throughout Europe, therefore losing much of its output legitimacy. At the same time, many EU citizens, both in the crisisstricken countries and in the so-called creditor countries, have felt that the rescue measures undertaken by the Union – and the individual Member State governments – have been imposed on them with little or no consideration for their political preferences. This has unquestionably undermined the EU's input legitimacy. Lastly, the quality of the EU policymaking processes can also be called into question, with the crisis dynamics forcing the Union to act in an improvised manner and at, or beyond, the limits of the existing legal framework. A number of these elements are also present in the context of the current refugee

crisis, which has further served to erode the EU's legitimacy.

Against this backdrop, it is debatable whether the EU's legitimacy can be strengthened simply by transferring individual policies to the EU level. Instead, there is a need to tackle the shortage of the different types of legitimacy. Of these, the issue of input legitimacy is the most complicated one, as there is no consensus on the institutional arrangements that would be needed to make EU citizens more engaged in the decision-making process. However, at least in the short or medium term, the insufficiency of input legitimacy could be partly compensated by higher levels of output and throughput legitimacy.<sup>32</sup> Indeed, this seems to be the expectation of the EU's citizens. When asked in 2011 what they expected from the EU, the most popular answer among Finnish citizens was that the EU should solve the economic/Eurozone crisis (43% of the respondents mentioned the crisis).<sup>33</sup> Also newer surveys suggest that the state of the economy and the high debt levels are considered by the Finns to constitute the principal problems for both Finland and the EU,<sup>34</sup> although not necessarily for them personally. The EU could thus gain legitimacy by offering effective solutions to these problems

– especially as the Finns feel that the EU is equipped to deal with them.<sup>35</sup>

The 2012 Eurobarometer survey also suggests that many Finns want the EU to develop better ways and methods of cooperation between Member States.<sup>36</sup> This indicates, at least implicitly, the importance of throughput legitimacy. It is also closely related to the fact that Finland considers the Eurozone crisis to have largely resulted from the fact that many of the European Monetary Union's basic rules have either not been respected or not been enforced. Accordingly, successive Finnish governments have underlined the importance of the EU's common rules and values. As Finland's 2013 report on EU policy states, "[i]n terms of fairness, it is essential that the European Union respects its own values and rules".<sup>37</sup> The same basic idea is repeated in the current government's coalition agreement, which notes that "Finland respects common rules and expects other Member States to do the same".38 Finland's emphasis on the common rules is, of course, also closely related to its small state identity. For a small Member State, the common rules and institutional structures are a central part of what is good about the EU, protecting it and providing it with influence.

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## ★ FRANCE

#### **Dominique David**

#### Disenchantment in Slow Motion

# What does your country hope to gain from its membership to the European Union?

A few months ago, positive feeling in France towards the EU registered just 26% - in 2003 it was at 63%... A real problem in a country which is one of the "Founding Fathers" of European integration, and officially one of the most committed to "creating an ever closer union among the peoples of Europe".

In France, European policy is basically expressed through four objectives: peace, parity with Germany, economic development, and leveraging French power.

*Peace*. The initial aim is evident: Franco-German reconciliation ended a hundred years of rivalry and wars for hegemony on the continent, and it suppressed even this very concept of hegemony in Europe. The idea of European integration guarantees peace between Europeans, even if defence against external hegemonies or aggressions remains NATO's core task.

*Parity with Germany.* During the Cold War, some geopolitical parity was achieved between Paris and Bonn: diplomatic-military power on one side, economic efficiency on the other. The deepening of European integration at the beginning of the 1990s – spearheaded by Paris and Bonn – was aimed at maintaining this parity in light of the German reunification and its potentially destabilising effect.<sup>1</sup>

#### Highlights

- In France, Europe basically expresses four objectives: peace, parity with Germany, economic development, and leveraging French power. But today, the feeling abounds that none of these objectives are really being achieved.
- ★ For most French citizens it seems that the EU is unable to explain which path it follows. This disaffection is important at a time when national institutions are also contested in several European countries. However, the French are themselves ambivalent on the best path forward.
- ★ For the French there was, and maybe there still is, a European project which unites philosophical, political, and technical dimensions. However, it is essential to revitalise its political dimensions. Three key challenges need to be resolved: the Greek crisis, the migration crisis and the neighbourhood crisis.

*Economic Development*. The building of the Common Market has been a decisive element used to explain the *"trente glorieuses"* (the roughly thirty years of economic prosperity after the end of the Second World War) – particularly for French agriculture. Until the beginning of 21<sup>st</sup> century and despite

contestations, Europe was closely linked to economic dynamism.

Leveraging French power. The French maintain the traditional view that the role of power remains dominant on the international scene and that international relations are determined by the changing balance of powers.<sup>2</sup> This view is, however, balanced by the perception that European countries - including France – are individually too weak to yield any efficiency in this world of powers. European integration is thus necessary either to give France - as Europe's dominant diplomatic actor - the means to support its ambitions, or to erect Europe as a real power, in order to compete with other big actors, such as the US, China, and previously the USSR.

Although these four objectives are still present in French political mythology, they nonetheless look ever more unreachable. The European Union seems ill-equipped to foster economic development in times of crisis. Germany is dominant. And Europeans are absent from major international issues. Moreover, peace in Europe is now challenged. Threats are emerging more from our neighbourhood, rather than from internal rivalries, but they are not seriously addressed by NATO.

An additional aim could have played a positive role in the perception of Europe in French public opinion: a decisive posture to protect European peoples and economies from what is viewed as an aggressive globalisation.<sup>3</sup> However, actual perception is the exact opposite. Since the middle of the 1990s, "Brussels" has been viewed as the main proponent of an uncontrolled opening up to global markets, and as the manager of a competition not between European and other markets, but between Europeans themselves – a

situation which is dividing Europe instead of unifying it.

Precisely what French citizens hope to gain from their membership to the EU is thus quite vague. Broadly speaking, outside of the "globalised elite" - the majority of political, economic, academic and media leaders, supposed in France to be getting the best out of globalisation – the French stand somewhere between the conviction that Europe is necessary, inevitable even, and the hope that it could be steered in another direction, with a new definition of its political and economic goals.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

The argument laid out above helps to explain why the EU no longer appears to be a clear and identifiable project to most French citizens. This feeling is actually shared across the public opinion and by intellectual and political elites alike, although the reasons may differ. Despite this, all would probably agree on the need to probe a little deeper into understanding the path we are currently on.

The aim of this project looks unclear: "ever closer union" describes a process, not the type of union being built. Are we attempting to shape a coherent actor in the international system with a common will and common means to obtain specific results in line with our identity and our interests? Do we intend to stabilise a geographical area – but who will define the geographic limits of this area? Is there a coherent goal in the decisions to enlarge, and does this fit with the model of an efficient international actor?

Similar questions arise at the economic level. Are we building a coherent, geographically identified, and somehow protected, economic space, capable of competing with other areas in a globalised world? Or are we opening up our economic space while stirring competition between Member States? What appeared clear for the French in 2015 was that both the Greek crisis and the pork crisis over the summer, were the outcome of the same decision to organise competition within the EU.<sup>4</sup> The question here is twofold: What sort of economic efficiency and political solidarity are we looking for? In other words, what sort of Europe do we want? Is Europe designed as a political project – a way to build a "French Europe" - or is it an area of open economic competition – a British Europe?

As a consequence, it is hard for the French to describe how Europe is or how it should be governed. Its governance structure is very complex. To some extent, it is inevitable after the rapid rounds of enlargement over the past fifteen years. But this complexity is also the product of uncertainty: European integration vacillates between federalist and intergovernmental logics, and, in the end, combines both for each problem. The European Council, the European Commission, the Eurogroup and maybe tomorrow "economic an government of the Eurozone" - the European Parliament, the European Central Bank, and the International Monetary Fund all played a part in the Greek crisis. This complex network of actors does not help to present a clear picture of how the EU is governed. The impossibility of understanding what is going on in Brussels, and how it works or could work, was clearly a reason for the French refusal of the constitutional project in 2005.5

Perhaps the only clear element is that Member States make decisions in line with their national interests – exactly the opposite of what has been thought for decades, keeping in mind the objective of building a common solidarity. This revelation calls into question the democratic dimension of European governance. The European Parliament does not offer a credible response to this lack of democratic legitimacy. In the end, European legitimacy seems to materialise only when democratically elected heads of state or government decide together within the European Council.

For most French citizens, it seems that the EU is unable to explain which path it is following: it appears inefficient in the economic field, impotent in security matters, and even unable to protect its so-called basic values – the Greek crisis and the refugee crisis have been evidence of that. And this disaffection is important at a time when national institutions are also contested in several European countries.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

France has always held contradictory positions regarding the adequate level of integration. It is both one of the most ancient nation states in Europe, favouring a strong state, and one of the founding states of the European integration process. This initial contradiction is at the very core of traditional Gaullist thinking: the preservation of French interests and of its capacity to decide on the one hand, while also promoting proposals for unification on the other hand (see in the 1960s the well-known "plan Fouchet"). It is not hard to imagine that this contradiction has been revitalised by the present uncertainties on the EU's objectives and choices.

Concerning the economy, the French support further integration. They greatly benefited from the Common Market, and more precisely the Common Agricultural Policy. Nowadays, they are conscious that the very existence of the single currency presupposes at least a convergence of economic policies. If the popularity of the far right Front National in the polls is any indication, it shows that a significant portion of the population is less convinced. The party is indeed advocating for the end of the euro and of any sort of integration that would limit national sovereignty in the economic field. In any case, the French are cognisant of the important divisions, which still between Member States on the exist fundamentals underpinning national economic policies. The French thus seem to be divided at two levels. They favour, in theory, economic integration, but not on political issues they do not approve. The current path undertaken by "Brussels" seems to strive for economically liberal and deregulatory policies that they oppose. Secondly, what is approved by the political elites of the country (more budgetary constraint and control, a growing convergence of national economic policies etc.) is probably not widely supported by French public opinion.6

At the political level, France is actually more ambivalent than it lets on. Despite many statements, it favours a rather low level of integration - precisely because Paris knows that the majority of Member States are not ready to go its way. France affirms the necessity of greater integration concerning fiscal or migrations issues, but is in fact conscious of the limits to the common approach. Paris also knows that its diplomatic and military identity is useful for Europe as a whole, but fears that it could be diluted in a sort of federal political integration. The different rounds of

enlargement have led to profound divergences between national interests and conceptions on what should be a more integrated political Europe. France has, during the last decade, very much favoured the development of the Common Security and Defence Policy – it could have been a good compromise between national interests and common capacities. But here, despite official encouragement and support, the failure is clear.

There are other reasons explaining French reluctance for more political integration. First, European institutions did not set up real democratic mechanisms. Europe is not antidemocratic, but its democratic dimension is essentially defined by inter-state negotiation. Secondly, focusing too much attention today on further integration would be sensitive. The crisis of the European political decision making process could combine with the crisis of domestic institutions (in France as in many other Member States), which is rooted in the crisis of representative institutions, the rise of populist parties and of electoral abstention to name but a few examples. This crisis of internal institutions is said to be partly due to an indecipherable European institutional integration process.7

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

The idea of belonging to a common space, a common history, a common culture, and even a common project of peace and economic development – the European Union – is not questioned in France. A good example of it was given at the height of the Greek crisis in 2015. The German position was harshly criticised in France by some leaders and experts.<sup>8</sup> However, it did not provoke serious clashes between Paris

and Berlin, and such a clash was never seriously considered by the majority of French citizens, as if the sentiment of a common destiny was a certainty that could not be challenged by current events.

The problem, here, not is one of communication about the EU's achievements or lack thereof - give me a good policy and you will have a good communication. The blame does not even lie with the institutions. They in fact embody a political will to act together. But thinking for example that electing a "president of Europe" would dramatically change the situation is fanciful. It could not be the president of the European Council, who has to be chosen by the Member States. A direct election of the president of the Commission would change as few things as the election of the European Parliament, finally, did. This is a typical false dilemma - to hope that technical solutions can solve political problems.

Institutions must change to adapt to new circumstances. It is now time, for example, to define a new and serious governance for the Eurozone. But institutions cannot, bv themselves, define and develop the peoples' feeling of belonging to a European community. This feeling can only derive from a growing consciousness of the existence of a European people – and that can be helped by the creation common policies, rather than by of institutional logics.

There will not be a unified European people for a very long time to come. For better or for worse, our diversity – geography, history, language, culture, etc. – can explain that state of affairs. In the meantime, the only solution is to show that we are driven by common references and values, and that we can be efficient in defending and promoting them. These common values should be inherent in our defence of democracy, and the promotion of democratic mechanisms within the European Union – think of the Hungarian drift, and of the pitiful responses to migrations from the Middle East and Africa – that create solidarity between Member States.

For the French, European integration has to be much more than a negotiation between national interests, which does not mean that the latter should be diminished. De Gaulle was supposed to favour a sort of confederation,<sup>9</sup> but the French have tried in recent decades to go beyond that by pursuing a path more akin to the odd expression Jacques Delors once coined: we are building a federation of nation-states. This phrase actually describes an ambiguity.

Today's expectations are that Europe must provide more cohesion around basic values and a demonstrated efficiency. Three fields are particularly important: the economy, the environment and climate change, and relations with the neighbourhood.

Much more than institutional changes, a large debate on the European project is needed. For the French there was, and maybe there still project is, а European which unites philosophical, political, and technical dimensions. The time is ripe for a check-up: do the Member States and their peoples agree on that? Could we make more precise the content of the project? Public opinion - and especially in France, a country with a very political population - will mobilise in favour of European integration only if the project goes far beyond technical negotiations. While technical agreements can be necessary, they are always provisional and reversible.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Four important issues will determine, over the coming months and years, the European Union's credibility, and incidentally how the French public will feel about European integration.

The first issue is the Greek crisis. It is certainly not over and all the solutions found to date are unlikely to last. The debate on keeping the country in the Eurozone will come up again and again. The basis of the problem is still there. If, for one reason or another, Greece was forced out of the Eurozone, the repercussions on the stability of European economies would be negative. More profoundly, the fallout on the idea Europeans have of themselves and of the European integration, would be immense and probably very negative.

The second issue relates to migration. It has three underlying dimensions. First, it begs the question of whether the EU is capable of coping with a crisis that was largely expected. Second, the management of the free movement of people inside the Schengen area will be highly scrutinised - and relatedly the future of the Schengen Agreement itself. Third is the relationship of the EU and its Member States with the destabilised areas of the Southern Mediterranean. To sum up in a political question: is European integration only about quiet negotiations on commercial interests, or could Europe help solve problems imposed by a new international environment? To say it in one "European solidarity" word: does mean anything?

The third issue deals with Russia. The crisis in Ukraine has a local and regional dimension, but also a continental one. More broadly, it raises the question of our relationship with Moscow. EU strategies towards Moscow, have, for a long time, been contradictory or technical<sup>10</sup> – in this classical way of thinking of the European bureaucracy whereby political problems always have technical solutions. Will Europeans be able to rapidly adopt a common position recognising both the right for Ukraine to remain an independent state – which presupposes massive economic and political assistance to build a real and effective state and the fact that the European continent cannot be stabilised without a special partnership between the EU and Moscow?

Fourthly, Europe will have to address the crises around the Mediterranean. Migration tragedies suggest that it is impossible for Europeans not to have common strategies on how to stabilise the Southern Mediterranean. This raises the problem of the impotence of the present "common diplomacy", and of European military inefficiency, despite relatively high military spending. Responses that will be given, or not, in the coming months, to the problem, will also define the credibility of the EU as an international actor in the eyes of its publics. If Europe reveals itself unable to manage internal and external dimensions of the migration problem, the implications in terms of people's adhesion to the European project could be terrible.

We are back to the core problem. Do we want the EU to remain a forum of discussions, where various national interests are confronted – which could be worthwhile but quite limited considering the problems that need to be managed - or do we want to progressively create a common actor in international relations? And what would be the relationship of this actor vis-à-vis the sovereignty of Member States?

This is, once more, a debate on the European project. Such a statement will probably seem abstract, intellectual, so typically French even. However, the divisions within an enlarged EU appear to be so important, uncertainties so wide, in a world no more regulated by dominant Western powers, that it would be irresponsible not to open the debate. Europe seems so wealthy, but so weak when confronting the political dimension of these problems. The main actors of this debate should be within civil society. It is now time to ask Europeans what they really want for Europe: opinion leaders, experts, academics, and think tanks all have thus an important role to play. The real question here is how to organise this debate. But outside of such a debate, the solutions to present problems will remain bureaucratic, abstract, and unintelligible to the public, besides being provisional.

Europe is today threatened by division and dilution. Dilution could pave the way for

political divisions, which would limit the discussion on the fundamental problems the EU is facing. The EU would then survive only as an open market, and its political dimension would progressively disappear. This would then lead to the risk of a re-nationalisation of the problems and of public opinions.

Such a large debate on a project for Europe would not automatically lead to an agreement on all objectives from all European opinions. But it would tell us if Europe wants to go on as it is now, or if it is time to imagine a new architecture, such as the articulation between a large area of economic cooperation and a more reduced area with a stronger political identity and consequently a deeper integration

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## ★ GERMANY

#### Julie Hamann

### Being European in A Renationalising Europe

# What does your country hope to gain from its membership to the European Union?

Although Germany successfully overcame the economic and financial crisis of 2008-2009 and now benefits from its good economic performance, it is no less concerned by the political consequences of the crisis that has been shattering Europe since 2009. Even though conflict and divergence have always been part of the European project, several factors give rise to the supposition that the outcome of this crisis will be crucial for the future development of the European Union, or, put simply, for "more" or "less" Europe. The risk of disintegration is becoming concrete with the possibilities of either a "Brexit" or a "Grexit", eurosceptic parties and movements on the rise in a large number of Member States, and the instability in Europe's neighbourhood, which also affects the cohesion inside Europe. In addition, the EU runs the risk of losing international standing by being more and more divided, politically and economically.

In the course of these multiple crises, Germany finds itself at the very front of the European political stage.

Germany's place in the European Union and its willingness to engage in further integration is regarded as a matter of course to such a degree that the question above is rarely subject to debate. European integration has always been one of the pillars of Germany's post-war politics and is an integral part of

#### Highlights

- The times when the German population met the EU with almost unconditional and passive support might be over, but it is still convinced that any step backwards would entrain even bigger damages for Germany's stability, peace and wealth.
- ★ Germany remains committed to a high degree of European integration, but the overall arrangement has to adapt to a post-crises Europe, taking into consideration the lessons learned from the still ongoing economic crisis, the rise of populist parties, the refugee crisis, and the Ukraine crisis and the stand-off with Russia.
- ★ The EU's legitimacy in Germany does not require specific new policies. First, it requires effective solutions to pressing problems – something the EU seems to be failing to do. Second, it requires national leaders, which identify challenges as challenges for the whole community and who accept a common approach to face them.

German politics across different German governments.<sup>1</sup> One of the EU's core principles – no more war between European nations – corresponds to the guiding values of Germany's post-war identity. Multilateralism and European integration henceforth

constituted the fundament on which a new German foreign policy was built. The of the importance Franco-German reconciliation and their common engagement in the creation of the EU as a "peace project" goes far beyond pure symbolism and cannot be overestimated. However, impassioned pleas by German politicians have become scarce in recent years, so much so that they now seem old-fashioned. The fact that war between European countries as a consequence of aggressive nationalism seems hardly imaginable today speaks volumes about the success of the EU and its steady enlargement. However, the more abstract this European guiding principle becomes, the more a rather rational approach to the EU prevails, asking: Of what use is the EU to me? This question was formulated more and more loudly in Germany during the Eurozone crisis and willingly taken up by eurosceptic currents, such as the AfD (Alternative für Deutschland; Alternative for Germany).

For Germany – as for its neighbours – the motivation for European integration was twofold: For one thing, the political stability emanating from the EU, and for the other, the promise of growing economic prosperity, which would benefit the whole continent. Germans still emphasise both meanings of the EU as a political and economic union. However, their weight did slightly change during recent years, which is not so surprising given its dominant importance throughout the economic crisis. Not only do surveys among the population reveal this growing prevalence of economic motivations over political ones,<sup>2</sup> but so does political and public discourse, which partly fuels populist fears of Germany being Europe's "paymaster". Why are those fears so popular in Germany, which came off pretty clearly throughout the crisis? In order to better understand this, it is worth taking a look back at the introduction of the monetary union: Despite the unanimity in German support for the EU, the most divided they have been concerned the introduction of the Euro. The Deutschmark was an important and almost emotional symbol for economic stability and the Federal Republic's economic upswing after the war. To cover the risk of giving it up, Germany demanded strict rules for monetary union, which was henceforth constructed following Germany's currency system. It is thus easy for Germans to blame certain countries for not following those rules and for the consequences of the current crisis in the Eurozone. This simplistic reasoning, contributes the fear however, to of experiencing economic damage through the introduction of the Euro.

Nevertheless, the robust perception of the EU's political and idealistic side can be understood when one considers the fact that only a very small number of Germans favour an exit from the Euro, even though a majority perceive its introduction as a failure. The times when the German population met the EU with almost unconditional and passive support might be over, but it is still convinced that any step backwards would entrain even bigger damages for Germany's stability, peace and wealth.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Given the fact that Germany perceives the European Union rather as a reality than as a project, the short answer to this question would be: no. One of the inherent elements of a political project in democratic societies is a well-defined objective which is steadily negotiated in an open debate. Until very recently, this debate hardly took place in Germany, neither among the political class, nor in public discourse. Two main reasons can be identified to explain this lack of debate on the European Union: First, the EU is so much part of German politics and society, that the (quiet) consensus on it rarely made open debates necessary. Second, during recent years, a pragmatic style of politics has been prevailing within the political landscape in Germany – a kind of pragmatism that is hostile to emotional deliberations on political projects.

The deepening of European integration represented until recently a common ground among all political divisions. Even those parties, which contain elements of Euroscepticism - the CDU's Bavarian sister-party CSU regularly raises concerns about the loss of sovereignty due to "Brussels"' regulations, and the left-wing party Die Linke, criticises the EU for being too neoliberal and undemocratic - support European integration in a general manner despite their doubts on its concrete nature. Even Germany's new right-wing party AfD claims officially its attachment to the European Union, albeit refusing further competences for "Brussels bureaucrats". Hence, it has seemed rather unattractive to choose the European Union as a topic for campaigns and political programmes, since it would not help demarcate any differences from the other parties. The parties' positions on Europe have instead concentrated on precise topics rather than on the EU as a project. Unlike in France, where the referendum on a European constitution made a real debate about different visions of Europe necessary, or the United Kingdom, where the possibility of leaving the Union naturally creates a debate about Britain's idea on Europe, German parties never had to conquer their voters with their vision of Europe. Ironically, the topic of Europe is almost absent in campaigns for the European elections - even in 2014 when German President of the European Parliament Martin Schulz was

the lead candidate for the socialist group to become the next president of the European Commission.<sup>3</sup> However, the political landscape is about to change as a result of the rise of the AfD and it remains to be seen what influence its eurosceptic orientation will have in view of the upcoming elections in 2017.

Beside this absence of tactical interest in talking about Europe, it might not be an exaggeration to take into account a specific political style marking Germany during recent decades. Chancellor Merkel's pragmatic approach to politics fits perfectly into this development: Having overcome the decades after tumultuous the German reunification, having attained once more a certain level of international recognition and having benefitted from a comprehensive labour market reform, there seems to be little appetite in Germany for a debate on European visions.

However, the Eurozone crisis also laid bare the discrepancies in competing visions for Europe, which were previously hidden under the supposed unity. A new debate about Europe is thus about to emerge. Three developments made it even more imperative for the political elite to tackle the topic of Europe. The first one is also the most visible: the Eurozone crisis, especially the intense struggle regarding the Greek bailout talks. Nothing less than the most basic European principles, such as solidarity and compromise, have to be discussed. European principles are also at stake when it comes to the second development: The Ukrainian crisis, the threat of religious fundamentalism and the enormous influx of people into Europe seeking refuge from war and poverty, raise questions about what values the EU stands for. Finally, Germany is experiencing the rise of a new party that appears to have found its place within the political landscape following several electoral

successes in the European elections and the regional elections. The AfD was founded by a group of economists, including former members of the CDU, who criticised the German government's Eurozone policies and demanded a return to the Deutschmark. It quickly attracted a heterogeneous group of supporters who were united in their disappointment with the German political establishment.<sup>4</sup> In May 2015, the internally divided party split up, the majority opting for a more right-wing, eurosceptic and populist orientation. Since those new voices are unlikely to disappear, the established parties have to develop a strategy to cope with this new constellation. Defining their attitude towards the European Union will be an essential part of it.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

The reasons why Germany has - together with France – always been a driving force of European integration remain no less valid today than at the beginning. Germany's political stability and economic wealth still depend on the well-being of its neighbours no German government has ever questioned this logic and no future government is likely to do so, even if the understandings of integration vary along the classic divide between intergovernmental and community methods of governance.<sup>5</sup> For a country such as Germany, selling more than 50% of its exports to other EU countries, a strong degree of European integration is indispensable. The unwritten rule of European integration "never one step back" marked German EU policies to such an important degree that any discussion about a possible disintegration boils up rapidly. The reactions to Finance Minister Wolfgang Schäuble's suggestion of a possible

"Grexit" during the Greek bailout talks in July 2015 illustrate this quite well: Even though he was not the only politician in favour of this option, speaking out loudly heaped scandal on the CDU's coalition partner SPD, whose chairman not only had to rapidly distance himself, but also experienced criticism from within his party.<sup>6</sup> Nevertheless, the "ever closer union" is increasingly subjected to controversies and the ruling parties have to figure out their positions on European integration once again – even more so now given that new parties, such as the AfD, have put it at the top of their agenda.

The question of the degree of integration implies another important one: What role does Germany, as the biggest Member State in terms of demography and economy, want to take? The discussion about (German) leadership emerged more and more vividly throughout the crisis. Between those claiming the necessity of German leadership of the European Union through the crisis, and critics accusing Germany of a return to hegemonic behaviour, Germany's political elite has found itself in a contradictory situation.7 Furthermore, the country's political strength emanated more from its partners' weakness than from its own will to take a leading role: The equilibrium of the Franco-German tandem is increasingly distorted, due to France's struggling economy and President Hollande's weakness, notably at the beginning of his term. At the same time, Cameron's UK – usually balancing Germany's traditional absence in foreign policy - was barely visible during the Ukrainian crisis and withdrew even more from European politics.

The question about European leadership is in line with a general redefinition of Germany's political identity: The discussion about the need to assume more or less international responsibility has been constant companion since reunification and reached its peak during the Munich Security Conference in 2014, when Federal President Joachim Gauck, Foreign Minister Frank-Walter Steinmeier and Defence Minister Ursula von der Leven almost simultaneously declared Germany's responsibility to play a bigger role in world politics. Steinmeier's "Review 2014" about the future German foreign policy and the new White Paper on Defense announced by von der Leyen for 2016 underline this course. The challenge for Germany will now be to lead without alienating its partners. The German population remains traditionally doubtful on this topic. However, the refugee crisis led to a greater awareness of the direct consequences of war and conflicts on Germany, illustrated by a growing support for more German engagement in foreign policy.8 Germany's engagement in Syria, responding to France's call for solidarity after the terrorist attacks in Paris in November 2015, illustrates the efforts to be perceived as a reliable partner even in military matters. However, the participation in the military campaign against the so-called "Islamic State" in Syria is highly controversial and only a slight majority of Germans approve of it. Whether Germany succeeds in changing its political culture in regard to security policy highly depends on the outcome of this latest military action.

A high degree of European integration in economic and political terms is indisputably part of Germany's principles. The German postwar identity is intransigently defined as a European identity, so much so that a change of course is barely thinkable. However, Germany's role in the European Union and the EU's institutional arrangement both have to be redefined in light of a post-crisis Europe.

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

The degree of identification with Europe is already very high in Germany, and it is clearly above average compared to other EU countries. These results remain relatively robust against political events and hardly changed during recent years. This is not surprising, as Germans underwent a profound questioning of "German identity" after World War II, resulting in a strong orientation towards Europe and the European Union as a political project.

However, it would be too short-sighted to take the degree of identification with the EU as an indicator for a strong sense of a common public sphere. As in other Member States, the Eurozone crisis unleashed a re-nationalisation of public political debates. This relapse into one-dimensional explanations for complex events is accompanied by a recourse to clichés. They range from blatant caricatures such as the "lazy Greek" to more subtle, albeit no less false simplifications such as the supposed divide between the protestant north, practicing austerity, and the catholic south, unable to respect budgetary limits. By offering these simple mechanisms to distinguish oneself from "the other", this kind of public discourse discharges the political elite from the responsibility to aim at a compromise instead of pushing through national interests. The temptation to fall back on these comfortable images is all the more dangerous when even renowned journalists and political analysts succumb to it. These debates around national narratives run contrary to the consolidation of a common European public sphere and underestimate the capacity of European citizens to bear the complexity of current policy issues.

Despite a certain recurrence to national discourses among the German political elite and the media, the Eurozone crisis also initiated a lot of new channels of exchange between European citizens; a huge part of them via blogs and social networks on the internet. In a way, the struggles on the EU's future also led to a politicisation, which has the potential to strengthen the European public sphere in the future. However, there is a risk that this debate remains a debate among an elite for whom support of the EU is part of its socialisation. In order to include citizens within a European public sphere, the priority is to render the debate as broad as possible.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Research on the legitimacy of political systems has established three distinct sources: Input legitimacy refers to the possibilities of citizen representation and participation.9 The Lisbon Treaty established important institutional changes by strengthening the role of the European Parliament and by the introduction of top candidates for the President of the European Commission. However, it is not yet clear, what this new democratic legitimation means for the interpretation of the President's role: President Juncker sees his position as a political one – an interpretation that meets the resistance of several Member States, especially Germany. Whether or not the institutional changes of the Lisbon Treaty will make the EU more legitimate, still essentially depends on the Member States' will to do so.

The notion of throughput legitimacy is used to describe the degree of transparency and accountability of the EU and its decision making process. Given the enormous effort to make information available on different platforms, the EU suffers more from its complexity than from a lack of transparency. Nevertheless, the EU's degree of transparency suffered considerable damage following the creation of institutional arrangements, such as the Troika. Its lack of accountability contributed considerably to the loss of trust in the European institutions to act as a neutral mediator.

The most visible source of legitimacy is the output in terms of decision-making. Citizen's judge the EU, as any other political system, by its capacity to provide effective policies. Yet, many citizens have growing doubts about this: The management of the still ongoing Eurozone crisis did great damage to confidence in the EU; huge deficiencies in the European migration policy become apparent day by day; and the highly controversial negotiations on TTIP makes a growing number of Europeans doubt the responsiveness to citizens' concerns. The EU has to demonstrate in a credible way that it is still capable and willing of providing the institutions that are necessary to represent and to overcome national interests. This is only possible if the focus shifts again from exclusively national perspectives to a common perception of problems. In regard to Germany, it can prove its leadership by being more responsive to different views and perspectives. The Franco-German tandem still is - in spite of its imbalances - a useful vehicle constructed to translate divergences into a common direction, even if this kind of compromise proves to be more and more difficult to reach. For example, the failure to establish a truly common European approach to the asylum and the refugee crisis during the summer of 2015 did not only weaken the EU as political actor, but also risks harming public support for the European Union. The lack of political will among the national governments clearly makes

any efforts from the European Commission, and President Juncker, futile.

The European Union does not really need new institutional arrangements in order to render it more legitimate in the eyes of its citizens. However, it needs more national politicians willing to identify challenges as challenges for the whole community and who accept a common approach to face them. This means giving up the retreat to purely national discourses.

#### Endnotes

1. Thomas Banchoff, "German Identity and European Integration", *European Journal of International Relations*, September 1999, Vol. 5, No. 3, pp. 259-289.

2. Thomas Petersen, *Ein veränderter Blick auf Europa?*, Institut für Demoskopie Allensbach, 14 May 2014, <u>http://www.ifd-allensbach.de/</u>.

3.Till Schwarze and Lisa Caspari, "Deutsche Parteien verstecken Europa", *Die Zeit*, 16 April 2014, <u>http://www.zeit.de/</u>.

4. Robert Grimm, "The Rise of the German Eurosceptic party Alternative für Deutschland, between ordoliberal critique and popular anxiety", *International Political Science Review*, 2015, Vol 36. No. 3, pp. 264-278.

5. Traditionally, Germany is seen as an advocate of the community method, whereas France for instance rather represents an intergovernmental approach to the EU. However, the German government – in particular during the Eurozone crisis – gave more and more preference to intergovernmental politics.

6. Stefan Wagstyl, "Germany's Wolfgang Schäuble puts Grexit back on the agenda", *Financial Times*, 16 July 2015, <u>http://www.ft.com/</u>.

7. See for example "The reluctant hegemon", *The Economist*, 15 June 2013, <u>http://www.economist.com/</u> or Anton Troianovski, "Greek Crisis Shows How Germany's Power Polarizes Europe", *The Wall Street Journal*, 6 July 2015, <u>http://www.wsj.com/</u>.

8. See the evolution between two surveys conducted by the Körber Stiftung in May 2014 and in October 2015. The surveys are available on the Stiftung's website: <u>http://www.koerber-stiftung.de/</u>.

9. Vivien Schmidt, "Democracy and Legitimacy in the European Union revisited: Input, Output and Throughput", *KFG Working Paper*, No. 21, November 2010, <u>http://userpage.fu-berlin.de/kfgeu/.</u>

## ★ GREECE

# What does your country hope to gain from its membership of the European Union?

In Greece, membership of the European Union has mostly been appraised in positive and favourable terms. Back in 1981, when Greece formally joined, following a turbulent and rather long pre-accession transition period, the Community constituted the stable framework which solidified the country's establishment of a democratic political system and institutions. Greece's profile in the region and the wider neighbourhood was also upgraded; membership strengthened Greece's "negotiating hand", particularly in relation to Turkey, and allowed it to create a distance from its post-war dependence on the United States. Last but not least, membership came with considerable EU financial transfers, which made Greece one of the largest beneficiaries of the economic and social cohesion policy of the EU.

Greece today continues to draw stability and strength from its membership of the European Union, although the picture has become far more complex. For one, membership is experienced and appraised through the country's economic trajectory in the Eurozone. Greece is in the process of implementing its third bailout programme: it failed to complete the second one, became the first developed country to default on the IMF, imposed capital controls to stem deposit flight, and came very close to Eurozone exit twice, in the summer of 2012 and that of 2015. Therefore, membership of the Eurozone de facto precedes European

#### Highlights

- Greece has a record as a pro-integration country. Yet, the sovereign debt crisis and the adjustment programmes have sapped the Eurozone's and the EU's image, especially regarding its capacity to provide a framework for economic prosperity. However, the refugee crisis proves that EU membership continues to offer a credible support system within which it can expect economic aid, organisational backing and the protection of its borders.
- ★ The crisis is leaving a deep scar. A roadmap to growth is missing and the EU framework is lacking several instruments to support the economy. The rise of the European Council has been a blessing and a curse for Greece; the creation of stability mechanisms have kept it afloat, yet its agenda has fallen far short of real burden-sharing.
- ★ Increasing the EU's legitimacy requires an EU-wide strategy for growth, using all available instruments, such as the Investment Plan for Europe. Besides, social policies should be pursued at the EU level to foster a sense of European citizenship and of belonging to a Union of equals.

Union membership, "tarnishing" a historically overwhelming record of support for further European integration. The European Union itself, with its defensive if not awkward stance towards the EMU "club" has, in any case, been suffering from a widely documented malaise. The previously cohesive goal of prosperity is no longer credible in an increasingly nonconverging environment, while antiestablishment and Eurosceptic parties have capitalised on low levels of growth and high levels of unemployment. The core elements of EU membership - democracy, the free movement of people, the welfare state - have been challenged and will continue to be challenged; the fallout of the resolvedunresolved debt crisis is feeding into the migration crisis, feeding into the Russia-Ukraine-Syria crisis.

Greece still expects its EU membership to provide it with a security framework/insurance policy against a flow of migration that is unprecedented, even more so for a country with Greece's absorption capacity. Greece hopes that relocation schemes and plans to control the flow will lift some of the burden that it is experiencing as a destination country. With the Paris attacks in November 2015 transforming Europe's migration debate into one on security, and the Schengen open borders policy expected to come under increasing pressure, Greece envisages that EU membership will finally come to include some efficient joint European security mechanisms and a common strategy to protect the EU's external borders - particularly if moving to a serious common foreign and defence European policy continues to remain elusive. Membership should also cushion or provide offsets against any fallout from Turkey's result-oriented migration deal with EU heads of state and government.

Greece's membership has, of course, been linked to substantial EU funding. This has acquired renewed importance given that the

country remains constrained by its bailout commitments; under a tight fiscal lease, the country has to rely, in order to address its structural weaknesses, on investment funds sitting in the coffers of the National Strategic Reference Framework of Greece (funded by the Structural and Investment Funds). EU Exceptions concessions have been and instrumental in keeping projects afloat or launching new ones, while Greece has also secured temporary investment (2015-2020) from the European Bank for Reconstruction and Development (EBRD). Conditional on Greece implementing the third bailout programme, the Commission has pledged, with its Jobs and Growth Plan, to mobilise more than 35 billion euros to fund investment and economic activity up to 2020.1 The Investment Plan for Europe will also provide funding opportunities for Greece. In the Greek case, pre-financing for the Youth Employment Initiative has been increased by 30%. Overall, funding on this scale - a corollary of EU membership and the biggest source of foreign direct investment - gives Greece a significant breathing space at a time of a dramatic decline in domestic investment, structural adjustment efforts and budget-led cuts. Greece envisages that membership of the European Union will continue to provide this much-needed support, in its efforts to turn around its economy. In this way, the EU "compensates" for the adjustment pressures and social costs that come with belonging to a less than optimal monetary union.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Even before the onset of the Greek debt crisis, the European Union was more of an allencompassing "framework" rather than a project; it offered protection, a seat at the big table, and significant financial transfers. The "project" of the EU was left to the 'big countries', although Greece participated, with the exception of the ambivalent first postaccession period, in all or most of the smallercountry coalitions which eagerly endorsed every step towards an "ever closer union".2 Integration, whether by deepening or widening, always brought tangible economic benefits. In Greece, of course, politics preceded economics. Among the country's elite, there was a strong belief in a *finalité politique*, where the idea of "Union" was taken seriously and economic integration invariably led to political integration. This was matched by the enthusiasm with which Greek voters associated EU membership with economic and social progress, prosperity, and modernisation.

The closest that the European Union came to being a clear project in Greece was in the serious nominal convergence effort to join the Union's monetary union. Economic and Monetary Union accession became the much needed "external constraint" that would trigger a paradigm shift in the management of the economy. However, the opportunity was missed, as rampant fiscal delinquency was funded by large inflows from core Eurozone members, in a generalised environment of complacency and lax compliance. Greece, with its persistent twin deficits, on both its fiscal and current account, and weak institutions, was quickly singled out for special market treatment. Interestingly, in terms of the question asked in this section, it is the Greek sovereign debt crisis that has been "credited" in various quarters with endangering the European Union project.

Today, as suggested previously, membership of the European Union is tainted by membership of the Eurozone: as one bailout follows another, and as results remain meagre, belonging in the Eurozone is experienced on the ground as a painful, futile, often humiliating process. The spillover from the grave social cost of "adjustment" on the ability of the EU to offer a wider safety net and deliver positive economic outcomes is not difficult to fathom. Rising levels of Euroscepticism, as the political centre is squeezed from the left and the right, further cloud what the European project stands for. It is bad enough that throughout its membership Greece failed to catch-up with the rest of the EU or that, following the Greek sovereign debt crisis, it remains an "outlier" when judged against adjustment programmes' outcomes.<sup>3</sup> It is even worse that the European project appears to have put out of sight, if not out of mind, the idea of real convergence.

#### What degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Greece has been the pro-integration country par excellence. Aware of its size and the asymmetries of power at European level, it sought to secure a place in the driving seat of European integration. There were no difficult referenda, no major debate on what this or that other Treaty stood for, only a continuous effort to promote the "Europeanisation" of its state structures and administrative system. This served the national interest and guaranteed the security that came with the favourable economic conditions and prospects that European integration assured - perversely the very process of integration, the transfers and then the capital inflows from the core cushioned the pressures of adjustment.<sup>4</sup> The onset of the crisis and the subsequent crisis management shattered the illusion of a seamless path to political union, which would ultimately

envelop the entire European Union into a fullyfledged entity. This illusion was, in any case, not entertained by the careful observers of the 'process' of European integration who saw that in the deepening, the widening, and the rise of the European Council as the central decisionmaking body, "Europe" was amiss.

The current state of political integration, with no defined goal or process, leaves little room to think clearly about the degree of integration that would best match Greece's position and ambitions. The Greek crisis was the first in a continuum of crises; the handling of each, most recently the refugee crisis, has highlighted yet again how cacophonous national interests trample over a coherent European policy (it is a different question how this could be legitimised or come about), at a time when the bleak prospects of the European economy are juxtaposed with the re-emergence of extreme right-wing nationalism in Europe, and when tensions between Europe's Muslim population and wider society are expected to grow. The ascendancy of intergovernmentalism has been a blessing and a curse for the country; Greece profited from the creation of the stability mechanisms yet lost out from a collective denial to move to real burden-sharing. The Eurogroup "consensus"5 granted all three bailouts but transformed loan conditionality into an externally imposed reform agenda. It is fair to assume, therefore, that Greece would endorse a re-balancing of the current state of affairs, with a wider application of the Community method, particularly in the areas of foreign and defence policy, economic and social policy. As for intergovernmentalism, Greece would expect that if it came to more sovereignty sharing, there would be no automatic transfer of power to the Council; policy areas should determine inter-relationship between the the EU

institutions, while country-coalitions around policy issues should not become rigid.

A rekindling of the Greek crisis in the summer of 2015 challenged the integrity of the euro area and the irreversibility of the euro. Having come back from the brink of "Grexit", Greece is beset with deep problems, including a missing roadmap to growth, stubbornly high unemployment, huge debt, and rigid product markets.<sup>6</sup> A renewed focus on greater economic convergence and social cohesion would help provide a major reboot to the Greek economy and with it a greater chance of swiftly completing the third bailout. Completion of all elements of the banking union would generate a higher quality of financial integration and eliminate the bank-sovereign loop, which is particularly damaging in the Greek case; it would also help repair banks' balance sheets, unclog the impaired credit channel and set a credible path for economic recovery. The launch of a Capital Markets Union - creating a single market for capital across the EU - would tackle investment shortages, providing much needed financing to Greek companies that struggle to get funding, especially SMEs and start-ups. Even if there is no appetite for a fiscal union, setting up a fiscal stabilisation mechanism in the euro area could provide the stimulus needed to compensate for the austerity and internal devaluation suffered in Greece (and the rest of the periphery), or function as a safety net for renewed stabilisation efforts; it could also insure against very severe downturns or shocks. Finally, a new round of attempts at creating tighter co-ordination structures would only be deemed legitimate if economic dialogue between the European Parliament and the national parliament was reinforced.

According to you, how could we strengthen the idea of belonging to a
### common European public sphere among your national citizens?

Greece's economic predicament and ongoing economic woes place it at the margins of a common European public sphere, if indeed such a sphere exists. Increased sharing of sovereignty at the European level has not delivered the institutions that could carry national-level legitimacy to the European level, nor a concept of a European demos that could enjoy collectively, rather than nationally, the fruits of the integration process. Moreover, in Greece, the increased Europeanisation of the national public sphere, brought about by the Euro crisis, has been mostly negative. Of all the 'divisions' that have emerged, north-south, centre-periphery, creditor-debtor, Greece is firmly on the "losing" side.

Belonging to a common sphere would therefore require, as a first step, a shift in national and European public debate; stereotyping on the part of creditors, and scapegoating on the part of Greeks, obscure in the end both the size of financial assistance handed to the country and the tremendous social cost of adjustment. A re-balancing of public discourse, however, is not possible without a serious re-thinking of burdensharing. Stability mechanisms of the type associated with the European Stability Mechanism and elements of a banking union cannot do all the work. A narrative of solidarity needs to be backed with deeds, particularly when creditors impose austerity while running huge current account surpluses and refusing to stimulate domestic demand.<sup>7</sup> For many Greeks today, integration is increasingly perceived as a danger to national prosperity and well-being: the never-ending recession and high unemployment levels tear at household incomes, increase socioeconomic inequalities,

and cause enormous human suffering. The sense that "adjustment" takes the form of an externally imposed programme of budget-led cuts, rather than much needed reforms,<sup>8</sup> further undermines public support and the emergence of pro-reform coalitions among critical stakeholders. The loss of democratic oversight over vital economic choices that affect wages, pensions, and taxes generates a feeling of hopelessness and a deep distrust of the European project. This will only be exacerbated if the refugee crisis heightens the unequal distribution of burdens.

It is no accident that 50% of Greeks do not feel themselves to be citizens of the European Union, when the EU average is 34%, or that the EU conjures up for Greeks a "total" (aggregating "fairly" and "very") negative image of 38% when it is 23% for the EU.9 A common sphere without legitimatisation would be an 'empty' sphere. Pushing for economic co-ordination and further fiscal consolidation when safety net structures are not there to assist the weaker members will no longer do. There is a need for system-wide strategies, most notably an EUwide growth strategy, to match the halfforgotten goal of prosperity with the Europewide upheld values of democracy and freedom. There are tools that could be utilised to these ends, including the Investment Plan for Europe; visible progress in the functioning of the Single Market, as envisaged in the new Single Market Strategy, could foster goals central to the livelihood and well-being of all: the free movement of goods and services, and the removal of existing barriers to intra-EU trade. Social protection also needs to be brought into the equation if a sense of European identity and belonging is to be restored. Additionally, a European social welfare system harmonised between the member states - offering EU 28wide minimum thresholds for healthcare,

education, and pensions – could compensate for the different levels of national prosperity and continuously diverging levels of unemployment.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

The European project has been on "muddling through" mode for far too long. In the process it lost direction and it lost the European citizens. Today, Europe's faltering economy, worsening refugee crisis, and increased security fears are putting into question the very principles on which the project was founded. In Greece as elsewhere in Europe, the disconnect between the "elites", both national and European, and the "people" has been growing - the daily experience of belonging to, let alone partaking in "Europe" is therefore more and more difficult to grasp whether it is assessed mentally, economically, or socially. Traditional parties appear unable to contain, justify or explain a perceived loss of control, principally of the economy, "allowing" extremism of various guises to pretend to be protecting democratic values while actually undermining them. Unprecedented levels of unemployment, including record high youth created alienated unemployment, has minorities "sentenced" to live at the margins of society. In point of fact, real levels of divergence - appraised in terms of GDP per capita, debt, and unemployment - render the European project unsustainable in the medium-term.

An EU-wide strategy for growth, as suggested in the previous section, is urgently needed. Rather than "wish" or "hope" that funds will be channelled into the real economy, the time has come to re-balance the policy mix at the European level, by prioritising and seeking national-level consensus: the Greek case has shown that, absent of a fiscal stimulus, implementing structural reforms without demand-side efforts to support investment and job creation can become an exercise in economic futility. Part of this strategy should be to burdensome simplify regulation and bureaucracy and to move away from sanctions incentives, fostering а culture to of entrepreneurship and innovation where needed, and also a culture of emulating best practices. Another part should be to move to the local level, creating the conditions for individuals and small businesses to have access to fair, affordable, and comparable (to their competitors') credit. A real, not patched up, banking union should help repair banks' balance sheets and reduce current levels of financial fragmentation. The Investment Plan for Europe can play its role, particularly if private investors determine that European public funds are channelled to projects - in innovation, education, infrastructure, and energy \_ that can generate greater competitiveness and productivity gains in the medium-term.

Legitimisation comes through a feeling of being protected and sheltered. The European Union needs a social safety net for when people fail. Welfare systems are set to be increasingly strained, as serious demographic challenges emerge down the road; these will be further complicated by higher immigration levels and the increased strain put on societies as they are called to integrate immigrants successfully into the workforce. Minimum income protection provisions, safeguards against poverty and the better promotion of inclusive societies across Europe should all be incorporated into any serious attempt to deliver concrete social targets at the European level. A Europe-wide unemployment benefit system could operate as a stabilisation tool and as a concrete manifestation of European

solidarity. The cost of marginalisation, including the cost to social security systems must be considered carefully, particularly when labour mobility and cross-country financial integration are not really available to "compensate" in this monetary union.

When Greece signed up, membership of the European Union was supposed to anchor its democracy and transform its economy. As integration evolved and closer-knit clubs emerged, Greece banked on EMU: entry to the Eurozone back in 2001 would, it was assumed, guarantee macroeconomic stability, increase competitiveness, and improve access to global markets. Ironically, Greece's six-year debt crisis has posed (it has been repeatedly argued) the most severe threat to the "European project". This argument fits the official narrative of fiscal profligacy by Greece, typically used to absolve poor European-level crisis management and the absence of Eurozone-level institutions to absorb shocks. It also downplays the build-up of imbalances and how the banks of the biggest European economies were sheltered, with IMF assent, when Greece was denied early debt restructuring.<sup>10</sup> The kind of asymmetric adjustment imposed on Greece hardly speaks of shared responsibility in a union of equals; integration cannot go very far when the structures for sharing national sovereignty and for sharing it equally are simply not there. Greece's adjustment path is also caught up between technocracy on the one hand and populism on the other. As democracy suffers, however, Greece's predicament poses the question, "what kind of institutions for which European project?" Unless European integration embraces diversity and heterogeneity and generates real convergence, it stands to languish to the point of becoming irrelevant.

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### + HUNGARY

### Márton Ugrosdy

### Not Such A Black Sheep Within the EU

### What does your country hope to gain from its membership to the European Union?

When talking about Hungarian expectations regarding the European Union, we must clearly make a difference between what we have already taken for granted, and what we would like to achieve. Ever since Hungary broke free of Soviet rule in 1989, there has been a wide consensus both among the political parties and in the population that Hungary should integrate into the Euro-Atlantic alliance, NATO and the European Union, as fast as possible. NATO was regarded as the guarantor of Hungary's security, while the European Union's role was more important in economic cooperation and as a catalyst for growth, especially as the state-controlled industries collapsed after the transition to a market economy and as a result of privatisation. Hungary considers itself to belong to Western civilization: being part of the Judeo-Christian culture and Roman Catholicism were defining features of the country since the Hungarian state was founded by its first king, Saint Stephen in 1000 AD. Over the course of history, and even during numerous foreign occupations, Hungarians regarded themselves the easternmost outpost of Western as civilisation. Therefore it was a natural wish of the politicians and everyday people to return to Europe, once the Soviet occupiers were gone.<sup>1</sup>

Hungary, being a medium-sized landlocked country in the middle of Europe did not really have any other option: access to the Western

### Highlights

- ★ Despite a heavy toll in some sectors, Hungary has managed to reap the benefits of membership to the EU via the Structural Funds and access to the single market. The freedom of movement has also become a treasured right among Hungarians, for leisure and for jobs – about 500,000 have gained employment in other European countries.
- ★ Initial expectations were so high that some disappointment was a logical consequence. Hungarian people have grown disillusioned with the EU, which is further nurtured by the low level of awareness they have on European issues.
- ★ Hungary remains cautious regarding more integration. This position is visible in immigration or border control, where the government has already changed its stance several times. Adopting the euro remains a marginal issue. Even on the Energy Union, which Hungary supports, there is a feeling that it is in the hands of the European Commission.

markets and inviting European investment were crucial from the first days of its economic transformation, which dismantled its planned economy (causing massive layoffs, which naturally led to disappointment and frustration

among those who lost their jobs), while significant parts of the Hungarian economy were privatised.<sup>2</sup> However, economic relations with Western European countries gained momentum, investors were building new plants and facilities, and Hungary's economy quickly became dependent on its cooperation with the European Communities, and later with the European Union. Lowering tariffs and other barriers became a priority to attract even more foreign direct investment, and to boost Hungarian exports, providing new employment for those who had lost their jobs during the economic transformation and privatisation. Today, about 80% of Hungarian exports go to the EU Member States, and at the same time the five biggest investors are also EU Member States: Germany, Luxembourg, the Netherlands, Austria and France have contributed the most FDI (in decreasing order)<sup>3</sup> since 1989 to the Hungarian economy.

Current Hungarian economic policy is based upon cooperation with other EU Member States. Developments in the automotive industry, which is currently one of the most important sectors in Hungary is almost exclusively dependent on its European ties. Hungary's participation in global supply chains is enhanced by the common free trade area the European Union helped to create and maintain. Were it not for the European Union, the exportoriented Hungarian economy would not experience the growth rates that we see today. Public investment is almost exclusively financed from European Union funds according to some estimates EU funds have boosted Hungarian growth by 2% annually since 2004.4

It has to be mentioned though that Hungary also paid a price for these benefits. Whole industries (especially in the light industry sector and agricultural processing) were terminated when they faced subsidised and better-equipped competition from the West. There was no time to adapt to the new situation: the adoption of the *acquis communautaire* left no opportunities to protect these companies, while cash-loaded competitors had the chance to buy out the owners – usually post-socialist managers who were eager to get rid of their inheritance for a handful of US dollars.

The Hungarian people have always been fond of European integration, ever since Radio Free Europe started to broadcast in the country. When they were able to travel to the West later (in the 1980s, one could visit a non-socialist country once in every three years) they were overwhelmed impressed and by the unimaginable wealth on display. This was further underscored by anecdotal evidence from emigré relatives or friends, who had started their new lives after fleeing communist oppression. Expectations were high and simple: one was looking forward to European integration so Hungary would reach the living standards of Austria - a naïve dream that never actually came true.

Free movement of people is a European right that every Hungarian embraces. This is one of the most treasured rights ordinary Hungarian citizens gained from European integration: being confined by the Iron Curtain for such a long time one cannot appreciate enough the freedom of movement. Entering the Schengen Area was therefore one of the most palpable and significant results of the Hungarian EUmembership. Furthermore, being part of the European project allowed Hungarians to find better jobs abroad: about 500,000 Hungarians gained employment in other countries, most notably the United Kingdom, Germany and Austria. Their contribution and cash transfers to the Hungarian economy remains significant, as depressed, mostly rural territories cannot offer suitable jobs for aspiring Hungarians. Ironically, while intra-country mobility does not exist - and government efforts to provide aid for relocation to economically more developed counties with a shortage of skilled workers remained unsuccessful, - many Hungarians simply decided to pack up their lives and accept jobs inferior to their skills and education, thousands of kilometres from their homes and family.

Hungary wanted to gain membership of the European Union in order to firmly anchor itself alongside its traditional allies and to provide new opportunities for its people. This was a successful endeavour as it became a Member State in 2004. But once inside the club, Hungary was unable to fully embrace the possibilities that were offered to it. This is also reflected in the frustration one can register among the Hungarian population: initial expectations were so high that disappointment was a logical consequence.

### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

For Hungarians, the European Union was more appealing from the outside: 15 years of diplomatic efforts led to the Hungarian accession in 2004, and as mentioned above, the public, especially the politically active, were very supportive of these efforts. This was also true - with some minor exceptions - for political parties. However, since its accession most of the associated prestige of membership has disappeared, and Hungary has been left with the reality of having to adapt to the daily workings of the EU. Neither the government, nor the public succeeded in this regard. The government (regardless political of its

background) failed to successfully integrate into the European decision-making structures, with the sole exception of the well-organised Council presidency in 2011. Moreover, the population felt that the promises on which the accession referendum was based were false. Enlargement fatigue appeared, causing people and politicians to grow disillusioned with the sometimes opaque and distant decision-making in Brussels. This frustration adds to the general sense of a lack of awareness of major European issues among the Hungarian population.

Public discourse in Hungary, aided by the government's deliberative efforts to scapegoat the European Union for domestic political purposes, fully exploits this situation. On the one hand, pro-European commentators and analysts (mostly associated with the political left and the liberals) are pursuing a quite optimistic agenda, while, on the other hand, pundits from the political right and the wildly EU-sceptic far-right are keen to point out the perceived or real - double standards Member States have to face in their European pursuits.<sup>5</sup> This makes for a general understanding that the European Union is not a level playing field. Therefore Prime Minister Viktor Orbán's claims of "defending the homeland" falls on fertile ground among his electorate.

Despite the various – and often negative – perceptions of the European Union in Hungary, the public remains committed to the European project. Hungarians have recently developed a more favourable view of the EU, with 40% (a 5% increase since 2013) of respondents saying they value the EU, putting Hungary near the European average of 39%.<sup>6</sup>

An excellent case that highlights the disconnect between Western and Eastern perspectives on the European Union is the migration crisis, and the way the different EU Member States responded to this challenge. However, the main Hungarian narrative is not against the EU *per se*, but rather against the perceived inability of the European institutions to effectively handle the crisis. For instance, Prime Minister Orbán's main message during the summer of 2015, when the flow of migrants peaked in Hungary was that Hungary was the defender of the Schengen Area and the common European border.<sup>7</sup> This perceived inability to handle the crisis, together with some Member States' opinions to keep to the proposed resettlement quota also highlighted how divided the European Union is, and that the future of the EU is far from decided.

Even ordinary citizens can sense the insecurity and perplexity surrounding the future of the European project. It is no wonder therefore that they become receptive to deceptive and anti-European propaganda. There are even popular political parties within the European Union (with Hungary's Jobbik being a prime and well-known example) that using Russian and other funds - openly challenge our European future. Their answers are simplistic and brutal: therefore these slogans are much easier to identify with than the complex European debates on how and where we should move forward. Internal insecurities are further exacerbated by hostile influences: in this environment it is very hard to make the European Union appealing.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

The Hungarian government position is that, as long as there are national parliaments and governments, they should retain their role and bear political responsibility for their actions. This legitimacy will not be replaced anytime soon, especially given the above mentioned challenges to the European Project. Before moving on to the next level of cooperation and integration, the European Union has to consolidate its achievements, introduce reliable processes, and assign (political) responsibility where it is due.

In the economic sector the benefits of integration are clearly visible: Hungary has been a beneficiary of this phenomenon from day one of its membership, and a significant portion of Hungarian economic growth depends on closer economic integration. It is much easier to trade and export, to attract new investments, to transport goods and services, and this makes Hungary capable of utilising its competitive advantages. Supply chains, be they global or European provide jobs for millions of Hungarians, including those in economically less developed areas, and allows aspiring workers to enter the European job market, according to their personal preferences. Regarding the everyday lives of the citizens, the European Union has brought many benefits and new opportunities. Therefore, when we consider the economic benefits, closer integration has served the interests of both the Hungarian people and businesses. Questions may arise, however, in different areas. For instance in taxation, banking and energy, the Hungarian government does not want to see more European coordination, as it fears that some levers might disappear (extra tax on banks, VAT rates), thus reducing its room for manoeuvre in affecting competitiveness, or, for example, protecting national champions in the energy sector.

Politics however remains a controversial topic. The European project lacks legitimacy, especially in the new Member States. The Hungarian electorate showed its support for the EU in the accession referendum when an overwhelming 83.76% majority voted in favour.<sup>8</sup> But if it were not for the earlier Socialist government of Prime Minister Gyula Horn relaxing the referendum rules (for the NATO-accession vote to be valid and successful), the referendum might have turned out to be a failure because turnout rates (45%) did not reach the original standards (50% of the total electorate voting for the same option).

There is no clear majority of Hungarians saying that EU membership is good for the country. Approval rates are relatively stable: about 30-35% agree that EU membership is beneficial for the country, 18-22% believe that membership is harmful, while most of the people, usually around 40% say it is neither good, nor bad.<sup>9</sup> This mostly shows the general disinterest in EU affairs: Hungarians take their privileges, like the freedom of movement or goods for granted, and do not fully understand, how their lives became easier since membership.

On the level of daily party politics, the European Union is often used as a stick, which parties use to beat each other with. Traditionally, the Hungarian right has always been more critical of the European Union, while the left has been more accepting of Brussels. Data on how the appeal of the European Union correlates with party politics is scarce, however many conventional wisdoms exist. According to a 2009 survey by a Hungarian think-tank, 87% of Socialist voters approved of the Hungarian accession, while even 67% of EUsceptic Jobbik's voters agreed that the accession was good for Hungary. However as for those who strongly approved of accession, Socialist voters polled at 50%, Fidesz ones at 37 and Jobbik supporters at 20.10

The difference partly stems from the different definitions of national interest, and the political right's firm belief in the role of nation-

states. While the left usually accuses the right of being "provincial, non-European and Asian", the right hits the left with notions like "the agents of Brussels, revolutionaries and neglecters of the national interest". In an interesting study conducted by the EU-sceptic Jobbik's think tank in 2013, those who regard themselves as "only European" and "European and Hungarian" combined, polled at 10% of the entire population. On the other hand, those claiming they are "Hungarian and European" polled at 28%, and those saying they are "only Hungarian" at 61%.<sup>11</sup>

With such a large group of people thinking about themselves primarily as Hungarians, it remains very easy to score political goals with anti-Brussels propaganda. It has to be noted however, that none of the major Hungarian parties wants to exit the European Union.

For now, considering that Hungary is governed by the political right the current level of integration is more than enough. This attitude is also visible in many policies from refugee assistance to the Energy Union, where Hungary emphasises the role of the European Council and national governments, as opposed the Commission and the European to Parliament. Everyday people are not concerned by these issues: as they can travel freely within the Schengen Area and work abroad, they are content with the current status quo. The economy is already benefiting from the free movement of goods and services. In some industrial sectors we can still find some major Hungarian companies (MOL in the oil business, or OTP in banking). These companies are taking advantage of the European rules when necessary, but they also want to protect their interests by playing on nationalist feelings and protectionism when they feel their interests threatened. The picture of more or less integration therefore is not black and white.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

At this time when the Hungarian government is vocalising the need for a more "national" European Union as the political mainstream in Brussels, it is very tough to ascertain whether the common European public sphere is something Hungarians would like to embrace. Common political symbols (most importantly the European Parliament and the European Citizens Initiative) have been vilified by the government.

Apathy was, for a long time, the mainstay of the Hungarian political arena. However, the migration crisis changed this trend and gathered support for the governing Fidesz.<sup>12</sup> These circumstances highlight the challenges in conducting a European-level political debate in the country. A visible signal of this was the Hungarian turnout rate at the 2014 European Parliament elections, 28.97%, which was significantly below the turnout for the national elections two months earlier, at 61.24%.

The distance of Members of the European Parliament (MEP) from the Hungarian public is also a source of concern. MEPs are very rarely visible in the national media, and if they are, the coverage is usually about the abuses of their privileges. One can recount two MEPs, who have attracted significant interest from the Hungarian media, one being Tamás Deutsch of Fidesz, who regularly makes headlines with his tweets, the other being Jobbik's Béla Kovács, who is currently facing espionage charges in Hungary.

European political institutions are not being taken seriously in Hungary. This was clearly visible in the nominations for MEPs in the 2014 European Parliament election campaign, and also during the selection of Hungary's Commissioner. At this time, only a few analysts sensed any change in the way the Commission operates, and how it was trying to transform itself from a technocratic institution into a political one. However, looking at the rhetoric of Prime Minister Orbán and Foreign Minister Szijjártó regarding migration it is easy to notice that they do not see the European Commission as a partner, or a threat to their interests for that matter. They would rather engage other Member States, and especially German Chancellor Angela Merkel.

The political responsibility of different EU institutions has been a prime concern for the political establishment in Brussels, but this debate did not enter the Hungarian discourse. Brussels remains distant for most Hungarian citizens (hence the large share of "undecided / do not know" answers in the Eurobarometer surveys), and current hostilities between the Hungarian government and the European elite do not predict a change in this regard.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Even though Hungary invests its security interests in NATO, the migration crisis highlighted the need for more European coordination when it comes to immigration and border protection. The Hungarian government so far did not provide a consistent approach: while in September Prime Minister Orbán was pushing for the joint protection of Greece's borders to handle migration, in December he rejected the reinforcement of Frontex on the basis of national sovereignty. Different facets of economic policy could also been delegated to the EU level, especially when it comes to the members of the Eurozone, but the issue of adopting the euro remains marginal in Hungary.

Environmental protection and climate change is clearly a policy field where the European Union as a single entity has a role to play. Climate change is also very high on Hungarian President János Áder's agenda. Still, many national interests have to be overcome, which are partially included in the proposed Energy Union package. However, Hungary thinks that the Energy Union is mostly a political project of the Commission, and expects the current situation to evolve gradually.

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### ★ IRELAND

### Bridging the Gap From the Western Periphery of the Union

### What does your country hope to gain from its membership to the European Union?

On 1<sup>st</sup> January 1973, fifty years after gaining independence, Ireland became a member of the European Economic Community, joining with the United Kingdom and Denmark to raise the Economic European Community (EEC) membership to nine. In European terms, Ireland was a small, peripheral and poor The industrial revolution had country. bypassed Ireland and the economy was seriously underdeveloped with a heavy dependence on agriculture.

Over four decades later the country has been transformed into a modern, dynamic and open economy. The population has increased to four and a half million, the workforce has doubled and in the third quarter of 2015 annual GDP growth stood at 6.8%. That said, agriculture still plays an important role in the Irish economy, particularly with regard to processing and exports.

There is widespread agreement that membership has been positive for Ireland in economic and political terms, and that developments over the previous four decades are due, in very large measure, to Ireland's membership of the EEC, later the EU. This view is widely held among the population (an allages survey in May 2015 showed that 84% of those surveyed believed that EU membership had been good for Ireland).<sup>1</sup> Recent difficulties experienced in Ireland during the economic

### Highlights

- ★ Despite the difficult economic crisis Ireland has experienced and the implementation of a far-reaching bailout programme, the Irish continue to believe that their EU membership has been positive in political and economic terms. As a small state in the EU, Ireland hopes to continue to be able to shape policy outcomes and remain actively involved in the core of the EU.
- ★ Ireland is an open economy, which requires a favourable climate for exports and inward investment. This explains its support for decreasing barriers to the free movement of services, especially in the digital realm where Ireland has a competitive edge, and in trade.
- ★ Ireland is pragmatic with regard to the degree of integration it deems necessary, but has always striven to remain at the core of the EU. Nonetheless, most Irish people wish to see the Economic and Monetary Union advance to a level where stability can be guaranteed alongside a budgetary and financial system.

crash, have raised the question as to whether the regime imposed by the EU via the Troika was unnecessarily harsh. However, this does not seem to have had a long term effect on the strongly held acceptance that the future of Ireland lies as a member at the heart of the EU. As a small state in the EU, Ireland hopes to continue to have a voice in shaping policy outcomes in the EU and to remain actively involved at the core of the EU.

Ireland hopes to pursue further the gains made so far by being part of the largest and most important economic and political bloc internationally at a time when globalisation dictates that no country, not least a small one, can prosper on its own in a world of global markets and unmanageable uncertainties. Ireland sees itself building on the gains already achieved as a result of its EU membership social and economic solidarity, free trade and the single market.

Ireland has one of the most open economies in the world. It is hugely dependent on a favourable world climate for our export led economy and for inward investment. There are over 1,200 foreign firms with a base in Ireland, many in the high tech and pharmaceutical areas. Ireland wishes to take advantage of its membership to press for the further development of the single market and hopes to gain from addressing outstanding measures in this area, which are deemed essential for further development of the Irish economy. The Irish business representative body (IBEC) in a report from October 2015 calculated that an enhanced single market in goods and services could add up to 520 billion euros per annum to the EU economy.<sup>2</sup> At national level for Ireland, this would mean an estimated increase of 2.67% in GDP.

Ireland supports a targeted approach that addresses barriers to the free movement of services in sectors of significant economic importance which have the potential to further develop the single market. In particular, business and professional services, construction and retail are sectors in which Ireland sees potential in this regard.

Innovations in digital technology and the use of digital tools could add immeasurably to economic progress in the Union. Ireland, which is a very important base for a wide swathe of digital technology companies, can envisage significant gains from EU membership in developing the Digital Single Market. Ireland hopes that a functioning Digital Single Market will encourage more investment in digital infrastructure and quality content, improve access and connectivity for consumers and work to promote the development of digital skills, talent and innovation. A high level of awareness of these issues in Ireland has led to pressure for advances at EU level in these areas.

As part of a major trading bloc, Ireland sees itself gaining from the trade liberalisation policies of the EU, and welcomes the ongoing negotiations on the Transatlantic Trade and Investment Partnership (TTIP) and other trade agreements. As a country which relies heavily on exports, both from multinational firms based in the country and from indigenous firms, such agreements are very important for Ireland. As evidence of this, a recent poll showed support for an EU-US agreement at 77% and for TTIP specifically at 67%.<sup>3</sup> Close Irish-US relations may be a factor in this high level of support, but it is also evidence of the belief that EU trade agreements are positive for the Irish economy.

Ireland also wishes to derive benefit from the Union in relation to social progress and human security through support for job creation policies. For example, youth unemployment is a significant issue within the EU and reached an all-time high of 31% in Ireland in 2012, but has since been reduced to 19.2% in the last quarter of 2015. EU support for training programmes, further education and research is a very visible indication of the EU's commitment to improve the living standards of sectors of society that have found themselves marginalised in communities across the EU.

Politically, membership of the EU allowed Ireland to assert its independence from the UK, by aligning itself directly with the EU in 1973. The ties between the two countries have, however, remained extremely close, both economically and politically. On the political front, Ireland and Britain have worked together over the past thirty years to end the violence in Northern Ireland, which had, during those years, spilled over into the UK and the Republic of Ireland. Joint membership of the EU since 1973 contributed significantly to this process, where Irish and British representatives could meet in the EU context. The peace process in Northern Ireland has also been receiving financial support from the EU since 1995 via the PEACE fund.

With this in mind, the Irish Government views the prospect of a UK exit from the Union with considerable alarm. The Irish Prime Minister Enda Kenny described the prospect of a UK exit as "a major strategic risk to Ireland". The concern stems from the close economic ties between the two states. The UK is by far the largest trading partner for the Republic, accounting for 43% of exports by Irish firms (excluding multinational exports) in 2012.<sup>4</sup> In addition, the two countries energy networks are deeply entwined. Ireland imports 89% of its oil products and 93% of its gas from the UK. The most tangible effect of a Brexit for most people in the two countries would be the constraints on the freedom of movement between the two countries and, given that the EU's only land frontier with the UK would be in Ireland, it could mean the introduction of customs check points and passport controls at the border with Northern Ireland.

Ireland contributes to international security through participation in the EU Common Foreign and Security Policy, while still maintaining military neutrality. The country has a long history of participation in peacekeeping missions, with the UN since 1958, and more recently in peace enforcement and training missions with the EU and the NATO Partnership for Peace. It perceives an advantage for the Union, and for Ireland, in its participation in EU civilian and military missions, which help to spread security, development and the basic EU values of human rights, freedom and democracy.

#### Do you think that the European Union appears to be a clear project in your country?

The European Union does not appear to be a clear "project" in Ireland. Project, however, would not seem to be the correct word to describe the Irish view of the EU. It has become more a part of Irish life since Ireland's entry into the EU in 1973, and the country has prospered significantly from EU membership. This has been very visible to people living in Ireland. With a population of only four and a half million people, almost all sectors of society have been touched by EU membership, specifically through financial transfers as well as EU laws and standards. In the agricultural area, the improvement in living standards and development of the sector has been enormous and countrywide, with a number of large Irish agri-business companies operating internationally. In the social and cohesion area and in the area of environmental protection, the gains have also been significant. In general these advances are understood and appreciated by the population.

The challenge now posed relates to the present. It has become more difficult to

communicate the tangible benefits of membership to younger people. For example, free movement of students, tourists and workers is taken for granted (although Ireland remains outside Schengen) and many young people consider themselves European. This attitude may also be viewed as positive insofar as the population feels comfortable, confident and secure with the country as a member of the EU and with its objectives.

The emergence of the migration crisis in the EU and the scale of the challenge in relation to the numbers arriving has raised awareness in Ireland of the responsibility of the EU and of the individual Member States to find solutions to the refugee crisis. Ireland accepts that the situation requires a shared response and, while not a member of the Schengen Area, has opted to take part in the relocation proposals of the EU, recently joining the Schengen Information System II (SIS II). Ireland supports proposals for a humanitarian response to the crisis. The current refugee crisis and the threat of terrorism resonates with the Irish population due to the legacy of terrorism in Ireland over 30 years from the 1960s to the Anglo Irish agreement in 1995. There is an understanding that the situation, with its threat to freedom of movement within the EU, could cause an existential crisis within the Union. The outcome of the EU's response to the migration crisis will influence Irish opinion on the EU.

The near collapse of the banking system in Ireland and its devastating effect on the Irish economy resulted in the bailout programme by the EU, via the Troika. The extensive publicity that accompanied the rescue, with almost daily pictures in the media of Troika officials entering the Irish Department of Finance, as well as the soul searching that is still ongoing, led to a deeper interest among the population concerning the EU. This also led to critical questioning as to how the rescue was carried out and whether the country was made to pay excessively to protect European banks; a degree of blame for the austerity imposed on the Irish people has been ascribed to "Brussels". This is countered by reminders from economists and commentators that the crisis was largely of our own making<sup>5</sup> and that the EU rescue saved the country from financial catastrophe. In spite of this debate, support for the EU in Ireland is very high - at 84% in a poll in May 2015.<sup>6</sup>

It is also of interest to note that, despite the anxiety in Ireland regarding the possibility of a UK Brexit - as outlined in detail in a publication from the Institute of International and European Affairs entitled Britain and Europe: The Endgame – an Irish Perspective – a large majority of citizens (74%), in a poll in November 2015,<sup>7</sup> favour Ireland remaining within the EU, even if Britain leaves. In that poll only 11% were in favour of leaving if Britain left. The fact that Irish people are of this view is of considerable significance, given the very close economic and political ties which the country shares with the UK (as outlined earlier). It can be seen as a strong affirmation of Irish commitment to the Union that, despite the potential difficulties posed, Irish people still see their future in the EU. However, the debate in the UK and the close linkage between British and Irish media may have a destabilising effect on public opinion in Ireland.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Ireland is pragmatic with regard to the degree of integration but has always striven to remain at the core of the EU. There is no clear "end state" for the EU in the Irish

consciousness. Enlargement to 28 has clearly increased the complexity of the EU; it is easier to integrate policies among 6, 9, 12 countries than among 28. Meanwhile, there is strong support for the community method of decision making, which Ireland believes has served the Union well. Furthermore, it is accepted, as of now, that there will be differentiation between Member States on certain EU positions. Moreover, there is not any expectation in Ireland of a 28 member Eurozone in the near future, although that would be welcomed for economic reasons. The view, generally, seems to be that the present degree of integration is adequate. It is therefore difficult to gauge, at this stage, whether the population is ready to accept a further pooling of sovereignty. This issue is complicated by the many challenges which face the EU directly, such as the Eurozone crises, Russian aggression, the Middle East and the refugee crisis, which, in the public mind, push the idea of further integration to the background.

For a country that is very supportive of the Union there is a perceptible anxiety that too much differentiation within the EU could lead to stagnation or indeed break-up. This feeling is compounded by the Brexit discussion. As already outlined, Ireland is supportive of the UK in its efforts to secure changes with a view to remaining a member of the EU, and has indicated that it will be of assistance to the UK in this regard, although not where it means compromising basic EU rights or adopting special measures for the UK which would impact negatively on other Member States. A further cause for concern is that the Brexit debate could give rise to cherry picking by other Member States on Union policies. Ireland will be supportive, therefore, of the British request to maintain strong coherence between the

Eurozone and non-Eurozone members to preserve the overall unity of the Union.

Where negotiations are conducted by a small number of Member States, Ireland feels strongly that all of the members must be kept informed and consulted in the Union format. There is a perception that such consultation has not been as assiduous recently as in previous years. Ireland would not wish to see the development of a trend of intergovernmentalism, where the interests of the smaller Member States would be diminished. Of course, the prospect of fragmentation is not just a matter of concern for small countries, but can also concern the euro "outs" in terms of being informed of developments in the EMU.

With regard to economic integration, there is a view in Ireland that the process of Economic and Monetary Union needs to be advanced and deepened to reform economic governance in the Eurozone. There is disappointment in some quarters that the Five Presidents' report produced a lacklustre set of proposals envisaging little of real substance for Stage 1 (up to mid-2017) or Stage 2 and with no deadlines, except for the Final Stage, which is to be completed at the latest by 2025. While this view is most prominently held in economic and administrative circles, there is an uncertainty among the general population regarding ceding greater authority to "Brussels" in the budgetary and financial area. This latter view has been fuelled by the recent Parliamentary inquiry into the banking crisis<sup>8</sup> and a number of interviews given by members of the Troika and Irish central bankers regarding the role adopted by the ECB in the crisis. It is argued that the alleged threat by the ECB to cut off liquidity if losses were imposed on holders of senior bank bonds in financial institutions has cost the Irish tax payers dearly.9 This direct linkage between

Frankfurt (aka ECB) and the cost to the taxpayer has, despite the bailout, been unhelpful in terms of advancing the EMU in the public eye. However, this is balanced by the opposing view in public discourse that EU oversight of the banks is favourable.

# According to you how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

While there is support in Ireland for membership of the EU and a fairly clear-eyed view of the advantages of being a member of a powerful and influential bloc, there is scope to create a deeper feeling of proximity to or ownership of the European project. The geographic distance from mainland Europe and lack of significant interaction with other EU citizens has meant that foreign language skills, other than French, have been relatively slow to develop and Irish people who have migrated have tended to go to English countries. However, speaking cultural exchanges, the Erasmus Programme, the Blue Star initiative, town twinning, and school partnerships between Member States are all playing a very positive role in spreading knowledge regarding other Member States and the role of the EU in this regard.

In order to embed a deeper knowledge of the EU it is important to have modules in the school curricula, from an early age, regarding the EU, its aims and how it functions. This has begun to happen in Ireland. Greater exposure to EU personalities on TV and radio would be particularly informative, including debates regarding EU policies, of which there is very little. Such public debate of issues under discussion would bring the topics closer to the people. The difficulty is to harness the interest of politicians and public representatives in promoting greater understanding of Europe, when domestic issues tend to predominate and where there seems to be no pressing demand to take initiatives in this regard.

As a consequence of the various referenda on EU issues in Ireland (there have been nine) most Irish citizens have a general understanding of EU structures and the mechanisms of EU decision making. However, there is still a lack of understanding regarding the close involvement of all levels of Government, and of business and interested bodies, in the decision making apparatus of the EU.

#### Which policies would you deem essential to conduct at EU level in order to better legitimise the European project?

One of the main policy areas which would be seen as important from an Irish point of view would be to address measures outstanding under the current Single Market Act in order to boost growth, competitiveness and employment. These measures would be practical demonstrations of solidarity at the European level to promote progress in these In line with the extraordinary areas. developments in the technology area, it will also be important for the EU to be seen to work actively to promote the digital economy and the Digital Single Market. The decision to abolish roaming charges was a good step in this regard. As a base for many of the major technology firms in Europe, as well as serving as an important centre for digital start-ups, Ireland wishes to see further development of the potential of e-commerce, which can deliver considerable advantages for European business and consumers, contribute to general growth and spur job creation.

Ireland would also deem it necessary for the EU to improve access to public procurement in

the single market for example, by increasing access to electronic bids and opening public services to public-private partnerships.

Further development of the EMU rules to restore stability and confidence to the financial services sector and guarantee a more efficient and effective functioning of the Eurozone, such as enforcement of the banking union regulation and development of a true Capital Markets Union, is also important in Ireland.

Most Irish people wish to see the Economic and Monetary Union advance to a level where stability can be guaranteed, and a budgetary and financial system introduced, which will act as a bulwark against future economic shocks and profligate spending policies. In this context, Ireland has supported the Fiscal Compact (endorsed in a referendum) and other fiscal rules. It supports the completion of the banking union and its enforcement as well as the development of a Capital Markets Union. Last year, the IIEA published an analysis of the banking union, which is a useful guide for incumbent institutions and for interested citizens wishing to understand the nature of banking within a banking union.<sup>10</sup>

One area of policy which has the potential to contribute to a negative perception of the EU in Ireland is the proposal regarding a Common Consolidated Corporate Tax Base (CCCTB), which seeks to harmonise EU tax bases, although tax remains an exclusive competence of the Member States. Ireland remains opposed to the idea of a CCCTB. The Government is committed to transparency and to clamping down on tax avoidance, but there is a strong commitment to the continuation of our corporate tax regime as an essential pillar of our industrial development.

The key issue for small Member States is the difficulty of combining supranational rules, which promote growth and stability within the EU, with policies that allow those states to develop their economies in the ways which best suit their particular characteristics. In this way, each economy seeks the right structural features to help it prosper within the monetary union.

A more effective role for the national parliaments would also help to legitimise the European project and bridge the divide between national and EU politics. Ireland, as a small Member State is supportive of, and reliant on, well-functioning EU institutions – the Council, Commission, European Parliament and External Action Service. Any weakening of these institutions, or any further slippage towards inter-governmentalism, would result in a lack of confidence among citizens in the shared project that is the European Union.

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★ ITALY

### Eleonora Poli

### What does your country hope to gain from its membership to the European Union?

From being one of the most europhile countries, Italy has undergone a radical change of perception, and growing anti-EU sentiments have turned it into one of the most euro-critical Member States.<sup>1</sup> Whilst this anti-EU perception is not just the result of European policies, but is also down to mismanagement by the national government in communicating and adequately implementing EU plans, the EU certainly needs to strengthen its legitimacy.

Being one of the founders of the European integration project and one of the most pro-European countries, Italy had many cultural, political and economic reasons to support and justify its membership to the European integration project. On one hand, since the late 1950s intellectuals such as Mario Albertini and Altiero Spinelli encouraged the idea of a federation of European states, which would guarantee peace and prosperity across the European continent. European membership would allow Italy and other European countries to maintain their national identity while creating common institutions able to overcome those political, economic and cultural clashes responsible for regional conflicts.<sup>2</sup>

On the other hand, support towards the European project was not only the result of intellectual thinking. Italians showed great enthusiasm for the idea of belonging to a

### Highlights

- ★ Italy has gone from one of the most pro-EU country to a rather euro-critical one. The crisis has dimmed hopes that the EU membership was a stimulator for economic growth. Moreover, Italians believed that the EU would be able to correct the shortcomings of national institutions. Phenomena, such as corruption, however, remain acutely perceived in Italy.
- ★ There is a cultural attachment to the EU in Italy but EU actions are too little advertised. There is room for more communication. It would help that decision makers cooperate more with their European counterparts to trigger a feeling of belonging to a European sphere, which could trickle down to the citizens-level.
- ★ Italians' lukewarm attitude vis-à-vis the EU is mostly the result of the economic crisis and the subsequent austerity measures. They, however, remain committed to further integration in a variety of fields, including in foreign and defence policies. But at this stage, the most pressing need for Italians is that the EU helps restore growth and competitiveness.

European community, which could enhance democracy, economic welfare and political stability. In particular, they believed that the malfunctioning and shortcoming of their political system, together with domestic corruption, misuse of resources and tax evasion, could be overcome with closer European involvement. In this respect, they tended to trust European institutions more than their national ones. In addition, European membership was — and still is considered to be a platform that provides Italy with higher visibility in the international arena. In this framework, although the without the EU shrank by five points, rating slightly below the EU average (55.5%).<sup>4</sup>

There is certainly less trust in the EU as the institutional body able to help Italy achieve better political and economic performances. For instance, corruption is still perceived by 97% of citizens as a highly diffused phenomenon and 42% of Italians, against 26% in the rest of the EU, claim to have directly experienced it.<sup>5</sup> Moreover, the eurozone crisis, together with the



ratification of the Maastricht Treaty in 1991 downsized the consensus on the European project held by European citizens, Italian public opinion remained mainly pro-European. From the 1990s to the 2000s, trust in the EU and its institutions was consistently above 60%.<sup>3</sup>

To date, hopes for a brighter future as a member of the EU have been substantially reduced. Between 2013 and 2015, the number of people thinking that Italy would be better off outside the EU increased by three points, reaching 35%. Conversely, the share of people believing that Italy's future would be worse consequent austerity policies, are deemed to have brought an already crippled economy to its knees.<sup>6</sup> Indeed, although in 2015 Italy has grown by 0.8%, unemployment is still at 11.9% (12.7% in 2014) and real GDP is at "the early 2000s levels".<sup>7</sup>

In this respect, there is not much hope of achieving concrete gains form Italy's membership to the European Union. From being considered as a propulsive tool to stimulate economic and political development, nowadays the EU seems to be merely a technocratic structure.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

With respectively 57 and 65% of Italians defining the European institutions as distant and complex bureaucratic bodies, the EU certainly does not appear to be a clear project in Italy.<sup>8</sup> In 2014, 72% of Italians claimed to be poorly informed about the EU institutional structure, which was considered efficient by only 33%.9 Such a lack of knowledge in the EU has been fuelled by poor EU related information provided by the media, which is mostly dominated by national topics. One in two Italians agrees on the fact that television, which is the most common media outlet, does not sufficiently broadcast European issues and policies.<sup>10</sup> Certainly, lack of information about the EU has contributed to a diffuse distrust in the functioning of its institutions, turning the EU into a foggy middle area.

Yet, doubts on the EU functioning might have been amplified by national politicians. For during the last instance, European Parliamentary elections in May 2014, eurocritical parties, such as the Five Star Movement and the Northern League, but also traditional parties, such as Forza Italia, used anti-EU discourses to foster their electoral support. For the same reason, even when Italian political parties do not openly criticise the EU, they seldom back its policies.<sup>11</sup> As a result, in 2015 only 26% of Italians thought that their voice is relevant when it comes to shaping European decisions, while 59% believe that the EU does not take into consideration Italian national interests.<sup>12</sup>

Such a diffuse perception might have partial elements of truth. Indeed, despite holding 79 seats at the European parliament (EP) and having appointed former Foreign Minister Federica Mogherini as High Representative of the Union for Foreign Affairs and Security Policy Vice President of and the European Commission, Italy occupies only 8% of the total high level positions within the European institutions (178 of 2,242). This is well below the 12% the country should have acquired in relation to its total population.<sup>13</sup> Moreover, with a participation rate of only 91.8% by Members of the European Parliament's (MEP) in EP roll call votes, Italy is positioned as the 10th country out of 28, with Greece (81.66%) being the least participative and Austria the most (96.24%).<sup>14</sup> Although it certainly is on a par with the European average, considering it is one of the founding members of the EU, Italy and its MEP could use their voting power to acquire more weight in the EP decision making process. Putting aside the institutional bodies, Italians also lack a strong network of private organisations, which are able to influence European policies. For instance, among the 700 lobby groups operating in Brussels in the economic and financial sectors, only 30 are Italian, while the majority are British (140), German, French and American.<sup>15</sup>

In this respect, making Italy count more in the EU institutions would certainly allow Italian citizens to better master its functioning. To date, poor information, which has generated a lack of trust, together with what appears to be insufficient and ineffective representation of Italian interests at the EU level, have certainly contributed to a general disinterest, which has in turn fuelled the idea that the EU is not a clear project.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Although Italians used to show great enthusiasm towards the idea of a European political federation, the lack of institutional understanding and effective decision-making power has resulted in a limited awareness of the European integration project. According to a survey carried out in 2013 by the Italian Ministry of Economic development, only 45.1% of the respondents knew about European plans for integration and cohesion.<sup>16</sup> Moreover, the current crisis, whose negative consequences have been coupled with austerity policies and internal political instability, has certainly fuelled more disenchantment towards a closer economic union.<sup>17</sup> Confronted by job insecurity and decreasing living standards, Italians appear to be more concerned with national issues and do not see the EU integration project as a priority. Yet, with 69% of citizens in favour, there is strong support for forms of fiscal integration through the creation of a common fiscal capacity, which, in case of crisis, could minimise negative spillover effects. Moreover, it is believed that financial integration, to allow cross-border allocation of capital and diversified sources of financing in the Single Market,<sup>18</sup> would benefit the national economy, and particularly Small and Medium Enterprises.

Italians still endorse the development of cultural and political ties and hope for a stronger democratisation of European institutions. 72% of Italian citizens believe that the EU should work towards a political union, with a single foreign security and defence policy aimed at stabilising its borders and meeting current geopolitical challenges. They would also back the creation of a single European army, able to quickly react to international threats.<sup>19</sup> In this respect, current limited Italian support for further integration appears to be mostly related to the economic crisis and austerity policies. Yet, with only 30% of the country against the euro, Italians

certainly consider that less economic and monetary integration would have disastrous effects on the already precarious economic trends.<sup>20</sup>

Hence, Italian citizens hope for a European shift in priorities, one that, in the words of Italian Prime Minister Matteo Renzi, would be able to reorient the EU economy towards "a smart, sustainable and inclusive economic growth".<sup>21</sup> As this appears far from achievable, the image of an ever-positive integration has become unsustainable. Nonetheless, leaving aside austerity policies, Italians support forms of European fiscal, financial, political and security integration.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

The idea of belonging to a common European public sphere could be strengthened through combined actions undertaken at different levels. At the national level, there is a need for politicians to interact more, both with their counterparts at EU parliamentary level and with their counterparts in other Member States, including at the local and regional levels. This would foster the awareness of belonging to a common European sphere among the decision makers. Following a snowball effect, this perception might then be transferred to media outlets and citizens. Indeed, if politicians engage more with European projects and processes, it would definitely push media to broadcast more news on such issues and inform the general public. For instance, the current crisis is mostly analysed in Italy as an Italian problem, resulting in national egoism and a lack of coordination with other Mediterranean countries, such as Portugal, Spain, Greece and partially France. Lack of cooperation is certainly

contributing to Italy's lack of contractual power at the EU level.

Poor engagement with the EU, has also given rise to the idea that, since Italy is playing a minor role in the European decision making process, which is totally governed by powerful European states, such as Germany, it is left alone when facing economic and political issues. In this respect, closer cooperation with politicians or parliamentarians from other member countries could quell this perception.

At the European level, EU institutions should become more accessible and understandable by the majority of citizens. Although much has been done to make this happen, there is still space for improving dialogue and communication between the institutions and European citizens. Indeed, many European initiatives are not well advertised. This appears to be particularly relevant, as cultural and ideological forms of attachment seem to be among the strongest reasons behind Italian membership to the EU. events, reportage Hence, cultural and advertisements offering a positive but realistic image of the EU should be effectively communicated and spread among citizens. In other words, Europe should not only be seen as a technocratic grey area where painful decisions are taken by even more grey European bureaucrats. It should instead be perceived as a pool of opportunities.

Moreover, in the not unlikely case that austerity policies will impede Italy's ability to overcome the current recession, the EU could regain credibility by implementing a set of new economic policies, which would promote growth and employment. To date, although only 1% of Italians actually wants to leave the EU, the general perception is that both the national government and EU institutions are incapable of tackling the crisis and fostering social welfare.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

There are several policies the EU should implement in order to legitimise its integration project, which is now considered to cause more problems than it solves. From a socioeconomic point of view, the EU should promote employment, which is one of the major issues undermining social security and welfare.

Since 2011, as part of the austerity measures implemented by Mario Monti's government to boost economic growth and competitiveness, Italy has liberalised its job market by raising the pensionable age to 66 and reducing clauses in job safeguards provided by article 18 of the national work regulation. Following the EU guidelines, Italy has attempted to apply the principle of 'Flexicurity', which aims to reconcile employers' need for a flexible workforce with workers' need for security.<sup>22</sup> Prime Minister Matteo Renzi's most recent Job Act also underpins such principles. According to the Act, the majority of contracts will become fixed term agreements. However, the Act will again modify article 18, allowing the employer to fire employees for economic reasons, while still providing a certain level of compensation. In other words, the aim of the Jobs Act is to create a flexible job market, whereby workers will be able to change job frequently without facing long periods of unemployment.

Such reforms have been fostering a widespread perception of social injustice. Since the 1990s, an ageing Italian society has undergone a general trend of impoverishment due to the progressive erosion of the middle classes and social mobility. The middle-aged

generation of workers (30-40 years old) is indeed trapped between an older generation, which owns special guarantees due to the previous social security system, and a younger generation with no profits. In 76.7% of cases, families' budgets have been reduced and, according to *Eurispes*, in the first half of 2015, one Italian out of three experienced difficulties in paying transport costs, while a worrying 40.9% could not afford medical expenses.<sup>23</sup>

Although GDP is expected to grow by 1.4 in 2016 and in 2015 public and private consumption have respectively increased by 0.2% and 0.9%, the process of economic recovery in Italy is still considered weaker than in the euro area as a whole.<sup>24</sup>

In this respect, the EU, together with the national government, should promote economic growth and reinvigorate employment opportunities. In particular, Italians feel the EU should facilitate the development of small and medium-sized enterprises (SMEs). Indeed, Italy hosts 200000 small and medium enterprises and 17.2% of the micro enterprises in Europe. Yet, between 2008 and the first half of 2014, while 13000 SMEs were reduced to bankruptcy, over 5000 went into insolvency and 23 thousand started proceedings for voluntary liquidation.

Any EU concrete actions, such as those depicted by the 2011 Commission Action Plan or the Juncker Investment Plan, aimed at restoring competitiveness by providing, for instance, SMEs with easier access to credit or plans for their internationalisation, would also help Italy to grow economically, especially by diminishing its level of unemployment.

From a political dimension, with trust in EU institutions as low as it is, the EU should provide timely and effective responses by strengthening unique European visions not only when it comes to foreign policy, but also in relation to political representation at the European Parliament. It is indeed interesting that according to CENSIS, Italians would vote for non-Italian candidates at the EP if those candidates would reflect their political vision.<sup>25</sup> In this respect, the EU should certainly establish and expand virtual and physical spaces for public deliberation, providing citizens with better access to better quality of information, as well as greater scope for participation.

To conclude, while the economic crisis and the current recession are certainly responsible for the current disaffection towards the EU integration process, Italians still believe in the democratic dimension of the EU. Yet, there is a need for an extra effort both from the national and European institutions to make the EU more accessible to citizens through better information and better participation in the EU decisionmaking process.

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### ★ LATVIA

### What does Latvia hope to gain from its membership to the European Union?

Almost immediately after breaking away from its forced membership in the Union of the Soviet Socialist Republics (USSR), Latvia found itself willing to re-integrate with Western values and to become a member of the Euro-Atlantic institutions. NATO membership was the first port of call on the small Baltic state's priority list, and was closely followed by an interest in EU membership. Membership in both the European Union and NATO faced opposition domestically, but the majority of politicians and society at large understood the geostrategic security and economic development prospects that membership entailed. In spite of criticism, Latvia joined the European Union (along with NATO) during the 2004 enlargement wave with membership in the Eurozone coming ten years later. Support for the EU has traditionally been cross-ethnical, cross-party, and absent of opposition from specific religious, ethnic, professional or other interest groups. The government positions, regardless of the political parties constituting the ruling coalition, have treated EU affairs as foreign policy, and, as such, the responsibility to define major policies has lain in the hands of the Ministry of Foreign Affairs and its Permanent Representation to the European Union and the respective sectoral ministries.

A great variety of promises were provided by politicians and pro-European experts

### Highlights

- ★ Latvia's benefits to the EU have been clear. It has boosted the modernisation of the country and its infrastructures via the Cohesion Funds. It has helped reconnect the country with the West. And it has served to provide security to Latvia, especially vis-à-vis Russia.
- ★ Criticism regarding the EU has risen. The reasons are threefold. For some, lack of clarity of the EU project has generated unrealistic expectations of the gains that the EU membership would bring to the economy. By others, the EU's handling of current crises is perceived as ineffective. But generally, the original accession idealism has given way to more pragmatic views on the EU.
- ★ Latvia feels that integration within the Eurozone has intensified for good reasons – and the country remains supportive of being part of the core. Yet, the EU should now improve its capacity to face threats, such as crossborder crime and terrorism, and exceptional situations, such as the refugee crisis.

during Latvia's EU accession negotiations. Safeguarding economic growth, convergence with Western Europe, and ensuring the influx of both institutional and foreign direct investments and capital were among the main

arguments used by the pro-EU membership activists and politicians. More predictable relations with the Russian Federation and accelerated ethnic integration domestically were tied to this as well. In addition, security reasons, both economic and political, and the preservation of the autonomous existence of the Latvian culture and language within the EU framework were central arguments not only for Latvia's place in the EU, but also the Eurozone, Lisbon Treaty and the further deepening of the European Union. Latvia has seen the EU (together with NATO) as the main guarantor of the geopolitical environment that ensures the Northern European country and its population has possibilities for both economic and cultural growth.

Latvia's dedication towards the EU cause, on the parliamentary political party level, remained undisputed at the end of its first Presidency of the Council of the European Union during the first semester of 2015. In spite of new trends now emerging, the eurosceptics have traditionally been strongly marginalised in the Latvian political environment. Eleven years after the 2004 enlargement Latvia is still convinced that its decision to opt for EU membership has been the correct one, with 42.2% of the population clearly supporting this.<sup>1</sup> Moreover, 63% of the population see the European Union in a positive light compared to 42% in 2008.<sup>2</sup>

When discussing the hopes of Latvia in the European Union several aspects should be mentioned. Latvia still fights strongly for EU funds and agricultural subsidies, as well as financing for large infrastructure projects. Latvia is the fourth largest per capita netrecipient of EU funds (and third in support per capita), receiving 7.479 billion euros in the Multinational Financial Framework 2014-2020 in cohesion funds and agricultural subsidies<sup>3</sup> the equivalent of roughly one annual state budget of investment money to the Latvian economy. At the same time, Latvia is still receiving the lowest agricultural subsidies among the European Union Member States support equal to 75% of the EU average will be reached only by 2019.4 Unequal subsidies have, for a long time, been used as a vivid example of all sorts of perceived misdemeanours by eurosceptics. It was only substituted as the main argument of eurosceptic voices following the discussions on the expenses of preparing and hosting the Presidency of the Council, the third bailout programme for Greece<sup>5</sup> and the infamous "refugee-redistribution plan" of Jean-Claude Juncker.6

Another aspect for Latvia relates to major energy and infrastructure improvementsnamely, the Baltic infrastructure and energy connectivity legacies to Russia and Belarus. They stand among the country's central concerns, where EU financial assistance is crucial and even irreplaceable in given terms. For instance, one of the biggest pan-Baltic railway projects - "Rail Baltica 2", worth 3.68 billion euros is planned to be 85% cofinanced with the EU<sup>7</sup> with the first tranche of 442 million euros already having been signed.8 New electricity supply infrastructure projects, such as the EU's Baltic Energy Market Interconnection Plan<sup>9</sup> that will liberalise and connect the Baltic electricity markets and producers to the NORDEL electricity grid at the end of 2015,<sup>10</sup> are essential for energy safety in the region, and Latvia in particular. Through these two aspects, together with regular financial support on road reconstruction worth 450 million euros in 2014-2020,11 and project cofinancing, the EU in Latvia is guarantor of a safe economic environment for investments until

full economic and social convergence takes place. The EU is not only a market for Latvian goods, it is also putting the renewed country back on the European and global political and economic map.

## Does the European Union appear to be a clear project in Latvia? If not, what are the main reasons?

The European Union is, simply put, not popular among the Latvian population at the moment. Faith in the project has not been lost, but doubts have emerged. There are two main reasons for this - decreasing trust in the European Union and a lack of clarity in the European project. The goals and motivations of enlargement, but especially of deepening of the European Union, are being questioned more often in recent years. Latvia's original pro-Europeanness is increasingly disputed in the country, especially since the Latvian Presidency ended. While 63% of the Latvian population identify themselves as part of the European Union and 46% express trust in the EU (which is traditionally higher than in most other EU Member States),<sup>12</sup> other indicators are less favourable. National media often portrays the EU in a negative light, especially concerning Latvia's capacities to defend its interests.<sup>13</sup> Moreover, Latvia's negative economic experiences within the EU have also been used as one of the main reasons for sceptics and critics to attack the EU. The growing scepticism has been facilitated by the political elite's mismanagement of communications on solidarity with Greece and the refugee crisis. Significant damage was also done by the previous Latvian President stating vague, often factually incorrect,14 but critical opinions about the European Union.

Lack of clarity is tied to the unrealistic expectations of the gains that EU membership

would bring to real household income and that would narrow the discrepancies between Latvia and the EU 28. A constant reminder is that Latvia is among the poorest countries of the EU, with GDP per capita at 64% of the EU average in 2014.15 The catching up process has not been as smooth as originally hoped and this decreases faith in the project, which was popularly associated with a rapid increase of welfare. Secondly, current concerns, such as the chaos caused by "Brexit", together with renegotiations on migrant quotas and aggressive demands for solidarity, highlight the EU's apparent inability to act and creates negative tensions within Latvian society. Namely, memories of Soviet-era immigration policies have stigmatised the Latvian population, and the significant wave of emigration experienced since joining the EU stirs up fears that the EU project might threaten the preservation of the Latvian culture and language.

The decreasing trust is, again, tied to individual populists seeking political profit from previously underutilised "Euro-bashing" opportunities in Latvia. Disappointment originating in the learning and adaptation process of the country, mistakes and hard lessons have accumulated negative stereotypes and reduced the original enthusiasm and idealism that the majority of the population had during the first years of EU membership. The Presidency of the Council of the European Union did not only bring increased selfassertiveness to the Latvian administrative and political elite, it also brought more Realpolitik and less idealism into dealing with the European Union. The general complexity of the new economic governance of the Eurozone and rapid extra-Treaty integration of the last seven years has limited the general populations' knowledge of the institutions and the functioning of the European Union. To top this

off, the political elite's inability to explain the European Union processes to the public paints a rather murky picture. This lack of understanding directly increases distrust among Latvian politicians and society.

### Which degree of integration seems adequate to the position and ambitions of Latvia both politically and economically?

Latvia has traditionally supported both the deepening and widening of the European Union. Enlargement to the Balkan countries,<sup>16</sup> support for the Eastern partnership process with promises of closer integration, and, most recently, active support to rejuvenate accession negotiations with Turkey during the Latvian Presidency of the Council of the EU, have been among the central examples of the Latvian position on enlargement. The support for widening, on the condition that the European Commission greenlights respective country's membership, is based on both solidarity with the aspiring European project supporters, and a realisation that Latvia will not be the main financial contributor to the new Member States in the coming decades.

Latvia's support for deepening the European Union has been more complex. The Baltic state is among the most pro-European countries, seeking the advancement of the European project whenever it is necessary. Latvia has supported the Constitutional Treaty, Lisbon Treaty, Fiscal Compact and other changes in the European economic governance, as well as the Eurozone membership during its recent years of euro-turbulence. In addition, Latvia acknowledges that, as a country with small resources, it has more economic and political prospects as part of a larger multilateral entity. The country has supported deepening proposals that do not undermine its relative advantages in the EU, by adopting its

traditional "wait-and-see policy". For instance, Latvia does not want to appear to be a trouble maker on issues that are irrelevant to its survival and competitiveness. The logic that Latvian society has been following is based on the unwillingness to see any splits within the European Union. But in case a multi-speed Europe is emerging, Latvia wants to be at the core<sup>17</sup> as one of the most prominent supporters and winners from the European project.

Therefore, Latvia still follows its traditional pro-integrationist policies. And it will keep following this path as long as integration does not undermine the preservation of its culture, language, and traditional characteristics, and as long as it keeps on providing a positive environment for economic and social development. The national self-preservation is an ultimate goal for Latvian society. Therefore, any attempts to limit ethnic nationalism in the country will face severe objections in the form of political nationalism. The possible negative impact on Latvian culture as a consequence of the influx of refugees nowadays is an elaborate example of this reaction.

### How could we strengthen the idea of belonging to a common European public sphere among Latvian citizens?

Belongingness has a long history in the Latvian post-Cold War foreign and domestic struggles. The transformation process that the country went through was based on a return to Western values. It was motivated by being recognised as a legitimate and trustworthy partner. The Latvian Presidency of the Council of the European Union was the final exam for the Member State. A sense of professional acceptance has been a strong motivator for Latvian civil servants and some of the politicians. However, the understanding of this among the general population has been somewhat different.

The freedom of movement of labour, the Schengen Area, and the introduction of the euro have been strong arguments for increased confidence and feelings of acceptance in the European Union. Personal contacts have increased the sense of belongingness tremendously as a result of labour migration, travel opportunities, and business connections. However, a more intense presence of Western and Southern European countries in the Latvian domestic economy and societal processes would better secure the idea of belonging to a European public sphere. The European Commission, and the European Union in general, is only one dimension, often regarded as a bureaucratic and distant dimension. However, the European project could also be symbolised in other Member States' embrace of the Baltic countries. Horizontal country-tocountry contacts and recognition are more significant, not only for the ideas of belonging to spread, but also for solidarity among different European societies to take root. Latvia is a geographically marginalised country. Its feeling of remoteness has not disappeared and can only be reduced via eliminating the lack of common history and common projects between one geographical end of the EU and the other.

### Which policies deem essential to conduct at the EU level in order to better legitimise the European project?

Latvian society sees the European project as legitimate. A visible illustration is that public support reached 46% for the European Union institutions, while trust in national institutions remains at only 22%.<sup>18</sup> At the same time, there is a clear potential to increase support and legitimacy of the European Union. The European societies must be connected not only mentally, but also tangibly. Practicalities matter most to the general population. Roaming tariffs, online shopping, travel opportunities, unified traffic regulations, simplified and no-cost bank payment procedures, standardised use of public transportation throughout the EU, common healthcare standards or many other practical benefits create more legitimacy than high-end political negotiations or the bureaucratic distribution of ungraspable funds.

It is not only the protection of the EU's external borders, more intensified military integration or infrastructure connections that bother Latvians nowadays. Just as important, as for other countries, is domestic security. After years and decades of intensified integration in economic and monetary matters, the EU needs to look at accelerating integration in Justice and Home Affairs. It is expected, and even demanded of the EU, to find answers to modern threats, such as the refugee crisis, terrorism and cross-border crime, in a more integrated, coordinated and standardised manner.

The European project has become an essential and wanted part of Latvian society's daily routine. There were, and continue to be, many geopolitical, economic and shared value aspects that define Latvia's interests in the European Union. Current challenges cause fears that the European project is entering a true stage of political crisis. To every previous crisis the EU has responded with a deeper integration, thus surviving the collapse. Now, another under-integrated sector needs to redefine its principles and responsibilities. And it is essential, not only for the legitimacy of the European Union and its ownership among the population, but also for reducing the fears of disappointment which would come if this project spanning more than two generations were to collapse.

#### Endnotes

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### ★ LITHUANIA

### A Case of Confidence in the European Project

### What does your country hope to gain from its membership to the European Union?

In order to understand Lithuania's attitude towards the European Union it is necessary to take into account the main characteristics of the country, its historical background, size, culture, etc. Since space is limited, I would like to make a short epigraphic notice concerning only the location of Lithuania.

The peculiarity of Lithuania's location was probably most picturesquely characterised by one of the outstanding Lithuanian geographers Kazys Pakštas who, on the eve of the second world war, in 1939, wrote, "as Switzerland is characterized by high mountains, Italy – by works of art, Finland – by lakes, so Lithuania should be called a country that is very dangerous for a small nation to live in".<sup>1</sup>

However, the solution of the problem suggested by the famous geographer was extremely radical. He proposed – no more, no less, than to try to establish an alternate Lithuania in a more secure place, somewhere in America or Africa, where the whole nation could simply decamp to if ever necessary. Perhaps its EU membership could be considered as another way out, because Lithuania, after joining the EU, has started to live in a new place without having to move somewhere else...

It would be an exaggeration to say that Lithuania had rationally calculated what concrete benefits it could get from its EU

### Highlights

- If Lithuania did not enter the EU with  $\star$ specific objectives in mind, it has clearly benefited from its membership. Membership has allowed the country to catch up economically, to join the Single expand Market and business opportunities. Its adoption of the euro in the midst of the Eurozone crisis is another evidence of Lithuanian keenness to participate actively to the EU.
- ★ Lithuanians do are little interested in the level of EU integration. What matters is a strong EU and Lithuania as a member of all circles. EU membership has also allowed the country to feel more confident about asserting its interests in its Eastern neighbourhood to become the "regional activist" within the Eastern Partnership.
- ★ The EU does not face a crisis of legitimacy in Lithuania and conjures a very positive image. However, the EU could do better to formulate what it stands for. Today, it appears too technical. But instead of new policies, it should develop the concept of "Europeanness" – or a feeling of being European.

membership. First of all, EU membership was basically considered by Lithuanians as a means of returning to the European family, from which they had been excluded for years as a result of the Soviet occupation. This idealistic motivation outweighed all other considerations, including sometimes very costly requests.

An example of this situation could be the Ignalina nuclear power plant case. One of the conditions of the European Commission for Lithuania's EU membership was the closure of this plant. It was the biggest Chernobyl-type atomic power plant in Europe, which could potentially threaten the whole Baltic Sea region. The plant was, however, a major source of cheap electric power in Lithuania, producing 80% of electric power nationwide. In addition, energy supplies were exported to both Russia and Belarus, and there were realistic projects for further exports via Poland to Western Europe. In order to raise the safety level of the plant huge resources had been invested since 1991 from both national and international sources of funding. Nevertheless, despite the importance of the plant for Lithuania's economy, and international experts' opinions that with the safety upgrades that had been achieved, the risks of an accident in the Ignalina plant were more or less comparable with those of Western plants, the European Commission insisted on its closure. It argued that because of the reactor type, the safety level of the plant's long-term exploitation could not attain Western standards of safety.

On the other hand, despite such relatively high costs, the general perception of the total balance between costs and benefits of EU membership remained positive. EU membership strengthened the Lithuanian state and fostered its modernisation. It also opened up new horizons for the business sector to participate in the single market, granting access to more than 500 million people without any borders. The link between economic and social progress in Lithuania and EU membership was thus more than obvious. In order to illustrate this, it is enough to mention two figures. Firstly, before its EU membership Lithuania's GDP per capita was only 46% of the EU average. Today this gap has been substantially reduced. Lithuania's GDP per capita now comprises almost 75% of the EU average and is continually growing.

Secondly, it is estimated that, prior to its accession to the EU and over its first ten years of membership, Lithuania received approximately 13.5 billion euros in assistance from the European funds, while Lithuania's contribution to the EU budget was almost three billion euros. To add to this positive balance one could also include the increase in investment, the strengthening of energy independence, freedom of movement, social guarantees, support for agriculture, and consular assistance, and the list goes on.

Even the economic and financial crisis of 2008-2010 did not change the positive perception of the EU in Lithuania. In contrast to other Member States the crisis in Lithuania was never linked to its EU membership. According to the assessment of the Central Bank of Lithuania, the impact of the crisis would have been much less tangible if Lithuania had been a member of the Eurozone: "If Lithuania would have adopted the euro in 2007, the country's general government and the private non-financial sectors for the period of 2007-2012 together could have saved LTL 3.7 to 4.9 billion, or 0.59-0.79% of GDP. Having added the economies on the interest on the debt securities issued in this period by the Republic of Lithuania, throughout their duration the financial benefits could reach LTL 6.2 to 7.8 billion."2 Unfortunately the first Lithuanian bid to join the Eurozone in 2006
failed. Problems in controlling the inflation rate, coupled with the impact of the economic and financial crisis of 2008, deferred the prospect of accession. Only in 2014 was Lithuania able again to fulfil the convergence criteria, joining the Eurozone in 2015.

In summary, in order to understand what Lithuania hoped to gain from its membership of the European Union it is important to take into account its point of departure. At the beginning of 1990s, Lithuania was a post-Soviet, postcommunist, poor, and badly governed state. During the pre-accession period and the first decade of membership Lithuania, alongside the other two Baltic states, gained a much more positive image as dynamic developing countries, which already in 2003, right before membership, earned them the label of "Baltic Tigers".<sup>3</sup> After ten years of EU membership it is safe to say that Lithuania's main objective of modernising its economy was basically achieved. That does not mean that all the problems are settled. Vice versa, it is only after its first decade within the EU, and especially after its first Council Presidency term (in the second half of 2013) that Lithuania gained a much deeper understanding of how complex and complicated a system the EU is.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

It would be strange if the EU project would be a clear project for Lithuania. The EU itself does not have a clear vision. Perhaps it would be more correct to say that the EU in Lithuania is perceived more as an already established entity rather than a developing project. More urgent concerns related with preparations for accession and transposition of the *acquis communautaire* overshadowed a broader reflection on the EU as a project. Public debate is much more centred on subsidies for farmers, structural funds, the development of infrastructure, growing emigration, and the refugee crisis than the nature of the EU and its pending reforms. Lithuania was thus busy with her own modernisation for more than a decade, and did not seriously consider how to modernise the EU.

On the other hand, while Lithuanians do not much care for further integration, what does matter to them is the EU's continued existence. The Lithuanian political elite sees the preservation and strengthening of the Union itself as a vital national interest. Lithuanians believe that the very existence of the EU completely changed the geopolitical environment and made it friendlier for smaller states. Therefore the weakening or eventual disappearance of the Union may mean returning to the nightmare of the interwar situation, when small Baltic states became interchangeable coins in the big powers' games.

During the last decade Lithuania always supported all EU reforms that were aimed at the deepening of integration and consolidation of the EU institutions. Lithuania became the very first EU country to ratify the Treaty establishing a Constitution for Europe in November 2004. According to Lithuanian researcher Mindaugas Jurkynas, "The Seimas [Lithuanian parliament] wanted so eagerly to show 'political Europeanness' that some parliamentarians voted for the now defunct document without having read it. Political debates about the Constitution were virtually non-existent."4 Indeed, there was not so much to discuss, because stronger and more effective Union was a vital and perennial interest of Lithuania.

During the negotiations on the Lisbon Treaty in 2007 the Lithuanian President, Valdas Adamkus, successfully mediated between a reluctant Poland and the presiding Germany in order to reach a compromise and agreement. In 2012 Lithuanian the President, Dalia Grybauskaitė, while being sceptical of new treaty changes, expressed strong support for the Fiscal Compact. The President underlined that Lithuania would accede to this treaty because it is in the interest of the country's economy. According to the President, "Lithuania is already implementing stringent fiscal discipline measures. Our accession to the treaty will serve to consolidate our position and will curb the way to irresponsible decisions and financial populism. Regardless of which political party is in power, it will be obliged to deal with the country's finances in responsible manner."5

Many more times Lithuania and Lithuanians proved themselves to be the most confident in the European project and in their role in this project. It is, however, necessary to underline that the positive attitude towards Europe, expressed by the politicians or wider public on European issues, does not necessarily mean there is any real public preoccupation with European matters.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

In order to answer this question we need to have some kind of theory of degrees of integration. This way it should be clear what kind of unity we have in mind. If we have in mind a clear distinction between confederation and federation answering this question should be rather easy. While Lithuanians mostly assess the EU positively, they are not very keen supporters of a European federation. On the other hand a loose confederation is acceptable to a majority of Lithuanians. Basically Lithuanians are satisfied with the existing degree of European unity. Instead of being interested in further integration during the last decade, their primary ambition was to participate in all the inner circles of the European Union, the Schengen area and Eurozone as well as to achieve full integration with European transport and energy networks, an external border control system, and other similar ideals.

Conversely, EU membership opened new avenues for Lithuania's Ostpolitik. Prior to EU membership, Lithuania tried to rid itself of its 'post-Soviet' or 'Eastern European' image while increasing its contacts with Western Europe and trying to reorient its trade exchange from the other post-Soviet countries' markets towards the EU. However, once Lithuania, as well as other Baltic states, became EU Member States, they immediately decided to redefine their foreign policy priorities and started to participate very actively in European external policies towards the Eastern neighbourhood. According to the Lithuanian researcher Dovilė Jakniūnaitė, "the new EU external policy instrument, ENP (which not incidentally was also promoted by the Baltic states themselves), proved to be exceptionally well suited for defining the new foreign policy mission of the Baltic states".6

Lithuania's accession to the EU made it a part of the Western international community. However, because Lithuania was a part of the Soviet Union for fifty years, and because it has common borders with Russia and Belarus, it continued, in a way, to feel that it had obtained a unique opportunity and coveted the ambition to play the role of "bridge" between Western and Eastern Europe, and contribute to the "export" of the values of western democracy and market economy to Eastern Europe. At the same time active participation in the neighbourhood policy was supposed to make Lithuania, as well as other Baltic states, better heard and to find their niche within the context of the EU external policies. However, differing from the other two Baltic states, Lithuania was perhaps the most ambitious. In 2004, Lithuania's Acting President, Artūras Paulauskas, already declared the country's willingness to become "the regional leader" in this regard.<sup>7</sup> Partnership summit in Vilnius. As is wellknown, the last minute decision of the Ukrainian President Viktor Yanukovich not to sign the Agreement provoked the revolution in Kiyv and finally led to the change of government. The majority of Ukrainians wanted to follow the example of the Baltic states by maintaining their country's European trajectory and future. According to the Finnish researcher Kristi Raik, "[W]hat Lithuania has



Figure 1 Reply to the question "Do you feel you are a citizen of the EU?", in % (source: Eurobarometer)

That idea of becoming "the regional leader" was perhaps too ambitious. In any case Lithuania became the real "regional activist", especially concerning Ukraine. The best example of this activism is Lithuania's efforts to push forward the conclusion of the agreements with Association interested Eastern Partnership countries. Lithuanian diplomats worked hard even before the Lithuanian EU Council Presidency term (July-December 2013) with the European institutions and the Member States in order to facilitate preparations of these agreements with Ukraine, Georgia and Moldova. The signature of the agreements was scheduled for November 2013 during the Eastern

proved is that a small and peripheral Member State can shape the EU agenda. It has also proved that the country holding the Council presidency can still make a difference to the EU's external relations, although its direct role in running the show has been largely taken over by the High Representative and the European External Action Service."<sup>8</sup>

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

European affairs are widely reflected in Lithuania's media. Being a small country Lithuania is very open to inflows of media and entertainment products from outside, especially from Europe. During the last two years a lot of attention was devoted to issues of European importance such as the Ukrainian-Russian conflict, EU sanctions against Russia, the Greek financial collapse, the refugee crisis and the debate over how to deal with it, and the terror acts in Paris. This shapes the existence of a European public sphere, where European people are sharing their problems and challenges.

According to Eurobarometer, the number of Lithuanians who feel themselves to be not only Lithuanian, but also EU citizens has continually increased during the last several years and is above the EU average (see Figure 1).

The fact that Lithuanian citizens identify themselves more and more with not only their own country, but with the whole of Europe shows that Lithuanian society is gradually abandoning such divisions as "we, Lithuanians" and "those, Europeans". Unfortunately, there is not much literature available on the causes and implications of this process. It is rather clear, however, that so far being a European is completely compatible with being a Lithuanian. Despite this, the precise meaning of "Europeanness" and how it could be strengthened and who could be responsible for that remains unclear.

A rare example of research done in this provided context was by Lithuanian researchers Auksė Balčytienė and Aušra Vinciūnienė who looked into the reporting practices of journalists on European affairs during the period 2006-2009 in Lithuania and Estonia . In a qualitative study, over thirty journalists from the two Baltic countries were interviewed. The authors obtained their results in light of constraints and conditions for the day-to-day Europeanisation of political

reporting practices in the Baltic media. According to them, "there are some certain drawbacks which have direct impact on the professionalisation of European reporting in the Baltic states. The Baltic journalists talk about a number of challenges in EU news reporting: the European political discourse is quite complex because of both the issues debated as well as the language used. Moreover, journalists, very often, lack specific understanding of issues involved. In addition, they face many pressures such as information overflow as well as time constraints."9

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

The most up-to-date source of the official position of Lithuania on the EU affairs is the Strategic Guidelines for Lithuania's EU Policy for 2015–2020 "Growing and Safe Lithuania in an Efficient European Union".<sup>10</sup> The document was drafted by the Ministry of Foreign Affairs in spring of 2015 and adopted by the Lithuanian Government on 22 June, 2015.

On 15 and 20 May 2015 it was debated at the Committee on European Affairs of the Seimas (Lithuanian Parliament). After reviewing the rather long document (running to 27 pages), the European Committee identified six priorities of Lithuania's EU policy: the creation of the Energy Union; European the Eastern Partnership; implementation of strategically important energy and transport infrastructure projects; protection of the EU's information space; enhanced competitiveness of national research and innovation systems; and implementation of the social dimension objectives under the Europe 2020 Strategy.

The Committee also recommended complementing the document by adding

wording concerning the promotion of a common historical memory.<sup>11</sup> There is no doubt that these "official priorities" reflect the expectations of the wider public. Therefore, the progress and new initiatives in policy areas mentioned above could contribute to the better legitimisation of the European project in the eyes of the Lithuanian public.

It does not, however, appear that Europe's project suffers from any lack of legitimacy in Lithuania. According to the latest (Spring 2015) Eurobarometer survey, only 5% of Lithuanian respondents found that the EU conjures up a negative image.<sup>12</sup> There is no basis to talk about serious negative attitudes. There is no eurosceptic party in Lithuania. Eurosceptic views are expressed only by marginal politicians.

On the other hand, it seems that, in order to strengthen the legitimacy of the EU idea, it will firstly be necessary to have a clearer formulation of what it stands for. Unfortunately, today the European idea is unclear, wishy-washy and hidden behind the technical details related to the EU institutions and policies. It is doubtful whether European citizens would become more interested in European affairs if they know the obligations and calendar of MEPs, or how the President of the Commission is elected. In order to better legitimise the European project it is not necessary for the EU to develop new policies. It is necessary, rather, to develop a new ideology. It is necessary to develop the concept of "Europeanness", to make it less complex, more easily understandable and based on an emotional endeavour.

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## **+** LUXEMBOURG

#### **Guido Lessing**

#### **Being Determines (European) Consciousness**

# What does your country hope to gain from its membership to the European Union?

Asked about gains from membership to the European Union, the wider Luxembourgish public would most likely refer, first, to open borders and, second, to the Euro as the common currency shared (amongst others) with Luxembourg's neighbouring countries. For people living in a country of 2,586 square kilometres, representing a size roughly 20% of the Region of Paris (Ile-de-France), borders are never far and contacts with fellow Europeans are commonplace.

According to the National statistics office (STATEC), Luxembourg attracts on a daily basis more than 169,000 cross-border commuters, mostly Belgian, French and German nationals, making up 44.45% of the national labour market. Compared to the number of Luxembourg residents leaving the Grand Duchy every morning for work, whose numbers amount to barely 12,000, the attractiveness of the Grand Duchy's labour market becomes quite visible. If we also take into account the numerous residents living and working in Luxembourg, the degree of economic and social integration into the Greater Region<sup>1</sup> and beyond becomes even more evident. Recent surveys confirm the general trend of a growing number of foreigners living within the territory of the country. In the capital, Luxembourgish nationals have already been outnumbered by foreign residents (mostly from other EU Member States) since 1998.<sup>2</sup>

#### Highlights

- ★ A key element to understand the Luxemburgish perspective on the EU relates to its geography. Contacts with citizens from neighbouring countries are daily and affect the kind of society that Luxemburg has become, quite multinational. Similarly, the presence of many international companies leads Luxembourg to favour open markets for labour, services, goods and capital.
- ★ Continuing support for the EU is threefold: small countries can only make their voice heard in a common rule-based entity; the executive has well defended the interests of the nation in Brussels; Luxembourg's economic well-being is guaranteed by its participation in the Single Market.
- ★ Irrespective of the event-driven reflections on solidarity, in the medium-term growing awareness of shared values (human rights, social justice, gender equality, freedom of speech etc.) can contribute to the reinforcement of a shared public sphere.

Here, foreign residents represent roughly 68% of the citizens. As for the Grand Duchy as a whole, in January 2015, the population was estimated to be 562,958, with 258,697 of foreign nationality.<sup>3</sup> Recent population estimates

suggest that foreigners will form the majority of Luxembourg society within the coming years.

So, when we talk about attitudes or expectations towards membership of the European Union, demographic trends and the composition of Luxembourgish society have to be taken into consideration. It is a matter of fact, whether desired or not, that Luxembourg gains a quite multinational, though dominantly European population from its membership. Some 9,500 EU civil servants work for the Union institutions, representing about 5% of the work force living in the Grand Duchy and almost 2.5% of the domestic labour market. For them, EU membership is tantamount to jobs. Those non-nationals who work in the private sector are, in most cases, attracted by a rather high income economy compared to the rest of the EU, including other high income economies such as neighbouring Germany and France. Their expectations coincide to a certain degree with the interests of the companies providing these jobs: a well-functioning economy with open market(s) for labour, services, goods and capital. Employees might attribute higher priority to the tightly-woven social net of the Luxembourg state than companies, but social stability is definitely also an asset for investors.

As a matter of fact, many of the often highlyqualified work force takes up the offer made by the Luxembourgish state to acquire the nationality of the Grand Duchy. Compared to other EU Member States absolute figures of naturalisations appear fairly limited, but in proportion to its total population, Luxembourg appears to be a champion of naturalisation in the European Union.<sup>4</sup>

The mixed population might be at the source of the positive perception of the European Union, granting the aforementioned freedoms of the common market, but most notably the right of establishment. Economic welfare, based on access to open markets, peace and the fact that Luxembourg has a voice in the concert of the great Member States are the main assets of membership to a rule-based polity. The political elite is aware of the fact that the EU is the economic playing field for a tiny country and that the need of an open economy is inversely proportional to the size of a country.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Despite the deep attachment of the Luxembourgish population to European integration, the project has lost clarity following the big bang enlargement of 2004 and 2007. The widening of the Union has probably given a greater rise to scepticism than the deepening of the Union. In fact, the wider political vision of an "ever closer Union" figuring in the Treaty of Rome has not really been a matter of a large debate so far. At the moment, there is just a single sovereigntist party represented in the sixty seat Chambre des Députés, the national parliament. However, the party has not won any seat in the elections to the European Parliament. However, as a member of the Alliance of European Conservatives and Reformists (AECR) since 2010, the Alternative Democratic Reform party defends an antifederalist line. Its members of parliament were the only ones to abstain from voting for the Lisbon Treaty in 2008 in the Chambre des Députés, claiming the need for a second referendum after the one on the Constitutional Treaty in 2005.

At the other end of the political spectrum, the leftist party *Déi Lénk*, associated with the European United Left-Nordic Green Left, without having any seat in the European Parliament, is pro-European, but takes an anticapitalist stance. In the context of the Greek crisis, *Déi Lénk* support Alexis Tsipras and Syriza, and emphasises that Greece should stay in the eurozone.<sup>5</sup> It is almost self-evident that the supporters of the leftist party demand an end to austerity.

All the other parties represented in the national parliament stick to the traditional federalist model of Europe and embrace the idea of further integration, but would never campaign for the abolition of the nation state. Actually, in a recent referendum in June 2015, 78% of Luxembourg's electorate voted against granting foreigners the right to vote for the national parliament.<sup>6</sup> Even if this vote has to be interpreted against the background of general dissatisfaction with the ruling three-partycoalition, it became quite clear that for a majority of voters, political sovereignty derives from the nation and not from a supposed European *demos*. However, this assessment poses a dilemma. If the interpretation is right, that people believe in the sovereignty of the nation, how can we explain the fact that the only sovereigntist party in Luxembourg is backed by only a small part of the Luxembourgish electorate? The only possible answer lies in the prevailing narrative of European integration. First, small countries can make their voices heard, if at all, only in a common rule-based polity, which is the Union. Second, the executive has so far well defended the interests of the nation in the political arena of Brussels. Third, the economic well-being of the Grand Duchy can be guaranteed through its belonging to the common market. So, maybe the project or the *finalité* of integration is not as clear-cut as it could be, but the public is still quite confident that the Union will deliver the right framework to find answers to upcoming challenges.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Amongst the dominant parties (Christian Democrats, Socialists, Greens, Liberals), representing almost four fifths of the Luxembourgish electorate at the 2014 European elections, there is no fundamental ideologybased opposition to a federal polity. In any event, none of these parties wants to undo the achievements of the single market. On the occasion of the start of the Luxembourgish presidency of the council of the EU in July 2015, Jean Asselborn, Minister of Foreign and European Affairs, Minister of Immigration and Asylum, stated quite clearly that "[T]here should not be an Europe à la carte",7 and that fundamental principles, such as freedom of movement, should not be called into question.

Traditionally, the Grand Duchy belongs to the forerunners of further European integration. Looking at the cases of Enhanced Cooperation and OMC (Open Method of Cooperation), the Grand Duchy usually follows the steps of further integration and common benchmarking, but did not approve the introduction of a Financial Transaction Tax<sup>8</sup> favoured by its big neighbours. Of course, the government feared the delocalisation of the strong banking industry to offshore financial centres. Despite harsh criticism uttered by the Green Luxembourgish Member of European Parliament Claude Turmes,9 stating that Luxembourg would be isolated in this important field of reform, the voting behaviour shows where the limits of integration lie for Luxembourg.

In any of the important dossiers concerning the Schengen Area, the European Stability Mechanism or the Fiscal Compact, Luxembourg was ready to sign any necessary intergovernmental treaties in order to find, together with a subset of EU Member States, an adequate answer to the underlying challenges.

Just one party, the euro-sceptic and antifederalist ADR, which won 7.53% of the votes cast in the last elections to the European Parliament, but which could not win a seat, would like to limit the competencies of the European hemicycle in favour of the national parliaments. For Fernand Kartheiser, ADR member of the Luxembourgish *Chambre des Députés*, the Brexit-debate would be a useful occasion to return competences back to the nation state.

# According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

If we define *public sphere* as a space where citizens come together, debate and take collective decisions on community matters, we desperately lag behind the ideal of the Greek Agora. The complexity of modern states and a fortiori the European Union cannot be compared to the ancient Greek model. However, a reasonable number of EU citizens should at least agree on the existence of an (imaginary) common public sphere - which comprises half a billion citizens instead of 30,000 non-foreign males entitled to vote in the ancient Polis of Athens.<sup>10</sup> It seems self-evident that the existence of a kind of European demos, or at least of citizens sharing the feeling of togetherness, and a European public sphere are mutually dependent. There is no Agora without people debating in this public space and taking common decisions.

While some people doubt the existence of a lively debate and call Europe "a miserable Elite Project",<sup>11</sup> extensive media coverage of the Greek crisis and the tragedies linked to refugees

arriving on European shores suggest the opposite. Reactions to the recent dramas are mixed, as in any of the European Member States. Italian Prime Minister Matteo Renzi's appeal to his fellow leaders to accept mandatory quotas of refugees led to vivid discussions in the public sphere - all over Europe. Anyone who has had the experience of living in a federal state with strong regional identities will not be surprised that solidarity is not always a given. Parts of the European public sphere remained quite indifferent towards Renzi's outcry. Paradoxically, it is the denial of solidarity by some that creates the awareness of its necessity by others. As Renzi put it, "[I]f that's your idea of Europe, you can keep it".12 From a Luxembourgish perspective, the sense of solidarity between people and Member States varies quite significantly, as does the conviction that the experience of solidarity enhances the feeling of belonging to the Union. Even if the poll was not carried out on a statistically relevant basis, students of a secondary school from the area surrounding the capital, were asked about their opinion on how to strengthen the idea of belonging to a common European public sphere.<sup>13</sup> They answered overwhelmingly by experiencing and showing "solidarity". Without solidarity, this feeling of belonging to a common sphere is diluted, as is the case according to opinion polls taken in Italy, Greece and Spain - the countries most concerned by the influx of refugees - on that same issue. If the feeling prevails that no common solution can be envisaged, national risk becoming self-referential, debates removing themselves from the wider horizon of the European public sphere.

However, irrespective of the event-driven reflections on solidarity, in the medium-term, growing awareness of shared values (human rights, social justice, gender equality, freedom of speech - to name but a few) can contribute to the reinforcement of a shared public sphere. The terrorist attacks on *Charlie Hebdo* in Paris and the messages of solidarity sent by civil society and the political elite in Europe were a strong demonstration of these values.

Unfortunately, the traditional narrative of Europe as an area of peace and of economic growth is no longer convincing in many regions. The promise of prosperity has lost credibility, if not in Luxemburg then at least in a series of southern Member States, which have been put under economic strain since the outbreak of the financial crisis in 2008. However, the experiences of citizens from small countries, which are out of necessity more open to their European environment, can inspire the big countries. That means, Europe needs to be made tangible through mobility and study, via vocational training and through work experience undertaken in other Member States. This would reinforce the first component of a common public sphere - the requirement that people come together - and it would help to create a new narrative, namely that Europe can provide opportunities in a time of crisis.

The second component is the debate on European issues between European citizens, and goes beyond the initial stage. Keeping in mind the aforementioned examples of the Greek drama and the influx of refugees, the success of hashtags like *#ThisIsACoup* have shown that social networks, such as Twitter, have a proven potential to stir debate and influence public opinion Europe-wide.<sup>14</sup>

Third, without any doubt, collective decisions are taken at the European-level by the competent bodies.<sup>15</sup> So far, if we follow the rather passionless Luxembourgish debate on that issue, the public seems to feel well-represented in Brussels, especially by the national executive, knowing that the 6 European Members of the European Parliament count for less than one percent of the European hemicycle. At least, the national legislature, the *Chambre des Députés*, as a result of the valorisation of national parliaments since the entry into force of the Lisbon Treaty, has taken the opportunity to become more involved in European issues. Last July, Marc Angel, socialist MP and member of the Luxembourgish COSAC delegation, expressed his conviction that national parliaments have an active role to play in the decision-making process in the EU.<sup>16</sup> Through the channel of national parliaments, debate on European issues might be stimulated - but only if there is noteworthy dissonance between important national political forces on these issues - which is so far lacking in Luxembourg.

In fact, the acceptance of any polity is largely dependent on the results it can deliver. This is particularly important for a Union of states that cannot rely on a long tradition of a common narrative as nation states do. This leads to the follow-up question about what Europe could deliver in order to enhance the idea of belonging to a community and to better legitimise the European project.

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

As in any other country of the European Union, knowledge about the functioning of the multi-level governance system inside the EU and the competences attributed to each of these levels is vague in Luxembourg. Nonetheless, (intuitively) citizens ascribe importance to political bodies as a function of the tangible results they produce. Therefore, in order to better legitimise the European project, it would be natural to identify the problems people care most about and to propose

common European solutions. Data on public opinion in Luxembourg from the second half of 2014 are quite clear: Unemployment, housing and education are the most salient sources of preoccupation. However, it's difficult to imagine how the European Union could get involved in housing projects or even in education. On the other hand, the issue of unemployment has the advantage that, first, any help would be welcomed in any Member State and, second, European engagement wouldn't be perceived illegitimate as interference in domestic affairs.

Workforce mobility programmes could help to curb unemployment in regions which are heavily affected by the problem. In opposition to the dollar area of the United States, where people move easily from economically faltering regions to boom regions, the Eurozone lags behind. One answer to imbalances in the Eurozone would be to support mobility by massively financing vocational training in other Member States, language courses and by promoting mobility programmes that would help small and medium-sized companies, as well as public employers to get in contact with potential employees, especially young people in search of work.17 Initiatives launched in some areas by national job centres and individual companies deserve greater support. In the medium term, the decline of the working age population goes hand in hand with a growing need for extra workforce in these areas, and unemployment in other areas, will support this kind of mobility. However, European labour market demand and supply imbalances are not the only challenges to be answered by mobility schemes.

Migration issues in general will grow in importance as pressure from North Africa and from the Middle East will likely increase once more in the coming months. What could better legitimise the European project than a common answer to the drama of thousands and thousands of stranded refugees on the shores of Europe? Relocating those in need of protection in order to shift the burden from the Mediterranean Member States to other countries less directly touched by the influx of refugees would have been a strong sign of solidarity. The EU migration plan, though welcomed by the Luxembourgish government, flopped due to opposition by a series of other states to mandatory quotas. Jean Asselborn, Foreign Affairs Minister of Luxembourg, which held the Presidency of the Council of the European Union in the second semester of 2015, stressed the importance of a common answer. In response to the quota proposed by the Commission, he declared, "If a country can help, it is us".18

Finally, in order to answer the question "what would better legitimise the European project", the recent standard Eurobarometer<sup>19</sup> results provide us with more and deeper insight into Luxembourgish public opinion. The data shows that the Luxembourgish population again articulates a clear pro-European view, consistently above the EU 28 average, when it comes to support for common defence and security policy (Luxembourg: 86% / EU average: 76%), common foreign policy (Luxembourg: 76% / EU: 66%), the European economic and monetary union with the euro as single currency (Luxembourg: 80% / EU: 56%), and a common energy policy (Luxembourg: 85% / EU: 73%). Of course, this support has to be read against the background of limited means in exactly those policy fields where a small state is definitely more dependent on supranational structures then large territorial states. From a Luxembourgish point of view, the European project is also legitimated when it guarantees a voice to the small states in policy fields which belong to the realm of hard power.

#### Endnotes

<sup>1</sup>. The Greater Region includes Luxembourg and the francophone region Wallonia (Belgium), Lorraine (France), Saarland and Rhineland-Palatinate (both Germany).

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<sup>5</sup>. Déi Lénk, "Referendum a Griichenland: Eng eemoleg Chance fir Europa!", reproduced by RTL, *RTL*, <u>http://www.rtl.lu/</u>.

<sup>6</sup>. "Luxembourg rejects foreigner voting rights", *Luxemburger Wort* (English edition), 7 June, 2015, <u>www.wort.lu/en/</u>.
<sup>7</sup>. Jean Asselborn, "There should not be an à la carte Europe", Presidency of the Council of the European Union, website, 1 July 2015, <u>www.eu2015lu.eu/</u>.

<sup>8</sup>. "Statement by Luxembourg on the Council Decision authorizing enhanced cooperation in the area of Financial Transaction Tax", Room Document #4, Council (ECOFIN), 22 January 2013, <u>www.mf.public.lu/</u>.

<sup>9</sup>. Déi Gréng, "Finanztransaktionssteuer: Luxembourg im Abseits", Press Release, 23 January 2013, <u>www.greng.lu/</u>.

<sup>10</sup>. Hans Vorländer, "Grundzüge der athenischen Demokratie", *Informationen zur politischen Bildung*, No. 284/2013, 6 January 2014, <u>www.bpb.de/</u>.

<sup>11</sup>. Michael McCarthy, "Europe - a miserable Elite Project", *Open Democracy*, 18 July 2002, <u>www.opendemocracy.net/</u>.

<sup>12</sup>. "Italy's Renzi slams EU leaders over migrant quotas", *Luxemburger Wort* (English edition), 26 June 2015, <u>www.wort.lu/</u>.

<sup>13</sup>. The survey was conducted in four different classes in the Lycée Josy Barthel in Mamer / Luxembourg on July 2 and 3, 2015. The students were aged between 16 and 18 years.

<sup>14</sup>. Ashifa Kassam, "#ThisIsACoup: how a hashtag born in Barcelona spread across the globe", *The Guardian*, 13 July 2015, <u>www.theguardian.com/</u>.

<sup>15</sup>. This is not the place to discuss the legitimacy problem of these bodies.

<sup>16</sup>. "La possibilité pour les parlements nationaux de faire des suggestions à la Commission européenne était au centre des débats lors d'une réunion de la COSAC", Presidency of the Council of the European Union, website, 13 July 2015, <u>http://www.eu2015lu.eu/</u>.

<sup>17</sup>. Mona Mourshed, Jigar Patel and Katrin Suder, "Education to employment: Getting Europe's youth into work", *Mc Kinsey Report*, <u>www.mckinsey.com/</u>.

<sup>18</sup>. Michèle Gantenbein, "If a country can help, it is us", *Luxemburger Wort* (English edition), 29 May 2015, <u>http://www.wort.lu/</u>.

<sup>19</sup>. European Commission, Standard Eurobaromer, No. 82, Autumn 2014, pp.188-194 and p.201, <u>http://ec.europa.eu/public\_opinion/</u>.

## MALTA

#### No Bridges is "A Bridge Too Far"

# What does Malta hope to gain from EU membership?

Separated from other countries by the sea, many of them too small to be self-reliant, islands need to build connections to overcome their isolation. Physical bridges are rare, but other types of connections abound. Malta's relations with the EU represent a bridge building effort with the peoples of the European Continent which also secure supplies, open markets, supply energy through the interlinked European grids, and strengthen security by belonging to a union of democratic states which provides it with the shelter it needs. Bridges link islands to the rest of the world in both positive and negative ways: generally they serve a good purpose, the common good, but they also carry negative influences and goods which often threaten the equilibrium of a settled, stable, but not inert island community.

Malta acquired independence from the United Kingdom on 21 September 1964 and joined the British Commonwealth. It became a member of the UN in 1964 and the Council of Europe in 1965. It became a republic in 1974; UK military bases closed down on 31 March 1979; and neutrality based on non-alignment was entrenched in the Constitution in 1987 (Article 1 of the Constitution). Subsequently it joined the EU in 2004, the Schengen Agreement on 20 December 2007 and the Eurozone on 1 January 2008. It is the smallest EU Member State in territorial terms and population.

#### Highlights

- ★ Malta as an isolated country saw relations with the EU as a bridge building effort with the peoples of the European Continent, which would also secure supplies, open markets, help obtain energy and strengthen security.
- ★ EU projects that strengthen existing ties or create new ones and which bring visible change to people's lives tend to have a greater effect on the way the Maltese perceive the European project than discussions about abstract treaty reforms and the shape of a future Europe.
- ★ Despite having been mostly spared by the economic crisis, the Maltese are worried about the possibility of a spillover effect. Hence, they expect the EU to do more to restart the economic motor, such as the better use of EU budgetary resources and allowing governments more flexibility in pursuing reforms.

Situated 300 kilometres from North Africa, some 90 kilometres from Sicily, 900 kilometres from Port Said in Egypt and a similar distance from Gibraltar, the Maltese archipelago occupies a strategic position on the main maritime highways in the central Mediterranean. Maltese culture has been shaped and moulded by the cross currents of influences that for millennia criss-crossed the middle sea.

Remarkably Maltese leaders set eyes on EU membership in 1962, following the UK's first application to join the European Economic Community (EEC). After independence, Malta approached the EEC in 1967 proposing the conclusion of a preferential agreement. This culminated in the 1970 Association agreement. Malta eventually applied for membership in July 1990, suspended its application between 1996 and 1998 following a change in government, relaunched it in 1998 and was admitted in 2004.

The membership campaign which preceded the 2003 referendum and general election which finally decided the issue, produced a heated debate about Malta's identity and what the people expected from membership. This intense debate split Malta into two camps and was extremely acrimonious,<sup>1</sup> leading one analyst to claim that Malta was a "nation-less state".<sup>2</sup>

The opposing positions on EU membership had more in common than first meets the eye. The government led by the Nationalist Party (belonging to the European People's Party in the European Parliament) favoured membership, while the Labour Party opposed it. The Labour Party first proposed an industrial free trade area then a 'deep' free trade area with the Union, which it metaphorically described as a "Switzerland in the Mediterranean".

The main economic argument was that the Structural Funds would further fuel Malta's rate of economic development. The opposing camp derided this. Membership would give Malta unimpeded access to the internal and world markets. This could also be secured by a free trade area. Opponents of membership said that it would undermine the national parliament's sovereignty while those in favour retorted that Malta will have a 'say' in the European institutions and in the adoption of EU laws. Concern was raised regarding the possibility of the dilution of Maltese identity by the arrival of several EU citizens to settle on the island and the loss of the status of neutrality. Those in favour of membership claimed that a massive movement of people to Malta was possible but improbable given wage differentials and that neutrality had been rendered outdated since the end of the superpower confrontation of the Cold War. More conservative Catholics feared that membership would increase the pressure for Malta to introduce divorce and abortion. These are matters of national competence reinforced in as far as abortion was concerned by a protocol attached to the Accession Treaty.<sup>3</sup>

In the contemporary debate the importance of the Structural Funds still has a positive hold on the national mind set and is likely to continue to do so until Malta becomes a net contributor to the EU budget. Other benefits of membership are often cited: Schengen and the introduction of the euro have strengthened the islanders' bonds with the rest of the EU, as has the introduction of low cost air travel since 2006. In 2014, nearly 40 per cent of arrivals to Malta were carried by low cost airlines. The Erasmus student exchange programme has also been a success story among youngsters wishing to experience study abroad. But Schengen has become controversial as a result of the recent immigration challenges.

Divorce was introduced in Malta in 2011, as were same sex partnerships - with the right of adoption of children in 2014.<sup>4</sup> These changes were the result of public pressure rather than any direct, even remote, EU injunction. Euroscepticism is kept at bay by the fact that the only two political parties in parliament are in favour of membership, following the Labour Party's policy shift in 2004 and the fact that the economy has been performing reasonably well. Sections of civil society invoke 'EU values' (applied in a broader sense) when pursuing their agendas, such as promoting LGBT rights, opposing bird hunting and trapping, as well as environmental protection.

#### Does European Union appear to be a clear project in Malta? If not, what are the main reasons?

The European Union is reasonably well understood in Malta. A 2013 survey, a year before the European elections showed that 62 per cent of voters knew when the election was taking place - as opposed to the 34 per cent average for the whole of the EU.<sup>5</sup> But there is no clear debate in Malta about the kind of EU that should emerge, whether it should be a more federal or a looser union. A national conference was organised in 2002 on the future of Europe in the wake of the Laeken Declaration and the European Convention.<sup>6</sup> But the national discussion of the positions taken by national representatives during the Convention was not very high profile. The Treaty establishing the European Constitution was debated and passed unanimously by the national parliament in 2005, as was the Lisbon Treaty in 2008 - with some reservations submitted by the Labour Party.7 The current debates on the future of Europe are reported in the media, but it is not a subject that easily excites opinion leaders.

A clearer picture of where the Maltese political elite approximates to can be gleaned from the 2013 general election manifestos of the three main parties (Alternattiva Demokratika - AD, Labour Party - LP and Nationalist Party - PN). Domestic issues dominated the campaign. The LP and PN, the only two parties with seats in the national and European parliaments, pledged that they would work to ensure a stronger voice for Malta in EU decision-making. While the LP wants a stronger environmental and social EU – and conspicuously omits reference to a stronger political union – the PN pledged to work for a more united Europe which seems to indicate support for more political union, although this is not roundly stated. AD, subscribed to a narrower conception of European integration limited to the role that the EU can play in achieving environmental goals, animal rights, nuclear safety and jobs.

The 2014 European Elections could have been the ideal setting for the parties to develop their visions of European integration, but alas, once again domestic issues dominated the campaign.<sup>8</sup> The PN's manifesto had little to say about the future of Europe and focused exclusively on how Maltese MEPs would try to ensure that membership would benefit Malta's national interests.9 AD referred to Europe as a common home, pledged to work for more transparency, accountability and democracy in the EU institutions, to oppose the adverse effects of neo-liberalism and above all to achieve a greener Europe.<sup>10</sup> The Labour Government also connected its campaigning to domestic issues, carefully avoiding any reference to the future of the EU. While in opposition, the Prime Minister Joseph Muscat had criticised Europe's liberal underpinnings and supported a stronger social Europe. In March 2014 he appealed for Europe to be more assertive in global affairs, something which is possible only in the context of a stronger EU political union.11 Malta's position on a stronger political union is also influenced by its constitutionally entrenched neutrality. The two main political parties agree on the need to amend the Constitution to bring the definition of neutrality more in line with current practice and EU membership. But so far this discussion has led nowhere.

Since 2008, Malta has participated fully in the EU's Common Security and Defence Policy (CSDP) and also joined the European Defence Agency.<sup>12</sup> During the Libyan crisis it played a central role in evacuating civilians from the troubled country, refused to countenance any role in NATO's military campaign but pledged to participate in the EU's border management assistance mission EUBAM, and other initiatives in Libya to restore stability to the country.

#### Which degree of integration seems adequate to the position and ambitions of Malta both politically and economically?

While the larger EU Member States guard their autonomy because it allows them a freer hand in world affairs, smaller Member States also seek to safeguard their identity, particularly those that have recently emerged from external domination. The taxonomy of a Union that best fits Malta's interests would be one that provides Malta with a seat in the decision-making process, ensures its security, helps it overcome the main challenges it faces, can work to bring about long-lasting peace in the Mediterranean region and will not interfere in its affairs or try to limit its autonomy unduly. Only an effective Union, capable of taking decisions swiftly in situations that lead to danger, can contribute to the island's security. Malta leans towards a stronger social union. It values solidarity and has done this in practice when committing its share to the bailout funds for Greece and in the recent decision to relocate migrants from Italy, Greece and Hungary.

As for the Maltese public, in the last Eurobarometer survey, the Maltese answer to the question "which of the following is the most positive result of the EU?" was as follows: first the maintenance of peace among the Member States, then the free movement of people, goods, and services, the introduction of the Euro, the level of social welfare and health care achieved and the student exchange programme ERASMUS. Behind these came economic, political and diplomatic power and lastly the Common Agricultural Policy.13 In the survey held a year earlier the answers to the same questions were similar.14 Eurobarometer surveys also show that the Maltese are primarily preoccupied with immigration, inflation and terrorism. But the surveys also show that the majority of them believe that the EU holds the solution to these problems. In addition, the Maltese have more trust in the EU institutions than they do in their national government, political parties or parliament.

The analysis shows that the 'bridges' built in the past, linking the peoples of Europe in a peaceful, collective endeavour through the 'four freedoms', the Euro and the Erasmus exchange programme have not gone unnoticed by the Maltese. It is also significant that the more practical and functional aspects of European integration have had a more profound effect on the Maltese - perhaps because these aspects helped them increase their connections with the rest of the EU. Treaty reform and the future of Europe blue prints, the production of which never seems to relax, have been more ephemeral. Hence a careful selection of EU projects that strengthen existing ties or create new ones and which bring visible change to people's lives, tend to have a greater effect on the way they perceive the European project than discussions about abstract treaty reforms and the shape of a future Europe.

Malta's situation is unique in the sense that its economy has been buoyant since it joined the EU and unemployment is low. Hence the euro is not associated with economic failure. The 'four freedoms' and Schengen provide the islanders with more freedom to travel, to market their goods and services and to import what their restricted size and resources could never produce – though not wholly uncritically.

So how do these concerns and issues find expression in the official positions taken by Malta in the EU? Ministerial statements made in the Maltese Parliament provide a rich source of information in this respect.<sup>15</sup> A clearer picture emerges from them of the kind of EU Malta wants. I have selected the following issues to illustrate the point: immigration, the Greek Bailout and the European Neighbourhood Policy. I have left "Brexit" out because it is still unravelling, except to highlight that in June 2015 Prime Minister Cameron sounded out his Maltese counterpart Joseph Muscat on the possibility of EU treaty changes. But Muscat made it clear that he would not accept treaty reforms by "stealth". Prime Minister Muscat was reported to have also insisted that there should be no changes on taxation and benefits unless there is agreement on treaty amendments.<sup>16</sup>

Immigration has long raised concern in Malta. Most of its positions adopted in the EU are based on the idea of collective responsibility and the expectation that the EU should do more to help Malta, particularly in situations of sudden influxes of immigrants which outstrip the country's resources to handle them.<sup>17</sup>

In regard to the European Neighbourhood policy, following the 2015 Riga Eastern Partnership summit, Prime Minister Muscat said that Malta favours a common EU approach visà-vis the EU's neighbours with some flexibility to take into account the differing needs of the countries involved. Malta favours the resolution of the conflicts in Georgia and Ukraine within internationally recognised borders, as well as the conflict in Nagorno-Karabakh on the basis of the relevant UN resolutions.<sup>18</sup>

In the Mediterranean region, Malta wants a negotiated political settlement of the conflicts in Syria and Libya. It has opposed the lifting of the embargo on arms sales to Syria.<sup>19</sup> In regard to Libya, Malta has constantly urged the EU to prioritise efforts to find a solution to the Libyan conflict, under UN guidance, which would eventually lead to UN deployments to disarm the militias and re-establish the rule of Law. Malta regards Libya as a failed state.<sup>20</sup>

The saga of the Greek financial and economic problems features in several ministerial statements. The Maltese parliament has been regularly informed on the evolving issue. Malta has also provided its share of the bailout funds for Greece, but makes two important points: (a) that the EU must show flexibility towards Greece as regards its repayment conditions and (b) Malta will accept no 'haircuts' or reduction of Greece's debts.<sup>21</sup>

What emerges from this brief exposé is that Malta believes the EU should take on a greater role in its neighbourhood. At the same time, it wants this to happen within established norms, by means of the peaceful resolution of conflicts on the basis of dialogue and the rule of law, with a strong role for the UN. In the EU, Malta has honoured its obligations of solidarity towards other Member States, as exemplified by the Greek Crisis, but wants the EU to be more forthcoming on other issues such as immigration which has again become the dominant theme. It further expects repayment from Greece of its loans which fits in the framework of the 'rule of law'. As is the case with most small Member States, there is a tendency for Malta to perceive the EU as a supplement for its own lack of power and influence – it thus wants the EU to do more both in the Neighbourhood policy and in the resolution of internal challenges such as immigration or the financial crisis.

#### How could we strengthen the idea of belonging to a common European public sphere among Maltese citizens?

The public sphere today is hardly distinguishable from the private one, while a European Public sphere per se is struggling to emerge despite the many issues of broad European interest such as the financial crisis and immigration that have raised a lot of debate. Hence it is difficult to see how the public sphere could indeed steer EU policy when the connection between the institutions and a still-to-materialise European 'demos' does not exist. Many of the political debates that address burning EU issues remain national and somewhat cut off from each other. Civil society can play a role in bringing issues to the national and European sphere but for this to happen it requires resources which are often difficult to attain. A greater use of the Internet and modern means of communication could help address some of the challenges that the creation of a European public sphere poses. A European 'agora' could be created in which citizens participate in the discussion on important European themes in a virtual space. Such arrangements can strengthen the bridges between decision-makers and the citizens. This is already emerging autonomously with little EU encouragement.

#### Which policies deem essential to conduct at the EU level in order to better legitimise the European project?

It is clear that Malta continues to invest a lot of trust in the EU to confront difficult situations arising both within and outside the EU. This requires effectiveness and rapid action on the part of the EU. EU "foot dragging" over the collective handling of immigration and asylum policies, which has lasted more than a decade, has nearly exhausted public patience.

The EU also needs to devote resources to the stabilisation of the neighbourhood and the neighbours of its neighbours. There is a need for a long-term commitment to the external policies with long-term consequences, not least in terms of development.

Regarding internal EU policies, what concerns people most is economic stability, which leads to the creation of jobs and a broad sense of well-being - ultimately the reduction of poverty. The Maltese have been spared the worse ravages of the economic crisis, but are worried by the possibility of a spill-over effect. Hence they expect the EU to do more to restart the economic motor, including through better use of EU budgetary resources and allowing governments more flexibility in pursuing reforms. Economic success is what ultimately persuades Europeans of the worthiness of the European project. Hence, 'blue prints' of a better structured Union, whether federal or confederal or just a multi-level polity, are useful at a certain level of discussion, but are unlikely to engage ordinary citizens.

#### Endnotes

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### ★ NETHERLANDS

#### **Adriaan Schout**

#### Hoping For Balance and Convergence

# What does your country hope to gain from its membership to the European Union?

For the Netherlands, the history of European integration has been, first of all, dominated by economic motives. The Netherlands is an open trading economy that benefits from liberalised markets. The European benefits can be seen in the trade surplus of the Netherlands with both the older and newer European countries. Enlargement has been a major economic success for the Netherlands. To support global trade flows, the Netherlands also attaches great importance to the geopolitical influence of the EU. International standard-setting requires a major trading block. For example, aviation safety standards and medical standards, among others, are determined by and large by the EU together with Japan and the US. Moreover, environmental policies and refugee policies require the power of the EU, for example in relation to Turkey (refugees) or China (environmental standards).<sup>1</sup>

Secondly, the Dutch also joined the EU for political reasons. From the 16<sup>th</sup> century onwards, the Netherlands has been concerned with "balance" on the European continent, in various ways. Given its size and geographical location, the Netherlands defended the status quo and neutrality for itself. A small trading nation needs balance of power. Overpowering nations abuse their powers and, hence, thwart trade relations indirectly (through mercantilist policies) or directly (through war). To preserve the balance, the Netherlands has always made

#### Highlights

- As a trading nation, the Netherlands has in particular valued the EU's economic dimension. This also includes the EU's geopolitical influence as it requires a major trading bloc to sway international negotiations. Moreover, it has always strived to balance powers in Europe and feels that the EU is a good vehicle through which to do so.
- The Dutch do not want a super state by stealth. They oppose the idea of a political union with the Commission as the government under the political authority of the European Parliament. Relatedly, a fiscal union with major transfers between Member States is not popular in the Netherlands. A stronger EU in Dutch eyes implies stronger member states rather than "more Europe".
- ★ The Netherlands will remain leery of further integration as long as national reforms are not implemented. In the case of the Eurozone, the country would welcome the implementation of economic convergence scrutinised over time, contrary to what has been done in the past.

sacrifices in terms of its national interests.<sup>2</sup> After World War II, the Netherlands saw France and Germany agreeing on trade deals. Moreover, it feared Belgium was ahead in opening trade relations with its neighbours. In reaction, steps were made to initiate broader European liberalisation in which the Netherlands was included.<sup>3</sup> Similarly, the Netherlands pushed for the creation of Schengen (1985) when it saw that France and Germany had agreed on bilateral free movement of people at Saarbrucken (1984). Conversely, it may be argued that a strong European defence cooperation has been kept at bay partly due to the Dutch fear of French-German domination on the European continent.

The pursuit of balance was also underlined by the former Minister of Foreign Affairs, Frans Timmermans, in 2013 in his letter to *The*  Netherlands is in favour of a stronger Council. When the first steps towards European integration were taken, it was the Netherlands that blocked a permanent presidency of the Council because it feared that the chair would be dominated by France and Germany. Balance of power and the resulting pragmatism is thus part of the Dutch political DNA.

The Netherlands also defends the balance between the roles of Member States and the European institutions. The EU is regarded as complementary to national governments. Subsidiarity is therefore one of the core principles of integration that the Netherlands has been pushing for over the past 25 years.



Figure 1 Support for enlargement. Source: Eurobarometer, Q 42.

*Financial Times,* in which he emphasised that the European Parliament (EP) should not become too influential in the agenda setting of the Commission. Instead he pleaded for an agenda setting process in which the European Council is closely involved. When the Council seemed too strong (for example in the 1980s), the Netherlands supported the Commission and the EP. However, now that the EU institutions seem to be on the winning side, The

Slogans used have included: "National what can be done national; EU what has to be done at EU level", "a focused EU", and "better regulation".<sup>4</sup>

Finally, the Netherlands is convinced that it cannot detach itself from Germany. Even though the euro was originally regarded as a dangerous project, it made - in the Dutch perspective - no sense to stay out of the euro given that the Guilder was directly linked to the German Mark. The Netherlands joined the EU with a view to the internal market but the europroject was partly forced upon the Netherlands as a result of French-German negotiations.

The search for open markets and the preference for European power balances have typified Dutch EU interests. The Netherlands aims to balance between the European countries, between the Member States and the EU institutions, and between the EU and NATO. For the Dutch, trade functions best with balance on the continent. In its search for balance, the Dutch have regarded their leeway within the EU as limited given the overriding importance of Germany in economic and political policies. As a small country, the preference for political status quo has dictated the need to forego its immediate interests and to join the euro.

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

42% of the population is in favour of the EU while the remainder is divided between smaller shares of undecided or EU-critical opinions.5 Instead of being surprised by the EU-criticism, this scepticism can be regarded as a normalisation of European integration in Dutch politics.<sup>6</sup> National politics is not undisputed either. The Dutch were lukewarm Europeans in the 1950s and have remained so. The euro and other policies (such as free movement of people) have always been part of critical popular discussions. Similarly, European Central Bank (ECB) President Mario Draghi's quantitative easing is publicly criticised by the President of the Dutch central bank as well as by leading commentators in the media.

Discussions about the "finalité" of the integration project existed at the start in the

1950s but ebbed away when it became clear that the internal market was the core. The europroject rekindled those discussions up to the point that the Dutch vetoed the Constitutional Treaty in 2005. Different reasons explain this veto, but part of the debates concerned the symbols of European state formation such as the European flag and the European hymn. However, the Netherlands supported the emergency measures to save Greece and EU banks and initiated new measures to deepen European integration. Clearly, successive governments did not want a European failure or persistent uncertainties thwarting economic stability.

In a similar vein, the Dutch public is critical of enlargement (figure 1) and is against European integration by stealth. The referendum on 6 April 2016 on the Deep and Comprehensive Free Trade Area (DCFTA) with Ukraine was called for by 450,000 signatures that had been gathered within six weeks. These signatures are a sign of the fear of enlargement by stealth. The DCFTA text is largely about economic measures as a basis for deeper economic integration. Yet, especially the first 15 of the 325 pages of the DCFTA agreement contain political references to enlargement. This association agreement with Ukraine provoked tough criticism on opaque integration forced on the public.

As the referendum on the DCFTA with Ukraine, or the veto against the Constitutional Treaty in 2005 underline, it is often easier to talk about what the Dutch do not want. It does not want a super state, enlargement, economic instabilities, or political dominance by France and Germany. Moreover, it does not want a political union with the Commission serving as government, under the political authority of the European Parliament, nor a fiscal union with major transfers. The influence of Dutch Finance Minister and President of the Eurogroup Jeroen Dijsselbloem as one of the five presidents was used to downplay political ambitions in the Five Presidents Report on the future of the Eurozone.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

As Commission President Jean-Claude Juncker stated in his first State of the Union, the EU is in a bad shape and the EU has to regain the trust of the public. The implications of his words are actually not clear. Juncker has been emphasising different paths that the EU should follow. First of all, Juncker seems to suggest that trust in the EU is the main problem, which is questionable (see below). Secondly, he has been underlining the need for reform at the national level and for tangible results. Juncker's remarks seem important but they border on inconsistency. His predecessor José Manuel Barroso presented a blueprint in 2012 for a "Genuine EMU" that included a fiscal union with a substantial fiscal capacity controlled by the European parliament. The Five Presidents Report from 2015 was more abstract about longer-term integration objectives.

The vagueness of Juncker's course is a cause for concern as it might reflect a hidden agenda towards deeper integration. Most political parties are split over European integration. The right of centre Liberal Party (VVD) has a major eurosceptic wing alongside a more openmarket wing. The Labour Party (PvdA) has been losing voters to the more left-wing Socialist Party (SP) which is quite eurosceptic. What the parties have in common is that they, by and large, fear ever more federalisation. Even the traditionally pro-European left of centre liberal party (D66) is, now that it is growing in the polls, positioning itself more as a realist (instead of uncritical pro-EU) party.

This places the Dutch take on the EU slightly in opposition to Juncker's ambitions to solve problems, because Juncker's search for output legitimacy might imply greater federalisation generally. Creating growth would be dangerous in the Dutch public debate if that were to involve European integration by stealth. Similarly, it is highly likely that the Dutch public will be sceptical of further ECB activism, of the European Commission stimulating investments, of youth employment plans or of discussions on higher EU budgets and related EU taxes ("own resources"). Following the logic of "no representation without taxation & no taxation without representation", moves towards a fiscal union will inevitably imply building a European government, likely to be resisted in the Netherlands.

Yet, the degree of aspired integration may not be the right question. The type of integration is much more important. Any level of integration appears to be potentially acceptable, as long as it is built on strong Member States.7 The Netherlands is willing to work towards a stronger EU coast guard policy, a strong European union, a stronger EMU, a stronger Schengen, etc. However, this should not be equated with "more Europe". A stronger EU is identified as essential but that requires stronger Member States. Currently, "more EU" is seen as a result of failing Member States. Interviews with Dutch officials show that reinforcement of banking supervision, of EMU and of Schengen are the result of the lack of implementation and respect for EU rules at the Member State level. An EU with strong Member States can make do with a limited "Union", as underlined by the

interest in keeping the EU budget restricted to 1% of the European GDP. This also means that the EU institutions should remain modest in size and ambitions – the EP should not be too powerful and the Commission should not become a government with a fiscal capacity. The EU should be defined in terms of its added value - not as an entity in itself independent of Member States. The EU should be a layer to improve the functioning of the Member States, rather than being an end in itself.

This also means that political and economic union are unacceptable as long as Member States do not function as responsible Member States. The internal market has suffered from problems in the implementation of EU legislation; the Eurozone has bounced against failing banking supervision and a lack of economic reforms; and the Schengen zone is under threat because of a lack of respect for its rules.

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

In many EU Member States, the "European public sphere" may depend on specific policies or on specific symbols. For example, some countries expect EU policies to be aimed at creating employment so that, in Juncker's words, people regain trust in the EU. The common European sense in the Netherlands is probably related to the trust people have in the ability of Member States to manage their own affairs. For the Dutch, some policies and preferences are clear. Yet, more important is probably the general trust in the quality of the national institutions.

As regards EU policies, there are of course some specific policy preferences on the Dutch EU agenda. The Dutch presidency note and related official "state of the EU" papers have emphasised over the past few years: a focused deregulated market, a smaller European Commission, growth and jobs, which includes liberalisation of services and international trade agreements, and to "reconnect" with the public. In addition, the Netherlands has always been in favour of a common environmental policy to ensure a level playing field, sustainability and international leverage in this area. A specific policy priority these days is the social agenda with a view to "reconnecting" with the public by providing stability and welfare: labour mobility should be "fair" which implies that mobility from Eastern Europe should not undercut Dutch social entitlements ("same pay for same work" agenda).8

Yet, the Dutch seem to have difficulties with an EU based on weak Member States that fail to reform and that, therefore, expect the EU to deliver prosperity where their weak national administrations and national institutions fail. The euro crisis has put the question of the appropriate governance model to achieve convergence back on the agenda. The debate on economic governance has always been about the question of whether the EU institutions should centralise/federalise, or whether the Member States can be governed/controlled on the basis of rules (see the Maastricht criteria of low inflation and ceilings to budget deficits). Draghi seems to have put this debate about rules (i.e. a strong role for Member States within the constraints of the rules) versus institutions (i.e. European "governmentalisation") to an end. He declared in 2015 that the EU institutions have been the solution to the euro crisis and that the root cause of the economic crises were weak Member States. Similarly, interviews with EU civil servants show that Member States are more broadly identified as

the core of the EU's predicament; and that federalisation is the solution.<sup>9</sup> Hence Juncker's "the EU has to regain trust" through lowering interest rates and by offering jobs and growth. The second aspect concerns the diagnosis. Figure 2 shows that the core problem is not lack of trust in the EU but in the Member States.



Figure 2 Trust in EU and own government (2014). Source: Eurobarometer.

This preference for federalisation by means of relying more and more on EU institutions as the way forward is dangerous for two reasons. First, complex systems theory simply leads to the conclusion that centralisation is impossible without stable sub-systems.<sup>10</sup> This seems to be particularly relevant for the EU: 28 Member States with such differences in dynamics, innovation capacities, climatic conditions, histories, preferences, and so forth, cannot be governed from "Brussels". This implies that Draghi could be a risk-factor in the history of European integration and he is openly criticised in the Netherlands by the president of the Dutch central bank among others. Of course, he has also emphasised the importance of national reforms, but his view on the European finalité seems to be wobbly at best. Draghi personifies the pragmatic will to "do good" in the Mandarin tradition, while lacking a convincing finalité-model to win public or political support in the Netherlands.

In 2014, a minority of Eurozone - or EU countries had a higher trust in themselves than in the EU. The analysis over time shows that particularly in Germany, trust in the EU is falling whereas trust in itself remains high. Low and decreasing trust in the EU level has different causes, including poor economic performance. However, the presence of weak national institutions in one country also erodes trust in the EU in other countries.<sup>11</sup> Hence, it is too simple to only link low trust in the EU mainly to a lack of European integration or, as underlined by many economists,12 to a lack of centralisation. Lack of trust in the EU demands, first of all, stronger Member States instead of a stronger EU.

The impact of weak governments is clear when linking economic competitiveness to institutional criteria. There are strong correlations between competitiveness and the rule of law, government effectiveness, control of corruption and regulatory quality.<sup>13</sup> Overall, in terms of competitiveness, the Eurozone is descending on the world competitiveness ranking. On the whole, the Eurozone dropped 28 places on the global competitiveness ranking between 2006 and 2015. While convergence failed, the EU also lost out in terms of global competitiveness. This trend is bad enough for the internal markets - competitive European markets produce more jobs - but it also presents a direct threat to the Eurozone as a lack of convergence leads to pressures to deepen European integration, to further centralisation and, as a result, to increase support from European (or at least: Dutch) citizens.

The figures also show some similar patterns. Western European countries tend to be in the upper regions, and East and Southern European countries in the middle and lower regions. Time series show that East European countries are catching up but that convergence remains an issue with the South. This is not the place to discuss the connection between these variables related to the rule of law and the quality of law, but, suffice to say, national institutions do matter.<sup>14</sup> In fact, the rule of law, government effectiveness, control of corruption and regulatory quality are significant factors in explaining both the lack of convergence and the decrease in national and European trust. This opens areas for new discussion on the functioning of European policies and networks connected to national competitiveness and, hence, to economic convergence. For that reason, Foreign Minister Koenders focused on good governance, administrative renewal and reform in his first EU lecture.15

#### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

European integration and Member States were, for a long time, seen as operating in a win-

win situation. A stronger EU implied strong Member States.<sup>16</sup> The euro crisis as well as other crises, such as the banking crisis and the refugee crisis, could now be game changers. In addition, Mario Monti's report on the EU's own resources could lead to European taxes.<sup>17</sup> These trends may well imply a new relation between Member States and the EU institutions: one of a win-lose relationship. A higher EU budget will involve lower national budgets in the same sense as European banking supervision has implied a loss of Member States' authority in banking supervision.

An alternative trajectory may well be to upgrade national institutions, thus checking the trend towards centralisation. The first step for this is the recognition of the importance of the win-win relationship between Member States and European integration. This leaves room for the ambitions towards deeper integration, but not at the expense of Member States and national governments. An erosion of national institutions seems to be a dangerous development, at least in the Dutch context.

The second step would involve bringing the debates back to economic convergence. At the start of the euro debates, between 1969 (the Werner report on Economic and Monetary Union) and the early 1990s, the question was raised as to whether economies should converge first (the economists school) or whether convergence would follow monetary integration due to differences in interest rates (monetarists school). The economists were basically side-lined by the deadline of 1999. Much to the regret of the Netherlands, convergence was no longer a requirement but was hoped to be the result of monetary integration. It was the lack of convergence - i.e. the lack of national reforms - that resulted in the euro crisis and that triggered the impossible debates about an economic and political union.

This leads to the fundamental debate about how to ensure economic convergence. As discussed, this firstly requires deep institutional reforms at the national level. Here the EU has a major challenge: creating Eurozone rules has failed so far, and relying on Draghi's preference for "governmentalisation" of EU institutions is probably also not a solution. The earlier Lisbon Process to reform national policies and institutions on the basis of naming and shaming similarly failed. The only option, similar to the way in which other crises (e.g. food crises, building EU aviation safety mechanisms) have been solved, will probably be through European network building, and thus establishing mechanisms for independent scrutiny and control.<sup>18</sup> This has worked quite well in the past. The Dutch hope, therefore, is to go back to European integration as a win-win situation in which Member States and the EU are reinforced at the same time. The first requirement is to demand and manage economic and institutional convergence at the national level.

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The author would like to thank Freek Haarmans for assembling the data and creating the graphs that were used in this article.

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## **+ POLAND**

#### All Shades of EU Enthusiasm

# What does your country hope to gain from its membership to the European Union?

Unlike the other Central and Eastern European states, Poland's integration into the so-called Euro-Atlantic community, through the accession to both the North Atlantic Treaty Organisation (NATO) in 1999 and then the European Union (EU) in 2004, became a raison *d'état* that shaped its post-1989 foreign policy. These alliances were particularly perceived to be a means of escaping communism and Russia's sphere of influence by quickly enhancing its national security and economic development. This view still largely predominates among Poland's citizens and across the whole political class, not least thanks to the unexpected rapidity and scope of the general improvement of economic conditions since the accession date.<sup>1</sup> Poland's participation in the European project thus has a deeplyrooted geopolitical and security nature, and should help it to gain some leverage over its historically overbearing neighbours, namely Russia and Germany. Good examples of this include Poland's hard push to develop a strong Eastern component to the EU's neighbourhood policy back in 2009, and the Franco-Polish call to create an energy union following the onset of the Ukrainian crisis.

After closing the initial debate about Poland's "return to Europe" that characterised most of the pre-accession period,<sup>2</sup> the idea of an economic "catch up" with the biggest Member States became predominant.

#### Marta Stormowska Nathan Dufour

#### Highlights

- Joining the EU and NATO was  $\star$ perceived as way to escape communism and Russia's sphere of influence by quickly enhancing its national security and economic development. This view largely remains valid today, especially as the "economic catch up" it sought has been relatively fruitful.
- ★ In order to get the most out of the EU, Poland sought to act as a bridge between the EU and the Eurozone and ensure the inclusiveness of all projects of integration that could impact its future. That being said, the potential benefits of further integration appear less and less clear to the Poles.
- ★ To ensure and even increase EU's legitimacy in Poland, work should be done in four domains: preserve the freedom of movement; maintain a high level of cohesion funds for the next EU budget from 2020 onwards; fight labour insecurity; and guarantee energy security.

Despite initial fears,<sup>3</sup> EU membership has indeed constituted a remarkable opportunity to improve the living standards of many Poles hoping to "catch up", as quickly as possible, with those of, say, Germany, the United-Kingdom or France. Thanks to the sharp increase in labour mobility that followed Poland's progressive incorporation into the Schengen zone, the level of remittances sent by Polish expatriate workers to Poland significantly increased, and could thus support many Polish households. An impact that reached a record high of 2.5% of GDP in 2006-2007.4 Together with the growing exportoriented character of the Polish economy, such factors explain why Poland has been strongly supportive of the completion of the internal market. Recently, Poland's major success in negotiating the biggest envelope of EU funds ever during the negotiations on the Multiannual Financial Framework 2014-2020 (82.5 billion euros), was also used by the authorities to demonstrate their ability to negotiate important financial support for the country's future development.<sup>5</sup>

While the relations between Poland and the EU have proven to be a very contested issue between the two main political forces in recent years, namely the Civic Platform (PO) and Law and Justice (PiS), one could argue that it remains more a competition "over which of them was most competent [in] representing and advancing Polish national interests within the Union" than a debate "about the substance of the European integration project as such".<sup>6</sup> As a matter of fact, even the most vehemently critical Polish politicians towards the EU do not propose to leave the EU, nor do they propose any alternative project outside the European framework.<sup>7</sup>

Nonetheless, it should be noted that the above-mentioned favourable conditions have not prevented a drop in trust towards the EU in Polish public opinion, which has fallen from 68% in 2007 to 41% in 2014, mirroring an EUwide trend provoked by the economic and financial crisis. As put forward by one of the participants of the Warsaw workshop organised in the framework of the Building Bridges project in May 2015, one could argue that Poland's support towards the EU had remained high because the country did not face any negative effects, like the Euro crisis or a significant impact from the refugee inflows.<sup>8</sup> To say it another way, "[...] many hopes have come true, while the majority of concerns have not. Nevertheless, it should not be inferred from this that the support for European integration will continue to be strong also in more challenging times."<sup>9</sup>

#### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

One participant to the Warsaw workshop described the EU as "an ongoing experiment".<sup>10</sup> This description captures well a certain sense of uncertainty in the views on the EU. It is particularly acute regarding the future of integration. Despite a general appreciation of existing benefits, possible developments remain hard to comprehend and the EU as such remains largely thought of as a distant entity. In this regard, three mutually reinforcing factors may prove useful to consider.

First, despite Poles' confidence about their knowledge of the EU,<sup>11</sup> a closer look reveals that the actual knowledge of the EU is rather low. Though a majority of Poles have heard about the EU institutions, they also declare that they do not know much about how they function.<sup>12</sup> Only 40% of them know that the European Parliament is chosen in a popular vote and 69.4% cannot name any Member of the European Parliament (MEP) from Poland.<sup>13</sup> Even though basic knowledge of the EU is part of the civic education curriculum, the final effects are not always satisfactory. In 2015, the average result of an advanced matriculation exam in civic education was 26%.<sup>14</sup> Only 11% of students were able to name Donald Tusk's predecessor in the post of the President of the European Council.<sup>15</sup> Lack of knowledge may translate itself into a lack of interest – turnout in the 2014 European Parliament elections was only 23.83%. That is usually explained away due to both the "second order" of these elections, as well as an overall lack of interest in politics as such.<sup>16</sup>

Second, media coverage of EU affairs is very limited and many citizens think that most important issues will be communicated to them by the media.<sup>17</sup> While television remains the main source of knowledge on the EU for 71% of Poles,18 it only broadcasts basic information about the most important meetings of the European Council and major events with cross-European consequences, such as the financial crisis. There is a lack of dedicated quality TV programming on EU affairs in general, and consequently the activities of the European institutions rarely receive attention. For instance, debates between the Spitzenkandidaten in the runup to the 2014 European Parliament elections were not broadcast on any Polish television channels. Of course, the Internet is gaining in importance as a medium,<sup>19</sup> but, again, there are only very few Polish-language internet portals dedicated to European affairs. The government is somehow trying to compensate by including the most important information on its websites and promoting them via social media.20 However, it would still require an active search to access them.

Third, and paradoxically, the abovementioned cross-political agreement on the importance of the EU often makes it invisible in public debates, thus contributing to a lack of deeper knowledge on EU affairs. When a debate occurs, it is usually about the efficiency of Polish initiatives and falls prey to typical criticism from the opposition parties. This unity on views, however, conceals some important differences between the two main political parties – PO and PiS – which belong to two different political groups in the European Parliament.<sup>21</sup> Also, the voices of left-wing parties are largely missing due to both a sharp decline in public support for the main left-wing party, and a still rather embryonic recognition of new political initiatives on this side of the political spectrum. Overall, these factors contribute to making Polish debates on the EU either non-existent or insubstantial in the wider public.

#### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Under the two terms in office of the previous liberal government (2007-2015), there was a belief that Poland would be better served by greater integration, which would help it to "punch above its weight". As the biggest Central European state, and now the sixth biggest economy in the EU, Poland thus concentrated on initiatives that could help it to move from its initial status of periphery member to one of the EU top-dogs. For example, by capitalising on the shift of attention from Eastern to Southern members that resulted from the Eurozone crisis, Poland sought to boost its political leverage within the ultimate circle of integration, which it does not yet even belong to, namely the Eurozone.

Yet, Poland's performance on a number of strategic dossiers - such as the 2014-2020 cohesion fund - would probably have been more complicated to achieve had it not distanced itself from the initial image of being a "recalcitrant trouble-maker unused to the structures of EU integration".<sup>22</sup> Hence, Poland sought to best defend its interests by acting as a bridge between the EU and the Eurozone and ensuring the inclusiveness of any projects of integration that could impact its own future. This logic was notably behind Poland's active role in the negotiations that led to the creation of the banking union, as well as the country's adoption of the European Fiscal Compact (Treaty on Stability, Coordination and Governance in the Economic and Monetary Union) in 2013, both of which allowed non-Euro members to take part if they wish to. Doing its best to counter the growing pressure from core Member States for a differentiated or "multi-speed" Europe, one of Poland's successes was to reach some kind of balance between the "Community method" (when ensuring the necessary inclusiveness of EU institutions), the inter-governmental process (through efficient coalition-building strategies, such as with the Visegrad group: Poland, Hungary, Slovakia and the Czech Republic), and the Weimar format (along with France and Germany).<sup>23</sup>

For the Polish people, however, the necessity and potential benefits of furthering integration appear less and less clear. A survey from July 2015 shows, for instance, that 37% of Poles seem to estimate that the level of integration with the EU should remain more or less the same, while the percentage of those who would like to integrate more or, on the contrary, loosen is equivalent (27% relations and 25% respectively).<sup>24</sup> One of the many reasons for that is probably the growing association between greater integration and the tense debate about Poland's legal obligation to join the Eurozone as part of its accession treaty. Another one is related to the refugee crisis and growing calls for Warsaw to share the burden of the most exposed Member States.

Opinions expressed by Polish citizens Warsaw during the May workshop, particularly from younger generations, over the Euro-membership and the possibility of welcoming large numbers of refugees from the Middle East and Africa further indicated a strong hesitancy among citizens. There is, for instance, a perception among citizens that belonging to the Euro could hamper Poland's good economic results in recent years and endanger all the efforts made so far. A feeling mirrored in a June 2015 survey on this matter showing that 68% of Poles are convinced that adopting the euro would badly affect their households' finance, 51% believe that it would lead to a deterioration of the Polish economy, and 49% think that accession to the Eurozone would have a bad impact on Polish national identity.<sup>25</sup> This growing lack of public support explains why the main Polish parties remain against adopting the euro in the short and medium-term. Remarkably, the question of Polish euro-membership became a central argument of the 2015 presidential and legislative campaigns.<sup>26</sup>

#### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

The 10<sup>th</sup> anniversary of Poland's accession to the EU gave a little boost to the positive feelings about the EU. In 2014, 41% of Poles declared that they feel both Polish and European, a 5% increase in comparison to the previous year.<sup>27</sup> However, overall, the post-accession enthusiasm is becoming shaky and the EU's image has been seriously hurt by the Eurozone crisis. Thus, there is a need to give Polish support for the EU a renewed and more solid basis.

*Bridging the gap between support and understanding.* There is certainly a need for more
effort to educate the public about the EU, through different channels. First of all, mandatory education on the EU at school is important. The current curriculum would be made more attractive if it were more concentrated on the ongoing debates in the EU. To reach the older audience, there is a need to engage media, especially television and (often related) internet portals. Research conducted by the Notre Europe Jacques Delors Institute<sup>28</sup> indicates that Poles are guite enthusiastic about the idea of a TV programme/channel dedicated to EU affairs. Given the fact that most Poles would not actively seek this information, there is a need to talk much more about the EU as well as developments in other Member States, in order to create both interest and understanding. Programmes and news should focus not only on political issues, but also on opinion polls (existing statistics e.g. Eurobarometer might be used, as they are poorly known). Of course, initiatives might be similar brought simultaneously to the internet, to engage the younger part of the population, for instance by creating on-line polls and forums on portals presenting facts and news about the EU.

Europeanising the debate. The 2014 European Parliament elections failed to be truly europeanised in Poland. Most parties did not promote either their affiliation to the European political groups or their common European manifestos.<sup>29</sup> Meanwhile, different surveys showed that Poles feel that MEPs are somehow meant to promote European issues in Poland.<sup>30</sup> There would also be interest in hearing from MEPs from other countries. Moreover, Poles tend to trust European institutions a little more than national ones, believing that their European character should somehow lead to a higher standard of performance. The EU institutions could thus capitalise on this sentiment by better promoting their main successes and instances

where they defend public rights against political backlashes.

Changing the narrative. The narrative about the EU based on benefits certainly has an important place in assuring public support for integration. If asked about the benefits from European integration, Poles are most likely to talk about EU funds (and the investments they brought, especially in the infrastructure sector) and open borders (in terms of travel and labour market).<sup>31</sup> However, whereas the latter is under constant political threat, the former will certainly diminish after 2020. Politicians, EU institutions, media and NGOs must play their role in changing the way the EU is talked about to present it more as a shared good and common responsibility. It should focus more on the EU's role in the world, growing Polish influence and initiatives, as well as citizen engagement.

## Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

As shown by the harsh debates on Poland's accession to the still shaky Eurozone as well as on the refugee quotas in 2015, continuing Polish support for the European project will depend more on the preservation and bettering of already existing policies than on the creation of new ones. Here are some Polish concerns that should find appropriate responses at the EU level.

*Preserving the freedom of movement.* Many Poles (aged over 30) guard rather traumatic memories of the hours-long queues at the borders with Western Europe before joining Schengen. Hence, giving up on the freedom of movement, would probably entail a huge decline of support for the EU. On the other hand, both Polish people and politicians will pay strong attention to the efficiency of the EU's external borders in managing the refugee crisis.

*Cohesion Policy after* 2020. Tangible benefits of European integration, such as the EU cohesion policy, will remain a very important proof of EU solidarity, certainly as long as Poland has not reached Western European living standards. Policies perpetrating EU-wide economic convergence efforts, such as the Juncker investment plan, could thus greatly help. While Polish authorities understand the need for preparing the country's economy ahead of a large decrease in EU funding after 2020,<sup>32</sup> the EU should ensure the country avoids a detrimental economic shock.

*Fighting labour insecurity.* According to the EU Commission, the incidence of temporary contracts in Poland is the highest in the EU, while the transition rate from temporary to

permanent employment remains low.<sup>33</sup> Combined with problems of mismatch between qualifications and labour market needs, the younger Polish generations are particularly exposed to this phenomenon as well as to continually high levels of unemployment (above 20% in 2014). Here the EU could aim to elaborate on higher common standards regarding the social guarantees offered by employment contracts. In addition, programmes such as the youth guarantee should be fully mobilised to fight youth unemployment.

*Energy security.* The EU seems set to expand in areas where Polish politicians will appreciate its greater role – for instance in building a security component of the energy union, which could constitute Poland and other Central European states' best guarantee in facing the risks related to a high-level of dependency on an almost unique energy provider – Russia.

#### Endnotes

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9. Piotr Cichocki, op.cit., p. 274.

10. Workshop organised in the framework of the Building Bridges Project, Warsaw, 11 May 2015.

11. The Eurobarometer study from 2014 suggests that Poles feel quite confident about their level of knowledge on

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15. Ibid.

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29. Contrary to the European Commission recommendation, the affiliation of Polish parties to the European Parliament was, for instance, not displayed on the ballot papers.

30. See both: Marek Dudkiewicz, Aleksander Fuksiewicz, Jacek Kucharzyk, Agniekska Łada, "Parlament Europejski. Społeczne zaufanie i (nie)wiedza", *op.cit.* and Virginie Timmerman, Daniel Debomy, "How would the citizens like to communicate with the European Union?", *op.cit.* 31. *Ibid.* 

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## ★ PORTUGAL

## Sandra Fernandes Isabel Estrada Carvalhais

## Waiting for Better in the Adversity

# What does your country hope to gain from its membership to the European Union?

Taking into consideration public opinion polls, the EU is mainly associated with the possibility of travelling, studying and working in other Member States. The currency is a strong symbol of the Union although Portuguese - and especially young adults, rural inhabitants and people educated to secondary level - also associate the EU with unemployment and blame it for the austerity in Europe, which is perceived to have been imposed in a bureaucratic manner. In parallel, a majority of Portuguese believe that the Union improves their quality of life and that, in the end, the crisis may actually foster more social justice, though people don't quite know exactly how this could be done. Half of the polled population is optimistic regarding the future of the Union and only less than a third believe the country would be better off outside the EU.<sup>1</sup>

The polls indicate a negative trend stemming from the external bailout of the country and a more positive trend in regard to the EU's capacity to help in responding to the economic crisis. Nonetheless, they fail to inform us about either the main trends that occurred during the centre-right government that was in power between mid-2011 and the end of 2015 (legislative elections took place in October, one year after the end of the bailout plan), or citizens' reactions to the austerity measures implemented in the context of the international assistance programme monitored "troika" by the

## Highlights

- The Portuguese population remains supportive of the EU, but without a clear motive, and with a feeling that the country is run by external actors with external interests. Meanwhile, the authorities have strived to appear as "a good student" rigorously implementing austerity measures.
- The ruling political elite has fostered a "positive instrumentalisation" of the EU in the country, which drives the population to have an almost instinctively supportive attitude for the EU, often more so than in other Member States.
- ★ The debate on Europe follows a topdown approach in Portugal, but could be further stimulated if there was more EU focus in school curricula, which could lay the ground for a common Educational Policy, and additional incentives to take advantage of cultural programmes.

(International Monetary Fund, European Central Bank and European Commission).

We analyse below how the government and part of the opposition have used the EU for their political objectives and how citizens have been aligning, or not, with these perspectives. The EU is the country's main strategic priority. Portugal perceives itself as a "European and Atlantic democracy" with limited resources and whose membership to the EU (and to NATO) are vital.<sup>2</sup> This perception includes a need to foster "cohesion and solidarity" in both organisations, along with closer ties with the United States and the Portuguese speaking countries.<sup>3</sup> The strategic relevance of the integration in the EU for Portugal has been consistently reassured over time and is quite well summarised in its foreign policy doctrine as reformulated in 2013.<sup>4</sup>

In return for its membership and clear commitment, the country expects continuous support for its fundamental strategic goals such as security, administrative modernisation, economic growth, financial stability and social cohesion. It also expects to present itself as pivotal in managing the relationship between the EU, the US and the South Atlantic (namely Brazil, and in parts of the African Continent).

The Portuguese crisis, initiated in 2011, coincided with a crisis in the EU itself, which has notoriously brought about uncertainty for the very future of the integration process. In this context, Portugal appears to be willing to contribute to strengthening the EU's cohesion, namely by deepening the EMU along with other common policies,<sup>5</sup> as it believes that only through deeper integration may the EU overcome its various challenges and avoid political fragmentation.

The EU, in return, and as expected by the country more broadly, shall help Portugal to surpass its national vulnerabilities and challenges regarding its financial balance and economic growth; energy and food autonomy; natality and population aging; reform of the justice system; and land usage and planning.

The above-mentioned expected gains are widely discussed in the political discourses, within both government and parliamentary oppositions, but cannot be said to be fully recognised in public opinion. There is a perception that reforms must be made, and that the EU is relevant in that process, but public opinion varies with respect to which reforms should be prioritised or how they should be implemented. Social questions are dominant among the public's concerns. Of key importance are: unemployment rates, especially youth unemployment, brain drain and the emigration reinforcement of flows, the vulnerability of elderly people and children and the overall decrease in families' economic capacity over recent years, mostly due to the reduction of salaries (both real and nominal). As to whether the deepening of the European mechanisms of integration are the right path to face these challenges, citizens do not quite know, since the level of expertise required to discuss such issues is perceived to be out of reach.

## Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

The country's external bailout (2011-2014) has contributed to focus on the macroeconomic aspects of the EU project and on its domestic consequences. The massive presence in the media of economic news and analysis might have contributed to the public opinion's central view of the European project as mostly an economic one. What appears quite clear is that the European economic crisis in general, and that of the country in particular, accentuated the public's perception about the centrality of economic issues in the making of the EU project, while the whole idea of the EU as a political project was undermined in the face of what citizens read as a growing lack of solidarity among countries (specifically of Northern ones in regard to Southern ones) and of an increasing danger of political fragmentation.

During 2014 and partially 2015, the Grexit conundrum added to this state-of-play. At the height of the exit crisis in late June 2015, the centre-right coalition government of PSD and CDS-PP insisted on keeping Portugal away from any comparison with Greece, arguing that contrary to Athens, the country is financially more robust and wiser in its political decisions, therefore downplaying any contagious effects. The chaos that seemed to affect Greek politics was strategically used to bring additional credibility to the government's austerity measures and to justify the need to pursue them. Meanwhile, the Greek government has however been doing less badly than anticipated, and the dramatic "Grexit" scenario became less likely and less debated during the last quarter of 2015. This might have contributed, if only marginally, to the 2015 legislative election results in Portugal. Indeed, it became clear during the 2015 campaign that all left wing parties (PS-Socialist Party, BE-Left Bloc, PCP-Portuguese Communist Party, and Os Verdes-The Greens) tried to capitalise on the waves of political change blowing from Greece. But what they exploited the most was the idea of exhaustion of a population of ten million people devastated by the economic crisis. The electoral results, however, became a bit more complex to read, as the total number of votes cast by left wing parties brought a left majority into the parliament, and eventually led to the formation of a historical left wing coalition for government. In parallel, the centre-right coalition (PàF) cast more votes in relative terms.

Despite the European crisis, Portuguese citizens never stopped relying on the capacity

of the European institutions to address the crisis, although the levels of trust in the European institutions and in the EU have, broadly speaking, varied over time.

However, to be more or less supportive of the EU institutions does not imply that citizens understand the meaning of the EU as an economic and political project. The EU is far from being a fancy theme, even among Political Science students who tend to see it as a rather arid and technical field of research. Let alone among the regular citizen less acquainted with the jargon of European integration.

Three main reasons explain this adherence to Europe without totally understanding its meaning. First, the way the Portuguese political elites have systematically treated the EU in their political agenda. Whenever the political forces in government seem unable to succeed in their bargaining goals, "Brussels" appears as the "bad guy", and Europe emerges as a complex set of power relations insensitive to small countries' interests. Likewise, positive results are elevated to the category of major bargaining victories vis-à-vis the European institutions. Either way, the EU institutional architecture appears, in the eye of the citizens, to be a complex space dominated by technical details and intricate power relations located too far away from their day-to-day life.

Another major explanation lies in the perceptions that citizens have about their economic condition with regards to that of other countries, which are seen as the core members of the EU. Indeed, during the crisis period, more Portuguese citizens began to feel that the EU is a distant geographical entity that derives more benefit for wealthier rather than poorer countries.

A third explanation has to do with a strong relation that the country forged over the centuries (at least since the beginning of the discoveries period in the early 15th century) with the Atlantic space. If the Atlantic Ocean was the path for Portugal to meet the world and to reach a certain sense of imperial centre in regard to its colonial domains, Europe was simultaneously the powerful geography that never stopped looking at Portugal as part of its periphery. This hybrid condition of Portugal is at the heart of what some academics have called Portugal's "semi-peripheral condition" in the world.<sup>6</sup> This helps to explain why, on the one hand, Portuguese have kept a distant look over Europe (as if Portuguese felt they did not quite deserved to be seen as "equals among equals"), and why "Europe" appeared more recently as the gateway to modernity (to democratic values, economic prosperity and cultural innovation) with the country's democratic transition after 1974. Aside from these considerations, and once invited to give their view about the EU as a project, the general tendency of Portuguese citizens is to affirm it to be a mostly economic project.

One might be inclined to say that citizens' views are not those of political elites. Political elites see the EU both as an economic and a political project, being in general terms quite supportive of deeper European integration as the right path to deal with the country's domestic and external challenges. But citizens also tend to embrace this optimistic interpretation of the EU, despite their less clear views about the EU as an economic and political project, and despite the ambivalence sometimes revealed in their evaluations. For instance, in Autumn 2014, 72% of Portuguese citizens considered that the EU was responsible for the austerity felt in Europe (compared to 63% in the rest of the EU) and 62% evaluated it as rather

bureaucratic (72% in the EU). But, simultaneously, 53% believed that the EU improves the quality of life in Europe (49% in the EU), and 46% believed that the EU will emerge fairer from the crisis (38% in the EU).

## Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

According to Gorjão, Portugal has a very high level of ambition in foreign policy that he scores 4 in a scale of 5.<sup>7</sup> In this context, Europe appears to be the main focus of its external policy, whether through bilateral relations and multilateral forums with the European states, particularly the EU Member States, or as part of the EU as a global player. As a consequence, membership is both helping the country to have a global role and is a way to advance its preferences through EU actions. This approach is all the more relevant as relations with the US have decreased over recent years.8 Gorjão confirms that "Portugal's strategy toward the European project has been to affirm itself as a good student at the forefront of every institutional development, such as the Eurozone".9 As a consequence, Portugal is officially an active proponent of deeper integration. The alignment with the German vision for the management of the Eurozone, i.e. austerity, is quite illustrative of this, and has also contributed to clarifying the position of Portugal among the other European Member States.

Lisbon's ambition, while high, is nevertheless constrained by its political and economic size. As a small country,<sup>10</sup> with significant economic vulnerabilities - regarding in particular productivity, a trade imbalance and a public budget deficit - meeting Portugal's level of ambition in foreign policy and bargaining capacity is quite a challenge. Much

will depend on the country's capacity to respond, in the short term, to the external financial institutions that have been constraining its domestic governmental decisions. In our perspective, the level of satisfaction of such institutions with Portugal's answer to the economic crisis will strongly determine the country's credibility in the international arena, both as a reliable partner to do business with and as a credible partner to achieve diplomatic objectives.

## According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

The process of improving the idea of belonging to a common European public sphere could be summarised in this sentence, "the EU lies in each citizen and not in each state".<sup>11</sup> The message in this sentence is that a stronger sense of belonging to Europe and to a common European public sphere cannot be detached from the idea of fostering a stronger bottom-up relationship between individuals and the EU. Citizens need to believe they are indeed heard, and that their opinions are valued. Otherwise it is quite unlikely that they will maintain an active participation in the European public sphere. At the heart of this, lies a complex problem: that of the relationship between citizens and ruling (economic, intellectual, political) elites and the challenge of how to make this relationship less unbalanced for the citizen.

For instance, we see a decline in Portuguese citizens' trust in the political elites,<sup>12</sup> as well as in the EU institutions (which is different, though, from stating that citizens distrust them as we mentioned above), and it is tempting to say that the construction of a European public sphere should therefore be more focused on reaching to the individual level. Furthermore, it is reasonably clear that the focus of national debates on political and economic issues deprives citizens from an understanding of the EU in its other dimensions, most importantly the cultural one. But, how exactly do we bring citizens into the public sphere, particularly when they seem to reject any attempt to participate? This would lead us to a far more complex discussion, where education for citizenship would definitely play a major role. Indeed, only education can open the path to empower the citizen to be an active, civic, cultural and political subject, fully aware of his/her rights and duties at the national, European and human level.

One way to strengthen a European sense of common belonging would be to invest in whatever links different cultures and pluralities, in order to create a sense of commonality. One such possible bridge that could bring nationalities and cultures closer together, could be biodiversity (and its protection) since all individuals, while humans, can actually relate to this sphere, which means that creating a common action would be easier to understand and to achieve.

To foster a common sense of belonging to the same interdependent and simultaneously diverse and fragile environment, sounds promising, but again it faces major challenges. One such challenge lies in the level of sensitivity that EU citizens have to this subject, and in particular to any solidarity felt across perceived economic and social divides with other Member States. The tendency in Portugal, as previously referred to, has been for citizens to see themselves as being worse off economically than other EU citizens. We believe that this negative perception about one's level of social and economic development is a major obstacle to solidarity. This can mean that common efforts are perceived to be unfair on those who have less resources, or even as non-priorities in the face of other more prominent issues such as unemployment, or brain drain.

Another way to enforce the EU presence in the Portuguese public mind would be to grant European affairs higher visibility in the public sphere, specifically through the media. This could offer a fundamental discursive space that might help to foster the knowledge of and the discussion about the European reality, without reducing it, as often occurs, to a strict national angle of analysis. This wouldn't mean that a specific national perspective would disappear, but rather it would be complemented and enriched by a wider "European awareness" about various issues.

The existence of more interactive, and easily accessible platforms of contact between citizens and the EU institutions, could also help to empower nationals in the EU debates. This seems all the more relevant as most citizens (as underlined above) do not feel they are "being heard" by Brussels. Citizens often lack a sense of connection or even integration, and in that regard, despite all the work already done, we believe that MEPs could help promote far more such platforms, at least in the first instance, so as to stimulate a deeper sense of active participation.

Finally, the idea of belonging could also emerge from a shared consciousness of the adversities facing us in the European integration process. As a legacy, the EU is a process that ought to be fed and deepened. Better access to information about what the EU is about, its policies, main obstacles and achievements is therefore crucial for a vivid public sphere.

## Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

First, it appears that the policies would be conveyed essentially from a top-down approach in order to trigger a greater debate and civic participation on European affairs. The goal would be to impact on generational change by addressing primarily the younger generations. In the medium to long term, this approach could transform into a bottom-up approach as the younger generations would become able and willing to promote change.

The creation of a "Common Education Policy" would allow for the implementation of specific common courses in the curricula of all Member States from primary school to graduate studies. In Portugal, in subjects such as history, only a few connections are made between the national and European levels. Portuguese nationality is constructed in a way that seems detached from Europe, with a focus, for instance, on the discoveries of the fifteenth century and on the country's relationships overseas. Strengthening the European pillar in the making of Portugal's cultural and national identity would help foment, even if indirectly, a greater sense of European belonging and a more intuitive acceptance of European citizenship in the medium term. Educational policies would also allow the sharing of European common values and bolster the European duty to preserve memory. Additionally, it would help to foster civic responsibility, because greater knowledge of the EU would help citizens to identify what they can get from the EU as well as how they can actually contribute.

The EU foreign policy, including defence, should evolve towards a greater level of integration. If Europe speaks "with one voice", then it will convey internally a greater sense of strength and, thus, stronger identification with European citizenship will also gradually emerge.

Finally, the legitimation of the EU to the average citizen could also benefit from policies that relate directly to "culture", because these tend to focus on more positive dimensions of the EU, which is especially relevant in the context of crisis when only the negative aspects of the EU seem to emerge at first glance. Again, a focus on younger generations could trigger the most significant changes. Specific cultural groups - following the example of the EU Youth Orchestra - and intensification of the already well-functioning exchange programmes, such as Erasmus, would contribute to a sense of "European citizenship". However, once more the only way to avoid these from becoming elitist channels of interchange, accessible only to those who are economically able to reach them, is to foster greater solidarity among all the EU states. Burden sharing in this regard is particularly important to combat major challenges, such as unemployment and the refugee crisis. Otherwise, these examples of good practice run the risk of becoming the hallmark of a small elite of European citizens, rather than the means by which the common citizens are able to engage positively with Europe.

## Endnotes

1. European Commission, Standard Eurobarometer, No. 82, Opinião Pública na UE. Relatório Nacional Portugal, Autumn 2014.

2. Externally, the Southern neighbourhood is a main concern.

3. CEDN, Conceito Estratégico de Defesa Nacional, Resolução do Conselho de Ministros, No. 19/2013, 5 April 2013.

4. *Ibid*.

5. Ibidem, p. 1988.

6. For extensive reading on the historical semi-peripheral condition of Portuguese culture, see Boaventura de Sousa Santos, *Portugal: Um Retrato Singular*, Porto, Afrontamento, 1993; João Arriscado Nunes and Maria Eduarda Gonçalves (eds.), *Enteados de Galileu? A semi periferia no sistema mundial da ciência*, Porto, Afrontamento, 2001.
7. Paulo Gorjão, "Letter from Lisbon", *Strategic Europe*, blog, 20 March 2015,

http://carnegieeurope.eu/strategiceurope/.

8. Quite significant was the announcement in recent years of the US decision to decrease its military presence in the Azores military base (Base das Lages in the Island of Terceira) – an estimated reduction of 410 to 430 local employees up to March 2016 was announced in 2015. This resolution had great impact on Portuguese public opinion, due to the tremendous economic impacts expected on dozens of local families, and was deeply criticised by various social and political sectors who considered the diplomatic action of Portugal to be deficient and unable to properly secure the interests of the country in the long run.

9. See also Sandra Fernandes and João Gil Freitas, "Portugal Through the EMU Crisis: Setting a Good Example for Germany", in Almut Möller and Roderick Parkes (eds.), "Germany as viewed by Other EU Member States", *EPIN Paper*, No. 33, June 2012, pp. 20-24.

10. For instance, Portugal's decision in the Council of the EU weighs 12 out of 352, similar to Belgium, the Czech Republic, Greece and Hungary.

11. Debate on the EU in the context of the International Seminar "New Narrative for Europe" initiative, March 2015, University of Minho (Portugal).

12. Despite the trust in the Portuguese national governments' solutions to the crisis having increased in recent years of the crisis, a general frustration towards the political elite remains, as the increasing rates of electoral abstention reveal. This phenomenon is far from being a Portuguese singularity, but the figures show that the abstention rates have been increasing consistently for all types of elections in Portugal.

## ★ ROMANIA

## Mihai Sebe

Soul Search, National and European Identity and Politics in A Time of Trouble

# What does your country hope to gain from its membership to the European Union?

Romania's accession to the European Union has been a long standing dream of a traumatised society after more than half a century of either right wing or left wing dictatorships. The late 1930s found Romania in a precarious geopolitical position with no real allies and at the mercy of two great continental superpowers (Nazi Germany and Soviet Russia). Following the 1939 Ribbentrop-Molotov Pact, the country was partitioned, and, at the end of WWII, the country was forced into communism under Soviet rule. Since the 1989 Revolution, the Romanian elite has striven to secure a more favourable bargaining position.

The Romanian leadership thereafter tried to join the two major democratic blocks that could secure a free and democratic future: NATO and the European Union.<sup>1</sup> If the security concerns were satisfied by gaining access into NATO in 2004, the more complex socio-economic stability is yet to be fully achieved, even after more than seven years since joining the European Union in 2007.

For many Romanians belonging to the European Union has now become a daily reality with a high number of advantages – both economic and social ones that have started to become so common that we tend to ignore them.

### Highlights

- ★ Despite almost ten years within the European Union, Romania's accession is not yet complete. It is not part of the Schengen zone and has yet to enter the Eurozone (planned for 2019). Moreover, a core problem remains in the ownership of the necessary reforms to catch up with the rest of the EU and to reform the public authorities.
- ★ Romanian attitudes vis-à-vis the EU are consistently favourable but this is not sufficient evidence of an appreciation for the European Union as it reflects a distrust in national institutions. Nevertheless, more could be done in the national curricula at school to better promote the EU. A greater knowledge base in Romania would help the country reach its true potential within the EU.
- ★ Romania is a firm believer in further integration. It supports an EU energy policy, common foreign policy and a strengthened Eurozone. There is also a belief that the EU should better defend its achievements, such as the four freedoms, as it helps better legitimise the EU in the eyes of citizens.

Moreover, European Union accession has also offered security and diplomatic advantages.<sup>2</sup>

Even if opposition leaders such as Alina Gorghiu, co-president of the National Liberal Party, the main opposition party, share a rosy outlook, the process of obtaining advantages from the European Union and full integration is not yet complete. The main objective of any future liberal government will be the "reduction of the development differences to zero" between Romania and the European Union.<sup>3</sup>

From official speeches it is clear that there are still two main issues to be solved that can be defined as key gains from the European Union membership – the euro adoption and access to the Schengen Area.

The Eurozone accession statements of the Romanian Government now advance the date of 2019 as a set goal for adopting the single currency. Romania also needs to join the banking union to ensure a more disciplined fiscal and financial system.<sup>4</sup>

As for the Schengen Area, it is a reminder of the existence of a two speed Europe – where the periphery (Romania) is held apart from the more developed core (Western Europe). For many officials it has become a symbol of Romania's lack of full integration into the European Union. It is a visible element of the differentiation that still exists and of the risks that threaten the freedom of movement. For a former communist country whose economy and social stability often depended on the remittances sent by Romanians working abroad, it is also a sign of the still frail role Romania has in the European Union – whereby its level of influence does not match the size of its population nor territory.

The former chief negotiator for Romania's accession to the EU, Vasile Puscaş summarised, in 2015, the three main reasons why Romanians wanted to join the European Union: cease being a *cordon sanitaire* (buffer zone) between two geopolitical blocks; become a part of the internal market; and be part of an area where the chances for development are higher for our citizens.<sup>5</sup>

Yet years later there are still things that need to be done. The main problem is the ownership of necessary reforms and working procedures within Romania's authorities. Relatedly, the management and therefore absorption of Structural Funds remain a sensitive issue.

Being a part of the European Union means being part of a larger framework meant to ensure prosperity and economic welfare. The security dimension only emerged with the Ukraine crisis, which led Romanians to see the EU as an additional layer to their security.

In that sense reinvigorating the Eastern Partnership and basing it on sound principles while keeping all the options on the table is a good solution. Moreover, the EU sanctions on the Russian Federation proved to be a good deterrent by causing economic stress that severely affects its assertive foreign policy.

## Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Romania has always been a Europhile country. Polls suggest a high rate of confidence in the European Union institutions, higher even than for national authorities. Yet, this may not be a clear sign regarding what the EU really means, but rather a sign of distrust in the national administrative system.

With a large percentage of the population living in rural areas, high unemployment and poverty problems and often a low interest in political issues, the Romanian public has not been subjected to much information regarding the European Union, which is often coloured by politicians' views.

What characterises the Romanian attitude is its favourable impression and strong support of the European Union as seen by various opinion polls<sup>6</sup> even if Romanians' perception of the European Union is somewhat misleading – for many, the EU is associated with human rights and freedom of movement and with peace with neighbouring countries.

One of the last European Union polls show that 37% of Romanians tend to trust the European Union as opposed to only 30% who trust the Romanian Parliament, while only 29% trust the national government.<sup>7</sup>

Yet, the European Union is not only about human rights and freedom of movement nor is it only about economic security. It is also about values and the fight for promoting the national interest. This is not yet fully understood and this is perhaps why the feeling of being pro-European Union is so strong. Romania, unlike other countries, has entered the Union with a poor socio-economic background, marked by rising inequalities and poor administration that have made Romanians perceive European Union integration as a positive development.

Moreover all the current difficulties are being blamed on national politicians.

Yet, we must remember that it takes two to tango, and step by step the younger generation will take into consideration the way the European Union family relates to us in addition to national feedback.

This will also necessitate the debunking of a common misunderstanding, widely spread in Romania, that the European Union brings benefits without constraints. This is, in my opinion, another sign of the misunderstanding of the European Union project – that too many hopes and expectations are invested in it. If we put an end to these illusions, Romania will be able to formulate a more realistic policy vis-àvis the European Union.

## Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Romania has yet to attain the full degree of influence it deserves within the EU, given its size and population. What is important is never being left behind, a prognosis that remains difficult to attain considering the country is not yet part of the Eurozone and the Schengen area.

In regard to the European Union, the official position of the new government repeatedly stated by the incoming Prime Minister Dacian Cioloş is: "Romania is a part of the European Union and not an annex".<sup>8</sup> The country's main problem in his opinion is not the European Union process as such, but rather the lack of efforts made to understand it.

First and foremost Romania must create some sort of political mechanism that would prevent internal political debates from continuing to influence our European Union politics. Too often internal political debates affect foreign policy decisions, which creates confusion among Romania's partners.

A clear example is the current refugee crisis whereby the internal political discourse as well as the internal power games (impending local and parliamentary elections in 2016) have made the entire public discourse very reserved. Romania's government opposed the idea of "compulsory quotas" of refugees, talking instead of "voluntary quotas", leaving the country in the company of other Member States, such as Hungary. This attitude also had a direct effect over the Schengen Area negotiations as the inability to have a pro-European position hampered our negotiation advantages.<sup>9</sup>

Romania also has an important decision to take with regard to the "Brexit" issue. A first answer was provided by Romanian president Klaus Iohannis at his meeting in Bucharest with Donald Tusk, president of the European Council. The main position presented was that the Romanian administration fully endorses Tusk's Proposal, having reservations only with the chapter on freedom of movement and social benefits, as the Romanian president clearly underlined that it must not affect the rights of the Romanian workers in the United Kingdom.<sup>10</sup>

Things are fluid in the current context, but Romanian politics must strive for more consistency at the European Union level in order to insulate internal political disputes as much as possible, so that they do not interfere with negotiations at the European Union level.<sup>11</sup>

## According to you, how could we strengthen the idea of belonging to a common European Union public sphere among your national citizens?

Education is and remains essential for creating a common core of educated citizens to strengthen the idea of belonging to a common European Union public sphere

We need to develop activities that promote the European Union spirit and values among our youth. We should pay more attention to creating an adequate curriculum for all stages of the educational cycle and promote EU studies.

The European Union also needs to be more present in the day to day debates. The EU

institutions must amplify their efforts to better communicate directly with national citizens, without the mediation of national authorities. All too often we see local leaders claiming that good decisions taken at the European Union level and applied nationally are theirs, while they blame the European Union for all the negative decisions that need to be taken.

Also the European Union needs to tackle its democratic deficit by engaging ordinary citizens in the decision-making process from the very beginning. It must develop flexible communication and interaction procedures that can be accessed by anyone no matter their level of education or knowledge.

Also the European Union must stand firm and protect what has already been achieved, such as the Schengen Area and the four freedoms. One of the best incentives for creating a sense of belonging is to allow people to travel and circulate freely throughout the European Union. This may be undermined as a result of the Brexit debate since the social rights of Romanian workers in the United Kingdom may come under threat. The European Union must act decisively so that there is no discrimination between EU citizens.

Last but not least, the European Union must try to have a Eurozone which contains all the willing European Member States. Having a single currency is a great stimulus for the perception that we are all together in the same family. Efforts should be made to consolidate the Eurozone governance in order to avoid further problems.

The European Union must also try to develop some common symbols – other than the ones already in place - that may be propagated among the national citizens and thus create a sense of belonging and of a European Union identity.

And this brings us to another delicate topic regarding Romanians working in European Union institutions (according to some unofficial estimates there are approximately 2,000 in the European Union institutions and 500 in lobbying organisations),<sup>12</sup> and that is the question of creating a core of leading experts that might take part in any European Union project - a group of experts that besides promoting the European Union values would also act as a liaison between the country and the rest of European Union institutions.

## Which policies would you deem essential to conduct at the European Union level in order to better legitimise the European Union project?

Trying to identify which policies should be conducted at the European Union level in order to better legitimise the European Union project is a tricky endeavour given the fact that priorities differ for each country.

In my opinion, it is crucial to start with those basic policies that ensure mutual knowledge and an increase in the level of tolerance among European Union citizens.

It is essential to develop and enforce the four major liberties and create a truly unique European Union economy. It is important to have an integrated labour market where Romanian (as well as Polish, British etc.) workers can go and work anywhere within the European Union without fear of losing basic social rights and salary. Labour legislation should be harmonised to create a minimum set of common standards for all employees.

There is also a role to play for the so-called "Erasmus generation", which needs to do more

at the European Union level to instigate the mutual recognition of diplomas and eliminate the national "monopolies" on education and recognition of diplomas. A doctor from Romania must be able to have the same basic skills and competences as a doctor from any other country. He or she must be able to work anywhere in the European Union without having to pass lengthy equivalence exams or other time-consuming and expensive courses.

The European Union must also be about solidarity, in energy for instance. In a world where we are both the actors and the victims of a "game of pipelines", we need secure energy sources all year long. We need to develop a European Union level energy policy that ensures fair treatment for all member states and common rules for negotiations with third parties.

The European Union must also do more to develop a strong common foreign policy. In a world where the voice of the Member States may slowly fade away, we need to develop common resources for creating an effective foreign policy for the benefit of European citizens.

The European Union is also about democracy and the representative character of its main institution. We must try to develop an electoral reform of the European Parliament elections that would satisfy all the needs of more representation and democratic legitimacy. European Union citizens must feel like they are real stakeholders in the democratic process and that decisions come from the grassroots and not top down.

The last couple of years have marked a sad wave of high level criticism regarding the way the EU functions. In the context of the refugee crisis we have seen a crumbling of EU rules and norms to an unimaginable level. We have thus seen in Romania the recurrence of some keywords that have become real mantras in regard to policy elites' rhetoric on the European Union: vision, coherence, rigour, better planning etc.

"As President, however, I must be honest and say that I expect more from the functioning of the European mechanisms. I want more coherence from the European Union, more vision, and more strategy. The European project is not just a slogan, and the European Union is not just a set of bureaucratic mechanisms. A united Europe is the materialised vision of a world that is more prosperous, more united and closer to its citizens. I want more efficient management within the European institutions, greater coherence, better planning, and more rigour in what concerns the European agenda."<sup>13</sup>

We also need continuous and welldeveloped security policies at the EU level in conjunction with NATO and the USA in order to ensure security and prosperity. The next EU Global Strategy must therefore take into consideration the sensibilities of the Eastern Member States and ensure a comprehensive action pack for the extended Black Sea Region. The Ukrainian crisis and the Russian economic sanctions revealed a European Union where, all too often, the interests of Member States regarding necessary actions are divergent.

#### Endnotes

1. For the European Union accession it is worth mentioning what is now known as the Snagov Statement from June 1995 when all the leaders of the Parliamentary parties declared the accession to the European Union to be a "strategic objective" creating the necessary national consensus for any future reforms. See more at *Din lucrările comisiei de la Snagov – martie – iunie 1995* (From the works of Snagov Commission – March – June 1995), 2000, http://www.cdep.ro/.

2. Adina VLAD, "Ponta: UE este deja o parte integrată a vieții noastre, iar acest statut ne oferă avantaje economice și sociale, precum și beneficii de securitate sau diplomatice" (Ponta: European Union is already an integrated part of our life, and this status offers us economic and social advantages, and also security and diplomacy benefits), *Adevărul*, 25 April 2015, <u>http://adevarul.ro/</u>.

3. Adina Vlad, "Ponta: UE este deja o parte integrată a vieții noastre, iar acest statut ne oferă avantaje economice și sociale, precum și beneficii de securitate sau diplomatice" (Ponta: European Union is already an integrated part of our life, and this status offers us economic and social advantages, and also security and diplomacy benefits), *Adevărul*, 25 April 2015, <u>http://adevarul.ro/</u>.

4. Florin Georgescu, Speech held at the conference "European Banking Union: recent evolutions and implication at the level of the Romanian banking sector", 15 October 2014, <u>http://www.bnr.ro/</u>.

5. Interview with Vasile Puşcaş, "The political class wanted the adhesion to the European Union just as trifle of acceptance in the Western family", *Calea Europeana*, 27 April 2015, <u>http://www.caleaeuropeana.ro/</u>.

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## **SLOVAKIA**

## Ana Benje

## **Country of Many Paradoxes**

# What does your country hope to gain from its membership to the European Union?

Belonging to the Soviet bloc left a Slovakia's national discrepancy between identity - linked to the belonging to the West and the post-Velvet Revolution reality of Vladimír Meciar's semi-authoritarian government in the 1990s. In the context of the 2004 enlargement process, Slovakia was rather late in its integration into both NATO and the EU, posing a challenge to Slovak society's selfperception as a European country.<sup>1</sup> If Slovakia was indeed a "latecomer" to the EU family, its accession process was marked by a rapid adaptation to the accession negotiation conditions and modernisation programme. Led by the subsequent pro-Western coalition of Mikuláš Dzurinda,<sup>2</sup> Slovak citizens were driven by the hope of higher living standards and more opportunities for economic growth. Moreover, they saw the EU as a benchmark for economic and democratic norms.

A year after the accession, for Slovak citizens, the EU mostly meant the freedom to work and travel anywhere within the EU, as well as economic prosperity and peace. The euro was - and continues to be - one of the strongest symbols of the EU in Slovakia. The economic and debt crisis created a shift in the Slovak perception of the EU, however, their trust in its institutions remains. The EU maintains a positive image in Slovakia, albeit with an upward shift in the number of citizens who perceived it negatively in mid-2011 (23% -

## Highlights

- Slovakia might be perceived as a "latecomer" in preparing for EU accession only in the 1990s, but it caught up rapidly. Among its chief objectives was for Slovakians to achieve higher living standards and gain an external system of checks and balances, which would improve the country's democratic processes and public administration.
- ★ The country today faces the "Slovak paradox", a reflection of a high enthusiasm for the EU and very low participation in European elections. There is little discussion in Slovakia about the EU's future and Slovakia's role in it. Taking a utilitarian perspective of passive consumption of EU politicies, the overarching narrative is "being *part* of" the EU, rather than "being" the EU.
- ★ A European Social Model would help further legitimise the EU in Slovakia as it is would aim to address the issues of unemployment and inefficiencies in public services and healthcare. Relatedly, a Fiscal Union with strong accountability mechanisms curries favour with Slovaks.

an 11 point change since the end of 2009) and a 5% increase in those who find its image neutral (42%).<sup>3</sup> The EU's slip from Slovak pedestal can be attributed to several events: the Greek

sovereign debt crisis and the EU's strategy for handling it, followed by the Ukrainian and the refugee crises, and most recently the terrorist attacks in Paris. Despite a drop in the levels of trust Slovak citizens place in the European Union since 2010, EU membership continues to be perceived as an important economic and political framework for Slovak society. In 2011, 72% of Slovaks felt they had benefitted from EU membership. In 2014, 75% of Slovaks considered the free movement of people, goods and services within the EU to be the most positive result of their country's membership in When thinking about values that the EU represents, peace, democracy, solidarity, and human rights top the Slovak list, all four well above the EU-average.<sup>7</sup> "Solidarity" has been a value much debated in Slovakia and outside of it, especially in the context of both the Greek and refugee crises. When considering Slovak perceptions of the EU, solidarity could be seen through the prism of the EU acting as a normative leader. A 2009 study revealed, for example, a positive correlation between "solidarity" and levels of trust in national institutions in (then) new EU member states

	What does the EU r	nean to you personally? <sup>7</sup>		
	Slovakia (05/	2005 and 11/2015)		
2005			2015	
19%	Freedom to travel, study	17%		
11%		15%		
	Economic prosperity			
10%	Peace	Not enough control at the	10%	
		external borders		
9%	More crime			
8%	Democracy	Waste of money	8%	
		Bureaucracy		
		More crime	7%	
6%	Stronger s	/ %		
	Cultur	6%		
		0%		
5%	Waste of money	Unemployment	5%	
	Bureaucracy	Economic prosperity	3%	
4%	Loss of our	3%		
*± /0	Social	2%		

*Eigure 1 Comparaison between 2005 and 2015 in Slovakia to the question "What does the EU mean to you personally?" (Source: Eurobarometer)* 

the EU.<sup>4</sup> "Peace among the Member States of the EU" was identified by 47% of Slovaks as one of the positive results of membership,<sup>5</sup> as well as benefitting from improved consumer rights and cheaper roaming fees.<sup>6</sup>

with a socialist past. When compared to older EU members, trust in domestic political institutions was three times lower in newer member states. Moreover, citizens of the states entering the EU in the 2004 enlargement seem to trust the EU institutions more than they trust their national political institutions.<sup>8</sup> The latter remains the case in the Slovak Republic. For instance, a majority of Slovak citizens (51%) agree that more decisions ought to be taken at the EU-level.<sup>9</sup>

Corruption is still a pervasive problem. Slovakia ranks 54<sup>th</sup> out of 175 countries investigated by Transparency International, leaving it at the very end of the EU and Western Europe cluster – number 26 out of 31 countries.<sup>10</sup> Petty corruption strongly influences one's satisfaction with democracy.<sup>11</sup> It directly affects citizens' lives via healthcare, the judicial system, policing efforts, the work of inspectors, and education. It is striking that these are the issues of most concern to Slovak citizens in comparison to the rest of the European member states, showing that Slovak perception of widespread domestic corruption is well above the EU average.<sup>12</sup>

By becoming EU citizens, Slovaks had hoped to gain an external system of checks and balances, whereby the soft power of the EU would have held a mirror up to the internal democratic processes and public administration. The EU was seen as an entity able to incur positive change in the accountability, functioning, and transparency of all branches of power.

## Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Despite growing competences of the only directly elected EU institution - the European Parliament (EP) - along with an increasing number of venues for the public to participate in the decision-making processes, citizens' active involvement in the democratic process at the EU level is weaker and weaker. Turnout in the elections to the EP has been on a declining trend ever since its first elections in 1979. A democratic deficit has been accredited to the EU's remoteness from its citizens - the lack of a European *demos*, a shared identity, a European public sphere, and a common language. Almost eight out of ten Europeans feel that the EU needs a clearer message, Slovakia ranking a bit below the EU average.<sup>13</sup>

Joining the EU and adopting the euro have been seen as two milestones denoting Slovakia's successful democratisation process and transition into a free market economy. The debate at the time was not centred on *if* the country should join the EU, but how reforming the economy was a sacrifice Slovakia was willing to make to complete the accession requirements and catch up with the rest of the 2004 candidate countries. The EU reentered Slovak public discourse at the end of 2008 and 2009 when Slovakia joined the Economic and Monetary Union and adopted the euro. From spring 2010 onwards, the Greek debt crisis compelled Slovak political parties to take a position on an EU issue for the first time. The central narrative of the debate was European solidarity and the question of fairness in providing financial assistance to Greece.<sup>14</sup> At the end of 2011, Iveta Radičová's centre-right government was given a vote of no-confidence, which was coupled with the vote for providing financial assistance to Greece through the European Financial Stability Facility (EFSF). The Greek bailout was a sensitive topic for the Slovak public, as it was communicated through an image of fiscally responsible Slovakia being pressured into reallocating resources to an "irresponsible" member state (Greece), whose citizens' incomes are much higher than that of the average Slovak.<sup>15</sup> The financial package was also perceived as a breach into Slovak sovereignty and a direct intrusion into the Slovak taxpayer's wallet. Questioning the relationship with the EU began at this point, as European topics slowly made it into Slovak public arena.<sup>16</sup>

Discussing Europe is mostly confined to the circle of political and business elites. In the public sphere, however, the EU is at times discussed as a source of income to the state finances and as "a 'scapegoat' if something goes wrong at the national level, or else as an excuse for unpopular decisions taken by national leaders."17 The lack of transparency and the corruption related to the use of the EU's Cohesion and Structural Funds pervade to the detriment of public deliberation on strategic investment.<sup>18</sup> There is little public discussion on just how Slovakia could proactively initiate policies at the EU level or become a thought leader in certain policy areas. Slovak politicians still discuss the EU as something to benefit from, rather than to contribute to. Slovakia will hold its first Presidency of the Council of the European Union in the second half of 2016. A function which has not made significant news in Slovakia yet, despite preparations starting already in 2012.

Slovakia holds the record for the lowest participation in the history of supra-national elections, as only 13.05% of the population cast their vote in the 2014 EP elections.<sup>19</sup> In contrast, the 2003 referendum on Slovakia's accession to the EU had the highest participation in the history of Slovak referenda as more than half of eligible voters went to the poll.<sup>20</sup> High enthusiasm for the EU and low participation now denoted as the "Slovak paradox", serves as a reflection of Slovak citizens' disconnection to domestic political actors and the political debate they are able to facilitate. Gyárfášová attributes low turnout to the political parties' perception of the EP elections as inferior. Voters' perspectives are shaped by the "frustration with national politics, diffused dissatisfaction and dis-attachment" alongside the scant interaction of Slovak Members of the European Parliament (MEP) in their domestic constituencies.<sup>21</sup> The lack of a healthy debate about Slovakia as an integral part of the Union with capacities to proactively contribute to the decision-making processes leaves Slovak citizens feeling paralysed. Despite a strong Slovak Parliament, policies are shaped mostly at the level of experts from the government, with little direct civic input.<sup>22</sup>

## Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

A political union in the form of a European federation does not seem to be an optimal outcome in the eyes of the Slovak public, even though the country finds itself on the profederation side of the EU average.<sup>23</sup> When asked about what their desired objectives are in the development of the EU, Slovak respondents prioritise improving living standards for all EU citizens, developing the EU's economy and boosting growth, followed by maintaining peace and stability, and protecting European citizens against the negative effects of globalisation.<sup>24</sup>

The 2012-2016 manifesto of the Slovak government speaks of a clear pro-European strategy. The EU should act as the "primary context for the pursuit of Slovakia's key interests," in favour of deeper political and economic integration.<sup>25</sup> The document notes several key priorities in the scope of Slovak foreign and European policy, such as implementation of the "Europe 2020" objectives, deepening the Single Market and stabilisation of the Eurozone and financial environment. Security and defence are mainly contextualised within an EU-NATO-Slovakia triangle. Support for increased cooperation between member states on migration, defence, and security is also reflected in public opinion polls. In terms of economic integration, Slovakia continues to be a pro-European member, endorsing the banking union, completion of the Single Market and increased coordination of budgetary policies.26 The EU regulating financial services (e.g. Financial Transaction Tax), fines for member states in debt, and overseeing state budgets are seen as effective ways to deal with the financial and economic crisis. At the end of 2014, Slovak public opinion was in favour of Economic and Monetary Union (79%), and 71% of respondents felt banking union would also be needed.27

The accession of the Western Balkan countries to the EU and a stable Eastern neighbourhood are two key foreign policy priorities for Slovakia. On its eastern border, Slovakia tries to balance support for Ukrainian sovereignty and its economic interests with Russia. Although public opinion condemns the Russian breach of Ukrainian sovereignty,<sup>28</sup> the Slovak public does not deem it necessary to change Slovak relations with Russia. The EU's imposed economic sanctions are seen as indirectly harmful for the Slovak economy.29 Slovakia is still dependent on Russian gas, hence the diversification of energy resources, alternative energy sources, and innovation are considered pivotal. This explains Slovakia's support for the Energy Union.

Even before the outbreak of the refugee crisis, Slovaks had been wary of the economic and cultural impact of immigration on their society. The percentage of immigrants in Slovakia is low (4%), contrary to the average estimate citizens, themselves, make (9.4%).<sup>30</sup> A

June 2015 survey asked respondents whether Slovakia should receive refugees from the Middle East and North Africa based on the quotas proposed by the EU. 70.1% of the respondents said "No", out of which 33.8% answered "Absolutely not". 63.4% of the respondents see the refugees as a threat to Slovak national security.<sup>31</sup> Prime Minister Fico has taken a firm stance against the quotas, vocally refusing to take in the 2287 refugees the country should welcome under the EU quotasystem, and has agreed to accept only 200 Syrian asylum seekers, under the condition that they be Christian. Slovakia is challenging the decision on the relocation of the incoming refugees at the European Court of Justice. Apart from several civic-led initiatives, welcoming support for and offering aid to the refugees, the discourse has taken nationalistic and populistic tones. The fears and concerns of citizens have played a key role in the campaign for the Parliamentary elections in March 2016, notably resulting in 8.64% votes given to the nationalist Slovak National Party and 8.04% to far-right radical People's Party of Marian Kotleba.

## According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

There are many barriers to a shared European public sphere, which have to do with the nature of the Union decision-making processes itself. In practice, the EU is an entity whose legitimacy primarily stems from the accountability of national governments to their domestic constituency. Member states' interests are represented in the Council, and ought to reflect domestic support for the decisions made at the EU level. The growing role of the EP resonates only slightly among the EU citizens. Slovak public sphere is mostly only involved in EU matters when European topics have a visible and immediate effect on the daily life of Slovak citizens. Political parties espouse few opinions on shared European questions, or merely resort to declarative statements with scarce content.<sup>32</sup> The overarching narrative is "being *part of*" the EU, rather than "being" the EU. Deliberation on European matters is confined to closed circles of professional decision-makers, mostly exempting the public and social partners.

Over half of Slovak citizens feel that they are not well informed of European matters, and less than half feel that they understand how the EU works - both indicators being somewhat above the EU average.<sup>33</sup> Moreover, Slovak citizens feel the need to have more information about the functioning of the European institutions embedded in the school curriculum. Demand for information on European topics exists, however, the media and political elites are hesitant to create a more meaningful conversation. A new approach in civic education, would therefore be constructive.

There is also a case for building a European sphere among those citizens who have lived and worked in another EU member state for a while, or have been in touch with citizens of other member states.<sup>34</sup> Not only does this break down the barriers between cultural differences. fostering understanding and acceptance of a different way of living, it also forces the involved parties to reflect on their own identities and practices. Exchanges in higher education, such as the Erasmus Plus programme for both students and teachers, can bring promising results in fostering a "European" identity. The Erasmus programme is considered by Slovaks as the fourth most positive result of the EU.

Lack of information and substantial debate, however, only partially account for the absence of a European public sphere and the EU's democratic deficit. Public support for the EU, its democratic process, functioning of institutions, and perceived benefits on the one hand, and lack of trust in domestic political actors and decision-making processes on the other, make a case for a deficit at the domestic level, rather than a lack of democratic legitimacy at the level of European Union. Domestic democratic deficit manifests itself through citizens' distrust in almost all Slovak democratic institutions.<sup>35</sup> The EU, therefore, serves as a balancing actor, a compensation of a sort, to frame the parameters within which domestic politicians ought to be manoeuvring.

## Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

When asked about the important issues facing Slovakia at the end of 2015, 24% of Slovaks responded with unemployment, 12% with health and social security, 11% said inflation and the economic situation, and 10% immigration. At the EU level, 39% of Slovak respondents to the Eurobarometer survey considered immigration to be the EU's major problem, followed by terrorism (21%), the state of Member States' public finances, and unemployment.

A European Social Model would certainly legitimise the EU in the eyes of Slovak citizens, as their country faces 13% unemployment, with vast differences across the regions and social groups. Inefficiencies in public services and healthcare weigh down the economy and increase public debt. Further fiscal harmonisation among the member states enjoys Slovak support. A Fiscal Union, therefore, with strong accountability mechanisms would be a step forward.

A "Small Business Act" could further contribute to the growth of Small and Medium Sized Enterprises, which are drivers of economic growth across Europe. Structural and Cohesion Funds are the major source for public investments, and continue to be Slovak's image of European solidarity. The Slovak educational system is in dire need of a deep reform and structural change, and European funds should certainly contribute to this.

The EU ought to take a more structured approach in its anti-corruption efforts by preparing adequate legislation to help Slovakia improve its judicial independence, reform funding of political parties, public procurement, and especially misuse of EU funds.<sup>36</sup> The Commission's Anti-corruption Report is a step forward. Nevertheless, countries still rely on international legal sources to tackle domestic corruption.

Considering all the challenges brought about by globalisation - organised crime and terrorism, along with destabilised states in northern Africa and the Middle East, resulting in the humanitarian crisis that has direct and indirect consequences for Europe - we are failing to stand "united in diversity". Events at the EU's borders and a lack of consensus on the EU's approach to aid refugees speaks of a need for a more consolidated political agreement on common migration, security, defence, and foreign policies.

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## ★ SLOVENIA

## Ana Bojinović Fenko

Learning of (Self-)Governance in the Conditions of Europeanisation

## What does your country hope to gain from its membership to the European Union?

The perception of Slovenian society regarding the benefits Slovenia would gain from its EU membership was quite uncritical during the accession process. The general public, politicians and mainstream academics all predominantly expected absolute gains in terms of business opportunities, higher quality of life and economic prosperity<sup>1</sup> on the one hand, and political assurance of democracy and the rule of law on the other hand. This preaccession perspective has remained very much present to this day (see table 1).<sup>2</sup> Slovenians believe that they mostly benefit in terms of mobility (no/less border controls), cheaper mobile calls and improved consumer rights. All these benefits are perceived far more importantly by Slovenians than by the average citizen across the 28 Member States. Additionally, Slovenians claim that they benefit more from all measures that the EU offers (compared to the EU average), except for air traffic services.

In opposition to these concrete membership related benefits, however, the generally positive assessment of the EU dropped immensely following the European economic and financial crisis. The latter hit Slovenia particularly hard, when in mid-2013 the state was on the verge of having to accept a bailout, and had to introduce several restrictive budgetary measures. As a consequence, the general perception of the EU

#### Highlights

- ★ Slovenians believe that they mostly benefit in terms of mobility (no/less border controls), cheaper mobile calls and improved consumer rights. In opposition to these concrete EUmembership related benefits, however, the generally positive assessment of the EU dropped immensely following the European economic and financial crisis.
- The Slovenian debate on the EU can broadly be summarised in two ways: the complementarity between deepening and widening the EU; and the need to strive for policies that serve the society (economic growth etc.) and citizens (for instance reinforce the EMU's social dimension).
- Slovenia supports the development of common EU curricula in primary school, but also for other education paths, such as lifelong learning. The country also supports high standards of food safety, an EU-wide universal access to public health, measures favourable to small and medium size enterprises, and the enlargement to the Western Balkans.

became predominantly negative. Before the accession in 2003 the Spring Eurobarometer poll recorded that 57% of Slovenians believed "the

EU [to be] a good thing" (equal to the combined average of the then 15 Member States and all the candidate states at that time),<sup>3</sup> whereas only 5% thought "it was a bad thing" (compared to a 10%

EU-average). This attitude was practically the same in the 2006 poll.<sup>4</sup> Conversely, the first wave of the crisis in 2009 diminished Slovenian EU-enthusiasts to 48% (compared to a 53% EU average) and increased the negative perception of the EU to 14% (compare to a 15% EU average).<sup>5</sup> Along these lines, the perception that Slovenia does benefit from the EU has dropped from 68% in 2006 to 64% in 2009 and the percentage of those who do not see benefits from the EU has risen from 25% in 2006 to 34% in 2009.<sup>6</sup> affected, as in 2006 63% of Slovenians trusted the EU and the trust kept dropping to 50% in 2009, 40% in 2012 and is currently at its lowest ebb on 37% (2014). Additionally, the percentage of individuals not trusting the EU has risen highly from 30% in 2006 to 45% in 2009, and has been level at 57% in 2012 and 2014.<sup>8</sup>

The above interpretation, of course, did not reflect on the fact that Slovenian authorities in the EU were co-shaping EU decisions, including austerity measures. This uncritical understanding of EU policy-making suited the domestic political elite, because it was reinforcing a perception in the public's opinion that positive policy outcomes are always the result of domestic politics, whereas unpopular

	No/less border controls when traveling abroad	Cheaper mobile calls in another EU country	Improved consumers rights when buying products/ services in another EU country	Less expensive flights, wider choices of airlines	Strengthened rights of air transport passengers in the EU	Living in another EU country	Receiving medical assistance in another EU country	Working in another EU country	Studying in another EU country
Slovenia	77%	62%	47%	31%	28%	25%	24%	16%	11%
EU average	52%	32%	24%	33%	22%	14%	16%	14%	11%

Table 1 Response to the question

"for each of the following achievements could you tell me whether you have benefited?" in 2014 (Source: Eurostat)

This inconsistency between individual perception of EU benefits and the general view of the EU could have partly been the result of domestic media coverage of the fiscal consolidation problem, since it was often described as "Brussels wants...", or even worse, "Brussels demands..." – which could have created a belief among Slovenians that EU membership was not only hindering Slovenia, but was in fact forcing the country down a much harder road.<sup>7</sup> Thus, in terms of trusting the EU, the perception of integration has been the most

reforms are the requirements of the Commission/the EU.

Recognising that this is not the case, the perception in the Slovenian polity is now slowly changing towards an understanding that Slovenia has to seek beneficial outcomes from EU policies via a much more active engagement in EU policy-making on its issues of key interest. A recent move in this direction can be seen in the government's more proactive stand towards the Transatlantic Trade and Investment Partnership (TTIP) negotiations, whereby the Ministry of

Economic Development and Technology has ordered a study on the impact of the TTIP on the Slovenian economy<sup>9</sup> to enable a better formulation of the Slovenian position. It is unlikely that this study would otherwise have been undertaken as the government would have been satisfied with a position of a policy-taker in a coalition of small Member States. Additionally, as a result of the crisis, a debate on the logic of EU policies and their benefits for Slovenia has been opened (e.g. Economic and Monetary Union, Stability and Growth Pact, fiscal consolidation, social-cohesion funds, Common Agricultural Policy, energy union). Namely, questions are now raised as to whether these policies provide results on grounds such as effectiveness, solidarity, economic growth and assuring positive benefits for all Member States - not only for the big ones at the expense of smaller states.

## Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

To identify the positions of the Slovenian state and society on the future orientation of the European integration project, we need to look at the interpretation of two issues, namely the internal EU policies and EU external action. The perception on these two very broad long-term EU focuses is measurable thanks to sources including the published positions of the national political parties, data from the Spring 2014 Eurobarometer and in current specially broadcast debates on EU affairs on national TV. We show that according to the Slovenian perception, the internal focus on EU policies is much more present in comparison to the EU's role as a global actor, except in the case of enlargement to the Western Balkans. The two core elements that define the EU as a clear project in both aspects however, are a) its values

and rules which were jointly established by the EU society, and b) its economic integration, as well as the strong social dimension for individuals and the solidarity principle among Member States.

Looking at the national political parties' programmes of action for the current parliamentary mandate (2014-2018), one can firmly claim that they pay very little attention to EU affairs. There are differences between parliamentary parties, which also have Members of the European Parliament (MEPs) among their partisans, and those that do not, as well as differences between parliamentary and non-parliamentary parties. There are four parliamentary parties who also have MEPs, namely: *Demokratična stranka* upokojencev Slovenije - DESUS Democratic Party of Pensioners of Slovenia), Nova Slovenija - NSi (New Slovenia), Socialni Demokrati - SD (Social Democrats) and Slovenska demokratska stranka -SDS (Slovenian Democratic Party). Their programmes only refer marginally to the EU and even the SDS mostly concentrates on the role of Slovenia in the EU and not on the perspective of the EU as an integration project in itself. However, some inclinations towards the understanding of the core nature and goals of the EU project can still be identified (see below). The other four parliamentary parties, who do not have MEPs among their own membership, hardly pay attention to the EU at all save for Zavezništvo Alenke Bratušek - ZAB (The Alenka Bratušek Alliance). The other three are Stranka Modernega Centra - SMC (Party of the Modern Centre), Pozitivna Slovenija - PS (Positive Slovenia) and Združena levica - ZL (The United Left). Two political parties have MEPs but do not participate in the national parliament, Slovenska ljudska stranka – SLS (Slovenian People's Party) and Verjamem (I

believe). The latter, very surprisingly, does not even mention the EU in its manifesto.

In terms of the EU internal integration (process and policies), political parties mostly express the role of the EU as a guarantor of peace in Europe. This corresponds with 54% of the general public who believe this is the most positive result of the EU.<sup>10</sup> In this value-based context, parties also express the EU's role in assuring democratic values (DESUS,<sup>11</sup> NSi,<sup>12</sup> SD,<sup>13</sup> SDS<sup>14</sup>). Another equally important focus of the EU project is economic integration which provides for prosperity on the basis of the solidarity and social security of citizens, and is emphasised by both right and left leaning parties (NSi, SD). This view is supported by the general public; 63% of citizens state that internal market freedoms are the most important result of the EU, including the euro (43%), and the economic power of the EU (26%), which are all about 10% higher than EU average.<sup>15</sup> The level of social welfare already achieved is however perceived as the most positive result by only 17% of the population (18% being the EU average) The single market, economic and monetary policy and social policy were also the most important areas for the EU's potential future orientation according to Slovenian citizens in 2012 (all far above the EU average).<sup>16</sup>

The parties thus definitely agree that, in its future policy-making, the EU needs to find a necessary balance between deeper economic integration and solidarity, while both policies need to assure individual citizen's social security. Other issues expressed in terms of the future orientation of the EU internal integration project are, its values of cultural diversity in Europe (NSi),<sup>17</sup> and necessary changes in its policy process regarding institutional rationalisation, in order to make the EU more accessible and understandable to its citizens (DESUS)<sup>18</sup> (SLS).<sup>19</sup>

In terms of the EU as a global actor, parties focus much less on this aspect of the EU. Other than the fact that it should have a stronger say in the world, for example strengthening its role as a global actor through strategic partnerships and international organisations (SLS),<sup>20</sup> the parties do not have a unified perception of which fields the EU should prioritise in its external action. Left wing parties express the EU's global responsibility for balanced international development (SD<sup>21</sup> and DESUS<sup>22</sup>), whereas other parties focus more on the EU's neighbourhood, believing the EU should focus on enlargement to Southeastern Europe (SDS),23 and become a proactive actor striving for peace along its external borders (ZAB).24

To illustrate the current (expert) civil society perception of where the EU project is headed, we will analyse the most relevant programme about international relations in Slovenia, called "Globus".<sup>25</sup> In 2015, 24 shows were broadcast of which 11 focused on the EU. The largest audience (6,365 views) followed the broadcast about wiretapping in The Former Yugoslav Republic of Macedonia in May 2015. This was related to the EU enlargement context, which has been a high priority on the domestic agenda as a result of strong links across civil society, business and culture.

The rest of this analysis will focus on three EU internal integration issues: "Grexit" with 642 views, "Luxleaks" with 254 views and "Brexit" with 185 views. On 6 January 2015<sup>26</sup> the focus was on the Luxembourg Leaks with Jean-Claude Juncker at the centre of attention. Slovenian civil society was concerned because Juncker was talking about introducing more ethical standards into European tax regimes, while multinational corporations in Luxembourg had established sophisticated systems through which they avoided paying taxes, which had led to unfair competition in the field of taxation during Juncker's premiership.

The second broadcast, held on 17 February 2015, presented a discussion about the new government in Greece.<sup>27</sup> The focal point was its unwillingness to compromise with the EU, trying to play off the EU institutions and Member States, to no avail. There was a strong common view expressed that, while Slovenia is actively dealing with its own financial consolidation, it can also show a high level of solidarity with Greeks, but it will not tolerate rule breaking, which should be binding for all. In Slovenia, fiscal consolidation has been taken very seriously, and it is clear that the government follows EU advice verv thoroughly, having introduced the fiscal "golden rule" into the Constitution in 2013. Thus, "Grexit" scenarios and the referendum on EMU have exposed a hardened stance among Slovenian citizens and the government towards Greek inclinations to avoid reform efforts. Slovenia does deliver on the principle of solidarity, however, and believes that Greece should similarly perform its membership obligations. As the Slovenian Prime Minister Miro Cerar noted, "The European rules and principles should apply to all."<sup>28</sup> Along these lines the third broadcast, on 12 May 2015, centred on "Brexit",29 showing that the British exit is not supported by Slovenian society, as people understand that cherry-picking from EU policies on the basis of national interest is no way to build an EU that is strong internally and externally.

The EU should thus assure that its future orientation is evident and recognisable to domestic and foreign publics and that respect of it rules is assured and it is clear when they are binding on all EU Member States, irrespective of their size or *de facto* influence. Of key importance for Slovenians are rules on the social security of individuals and interstate solidarity, which should not be abused.

## Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Two grand debates illustrate the Slovenian discussion on the desired degree of EU integration; deepening vs. widening of the EU and fostering prosperity of society vs. the individual. They both stem from the perspective of Slovenia as a small power globally and within the EU, as well as being an export-oriented economy and having a Central European and Mediterranean identity. The above dilemmas are mainstreamed in Slovenian debates on internal EU policy issues and EU external action, and are thus taken into consideration in more detail below.

Deepening vs. widening of the EU. The most up-to-date national strategy on foreign policy identifies (in the Preamble) the EU as "the fundamental value-based and political framework for assurance of prosperity and basic rights."30 Additionally, it lists "a competitive, deepened and widened EU being a key global actor" as one of the six Slovenian general foreign policy goals. Furthermore, explicit support for the EU enlargement in the Western Balkans is accentuated as a more concrete priority area of action. These general foreign policy stances point to Slovenian support for both the enlargement and deepening of the European integration process. They were confirmed as complementary processes in the national Declaration on guidelines for Slovenia's action in the EU

institutions in 2015,<sup>31</sup> which stresses that "as [the] Slovenian economy is export-oriented, support for deepening the Union is of key importance".<sup>32</sup> Furthermore it states that Slovenia will strive for suitable EU attention to be given to the Western Balkans enlargement.

Slovenia would especially like to see a deeper EU integration in four areas. It would welcome more fiscal integration, coordination of economic policies and strengthening of the economic and monetary union, including the strengthening of its social dimension. It supports the completion of the internal market of goods and services, especially fostering a positive business environment for small and medium sized enterprises. It backs a more ambitious research and innovation policy. Slovenia intends to commit at least 3% of GDP to research and development, and will try to fully profit from the existing EU instruments, such as Horizon 2020, through flexibility. Slovenia wants the complete integration of the internal energy market, and promote a holistic approach to energy policy in all aspects, including foreign policy.

On the other hand, Slovenia would like to see the implementation of the principle of flexibility in three areas. In the environmental policy, the EU should take into consideration the specific economic and financial situation of individual Member States. Slovenia would like a more flexible climate-energy legal framework, which would take into consideration national particularities and the specifics of individual sectors when determining the measures for individual Member States. Lastly, Slovenia has succeeded in building a coalition of new Member States to gain support for the initiative Widening participation within Horizon 2020 that assures new Member States (which joined in 2004, 2007, 2013) extra funds in research projects due to their objective limitations for

equal participation in research networks and projects.<sup>33</sup>

Fostering prosperity of society vs. the individual. Another political trade-off that Slovenia wants to see passed within the EU is the prosperity of society vs. the individual. The Slovenian state will support all policies aimed at economic growth and employment that assure the sustainable development of society and individuals.<sup>34</sup> For example, Slovenia believes that the further implementation of Strategy Europe 2020 and the European Semester would lead to greater economic growth and competitiveness, while at the same time improving the labour market conditions and social welfare of Slovenian citizens. Similarly, the state will highly promote strengthening the economic and monetary union under the condition that it includes the strengthening of its social dimension.<sup>35</sup> The national Declaration refers to one of its goals as "Republic of Slovenia for the Union custom made for an individual," where it explicitly states that solidarity and austerity are not mutually exclusive, but have to be made complementary.36

# According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

In Slovenia, EU affairs are covered by media (TV and internet news providers) within foreign policy issues and only one internet portal provides a special section of news on the European Union – the national multimedia portal Radio-Television of Slovenia Multimedia Centre (RTV MMC). The latter offers individual sub-pages in political affairs titled Slovenia, the World and the European Union. However, the visits to the World section far surpass those for the European Union. Statistical data from RTV MMC shows that during the March-June 2015 period, the Slovenia sub-page listed 777,327 visitors compared to virtually the same number of visitors for the World news subpage (705,123), but the EU sub-page only registered around one-fifth of these visitors (166,414).37 Additionally, the time spent on the individual subpage shows a similar lower interest in EU affairs; Slovenia and the World news being read on average for about three minutes by individual visitors and the EU news only for two minutes.<sup>38</sup> This points to a finding that the media still perceives the EU to be a foreign issue and that Slovenian citizens do not pay attention to EU politics or EU policies in the context of Slovenian involvement, but rather think about the EU in an external political context, as imposed from outside the national space.

This situation does not only pertain to Slovenia but is generally (re)produced by media nationalism; mass media have always been inclined to produce a unitary national public. "Even today, when confronted with the increasing fragmentation of media spheres, mass media continue to guarantee the symbolic integration of the nation as a community of communication that talks or that 'gossips' about the same topics of relevance."<sup>39</sup> To surpass this problem, what is needed is not necessarily a new medium, but a new form of media coverage, as some analysts have duly noted: "A decentralised and cosmopolitan system of governance without centralised power should be supported by [a] transnational public sphere as an arena for public debate, focused on social interaction promoting solidarity."40 This means that first, the national coverage on EU affairs should change the view of EU affairs from an external to internal issue, and second, the substance of the coverage should be EU-wide on cross-national issues. For example, student life in any EU Member State is of relevance to other students no matter their EU citizenship.

Other such EU-wide news target groups could be young people, job seekers, farmers, SMEs, all public service officials, consumers, etc.

Another example pertains to the possibility of national governments' involvement in the transnationalisation of the public landscape, namely via common coverage of debates among *Spitzenkandidaten* before European Parliament elections on all national public TV networks. Perhaps this would also make sense with more periodical events, such as the closing of the EU budget in the European parliament every year. The effect of this one-time-a-year EU event could be compared to the symbolic integration effect of the Eurovision song contest broadcast.

## Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Some ideas on policies which would largely help legitimise the European project among its citizens are identified on the basis of Eurobarometer 2014 results and the national strategy for action in the EU institutions in 2015. Initially, it is relevant to point out that, not only policy areas, but the policy process itself needs legitimation for individual policy measures to bring de facto positive results, and the latter's positive perception with the EU citizens. This pertains to Slovenian support for "stronger mechanisms for assuring democratic legitimacy and responsibility of decisions in the common union,"41 and "for a greater efficiency and transparency of EU action, e.g. simplification of rules and lowering the administration burdens at the EU and at the national levels".42 These ideas include the following areas.

*Common EU curricula in primary schools, education (e.g. more university joint degree programmes), professional qualifications, and lifelong learning.*<sup>43</sup> Slovenian universities have been actively participating in the Jean Monet 'EU at school' programme, initiated in 2011, which provides lifelong learning on EU affairs to teachers and students in primary and secondary schools, and which has a very wide dissemination.<sup>44</sup>

*High standards of food safety.* Slovenian agricultural goals include self-sufficiency, especially in terms of ensuring sustainable development and promoting the green economy, which are two areas where both producers' and consumers' values coincide. The state will "most firmly stand against lowering the already achieved standards of food safety and quality to protect the environment and consumers".<sup>45</sup>

*EU-wide universal access to public health.* Slovenia sides with those EU Member States that argue for the principle of universal EUwide public health, accessible to all citizens.<sup>46</sup> According to the October 2014 data published in Eurobarometer on cross-border health-care in the EU, 59% of Slovenians would be interested in travelling to another EU Member State to receive medical treatment, compared to 33% for the EU28 average.<sup>47</sup>

Positive measures for small and medium sized enterprises (SME) pertains to the peculiarities of the Slovenian domestic landscape, as a small and open economy. The measures might include better participation in large research projects on technology innovation where Member States pay contributions, but where smaller (financially weaker) Member States fail to do so (e.g. European Space Agency).

*Enlargement to the Western Balkans* pertains to the strong societal links between peoples from the Western Balkans and Slovenian citizens. There is strong support in Slovenia for a visafree regime with non-member Western Balkan states, which would definitely further support measures to bring the citizens of this area closer into line with the EU market and society during the accession processes of the applicant/candidate states, in the spirit of a united Europe.
### Endnotes

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16. European Commission, Standard Eurobarometer, No. 77, *op. cit.*, pp. 89-90. Q: In your opinion, which aspects should be emphasized by the European institutions in the coming years, to strengthen the EU in the future? Slovenia: The single market 33% (15% in EU-27), social policy 36% (26% in EU-27) and economic and monetary policy 46% (43% in EU-27).

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### **SWEDEN**

### Aras Lindh

### Mind Rather Than Heart in EU Politics

# What does your country hope to gain from its membership to the EU?

Being a relatively new member state in the EU, the Swedish decision to join the union in 1995 can probably best be described as a pragmatic move, made by the mind rather than the heart. It was not as much the hope of gaining something that led to the decision, but rather the fear of being left out if it did not. As it was only two decades ago, it is relevant to say something about the context in which Sweden entered the EU.

In the early 1990s, Sweden suffered from its to-date most serious financial crisis since the 1930s. Due to the fixed Swedish currency, the banking and housing sectors seriously suffered from the crisis. The GDP decreased until 1993 and investments in the Swedish economy were few and far between. It was in this context that a plan for Swedish EU membership was launched as part of a larger crisis package to stabilise the Swedish economy. It was, however, not an obvious step for Sweden to take. In the referendum on EU membership, 52.3% of the population voted in favour of an accession, while 46.8% voted against. Being an export-dependent country, the yes-side argued that access to the single market would give renewed energy to the Swedish economy while critical issues to Sweden, such as keeping its neutrality policy, would not be affected.

### Highlights

- The Swedish decision to enter the EU was not based so much on the hope of gaining something, but rather on the fear of being left out if it did not. It was probably the desire for a 'negative safety' that made the Swedes vote in favour of the EU as the alternative cost would probably have been too high.
- ★ Many think that their cutting-edge welfare system and high living standards could be lost as a result of deeper EU integration. This hesitancy towards the EU explains a relative knowledge discrepancy on the EU in the country. Overall, Sweden displays both a degree of satisfaction with its current level of integration (especially its nonmembership to the Eurozone) and a diffuse euroscepticism across the society.
- ★ To strengthen the EU's image in Sweden requires concrete projects, rather than abstract symbols. A stronger Common European Asylum System would be a prime example of such a project. Overall, any policy from the EU which would positively affect Swedes could decrease scepticism.

Sweden has historically based its foreign policy on the principle of non-alignment in peacetime and neutrality in wartime, which adds to the reasons why it did not apply for membership earlier. In the new geopolitical situation that evolved after the Cold War, it was now possible to move towards the EU, officially without its neutrality policy being affected. Whether or not Sweden has maintained its non-alignment policy can of course be discussed. Although not a member of NATO, Sweden participates in it through the Partnership for Peace programme for nonmembers. In fact, some would even argue that investments in the EU are a way to compensate for the fact that Sweden is not a member of NATO. As Sweden is not a member of the G20 or the UN Security Council either, the EU is today the only foreign policy arena it has access to.<sup>1</sup>

In short, the Swedish decision to join the EU was pragmatic rather than ideological. It was probably the desire for a "negative safety" that made the Swedes vote in favour of the EU as the alternative cost would probably have been too high. This position has been maintained to this date - the current Centre-Left Swedish government's position towards the EU is still characterised by halfhearted pragmatism. Sweden is usually critical to supranational mechanisms, but being one of the largest recipients of asylumseekers per capita in Europe, its pragmatic position was clearly displayed when it welcomed the decision to redistribute another 120,000 asylum-seekers in addition to the previously agreed 40,000 around the 28nation bloc, against the will of Hungary, the Czech Republic, Romania and Slovakia.

The Swedish self-image is based on being a well-developed country with a cutting-edge welfare system and high living standards. Many Swedes think this could be lost with a deepened EU integration. The resistance to it is, accordingly, relatively high. Joint EU symbols, such as the EU flag or the EU anthem, are not considered to be Swedish symbols by the public.

This being said, there are policy areas important to Sweden where it would like to seek a deepened cooperation among the EU member states. In Sweden's overall priorities in the EU 2015, the government emphasises the need to cooperate at European level in order to tackle unemployment, the labour market, an ambitious climate, energy and environmental policy, the asylum system and equality.<sup>2</sup> These priorities are strongly rooted in time. Sweden received twice as many asylum seekers in 2015 compared to 2014.3 It pushed for a strongly supported agreement during the COP21 negotiations in Paris, and it has managed the financial crisis in 2008 better than many other European countries.

# Do you think that the EU appears to be a clear project in your country? If not, what are the main reasons?

As regards the EU, there seems to be quite a large knowledge discrepancy between the wider Swedish public sphere that has relatively little knowledge about the EU, and the state authorities, which are well-known for their high level of knowledge and expertise. There is an explanation to this paradox, related to the same discussion that preceded the Swedish accession to the EU. The pragmatic and hesitant accession keeps the public commitment to the EU limited, although the single market and free movement are often taken for granted. At the same time, the Swedish state bureaucracy is well-developed and resourced with a high level of proficiency, which has given it advantages when working on EU issues.

The debate on the European Union in national media is sparse, which adds to the low

level of clarity among the Swedes. This was embarrassingly obvious during the 2014 elections to the European Parliament. Several topics in the election campaign that were brought up and widely discussed actually belonged to the competency of the Swedish Parliament and the Swedish government or other institutions, such as whether or not Sweden should join the EMU, leave the EU or work for a change in the EU treaties.<sup>4</sup>

Moreover, in terms of clarity, it is worth highlighting that Sweden is among those countries that pay more to the EU than it receives. Signs of, for instance, infrastructure projects that have been funded with the help of the EU are rare in Sweden, which makes the EU less visible to the Swedes in general. History seems to be another important factor. Unlike many European countries that have an authoritarian past, the EU flag and other EU symbols do not function as a guarantee of democracy in Sweden, as it already has a long history of being one.

An embedded scepticism towards the EU, perhaps due to Sweden's geographical position, can be seen among the Swedes, who frequently perceive the EU as something distant and bureaucratic. The so-called 'adult liberal education associations', which are often tied to civil society, such as the left movement's ABF, have historically played an important role in fostering awareness about contemporary issues in the Swedish society. They have, however, shown little interest in the EU, most likely as they are connected to political parties (see below), which clearly shows that the lower the engagement, the less effective the knowledge-building process consequently becomes.

### Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Asked about their preferred level of integration, there are certainly differences in the view among the eight dominating parties in Sweden. These differences are, however, not very far from one another, and most parties seem to be quite satisfied with the level of integration Sweden has today. There are only few exceptions to this; while the Liberals (ALDE Party) are pushing the most towards deeper integration, and even talks about federalism, only the Leftist Party (GUE/NGL) would, eventually, prefer a "Swexit". The Greens (Greens/EFA) and the farright Sweden Democrats (EFD) are the ones arguing most for less integration, although from different standpoints.

The pragmatic stance Sweden took when it joined the EU is still present. The support for joining the EMU is very low. In a Eurobarometer from 2014, 77% of Swedes actively opposed the euro, a probable explanation for this is the fact that 97% of the Swedish respondents in the same survey claimed they were satisfied with their standard of living.<sup>5</sup> Other factors such as the financial crisis in 2008, probably add to the scepticism, especially as Sweden was not directly affected by the crisis, assuming the reason for this was because it stood outside the Eurozone. Sweden does not, in principle, object to the Eurozone integrating and cooperating further, but although the interest to join is low, the Swedish government still does not want to risk losing influence, which was clearly illustrated when it signed the Fiscal Compact in 2012.

Moreover, the Swedish Parliament has, in recent years, been one of the most active Member States, alongside the United Kingdom and Austria, in using the principle of subsidiarity in European Commission legislative proposals to make sure that decisions are taken as close to the citizens as possible.<sup>6</sup> Indeed, the number of Swedish reasoned opinions decreased in 2014 to two, from nine in 2013, but this should, according to the Commission, be seen in light of an overall decrease in the number of legislative proposals towards the end of the term of its office in 2014.<sup>7</sup>

As mentioned above, the Swedish self-image of being a well-developed country with a great welfare system is, perhaps naturally, affecting the stance of its political parties on EU integration. However, there are exceptions to this. The current coalition government, led by the Social Democrats (S&D) and the Greens (Greens/EFA) has - in line with Sweden's traditional mainstream view on the EU suggested deeper EU integration, but only in core policy areas for Sweden, where it is obviously dependent on the other member states. Trade, a common asylum system, immigration, climate and energy policies are examples of such core policy areas where deeper integration is preferable from the Swedish government's perspective.

The Swedish pragmatism also brings another dimension to Swedish ambitions for integration. Sweden tends to seek cooperation on the level it thinks its ambitions can best be fulfilled. Sweden has, for instance, a long history of cooperation with its Nordic neighbours, which sometimes makes the relevance of the EU limited from a Swedish perspective. Sweden is also part of the so-called Northern Future Forum, which is an annual informal meeting between government representatives and the business community in the Nordic and Baltic countries along with Great Britain. It can indeed also be perceived as

a way of building alliances among like-minded EU members of this group.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

In the case of Sweden, it is clear that flags, songs and other symbols will hardly have any impact at all in strengthening the idea of belonging to a common European public sphere. What matters to the Swedes in general is rather *realpolitik* – a stronger Common European Asylum System (CEAS) would be the best example in this regard. In 2015, Sweden received almost 163,000 asylum seekers according to the Swedish Migration Agency, compared to 81,000 in 2014.8 Swedish politicians have proudly presented their country as a humanitarian superpower ever since WWII, and they have tried to stand by those principles even at a time when other member states have not, and when the Dublin regulation on asylum seekers has been put aside. This unsustainable situation has recently forced the Swedish government to ultimately make a U-turn in its asylum and migration policies, now only committing to a minimumlevel according to EU rules and other conventions of public international law. The Swedish Prime Minister has, on several occasions, stressed the importance of finding common solutions to common problems at the EU level, which can also be applied to other policy areas where Sweden is dependent on the EU, such as trade (being an export-dependent country) and climate.

Erasmus and other similar reforms have traditionally been portrayed as positive examples of things that can be achieved on the EU level. However, interest in the Erasmus exchange programme has decreased for the first time (see Figure 1),<sup>9</sup> which can be at least partly explained by domestic factors. The ever more competitive Swedish labour market has come to make people question the value of exchange semesters in Europe, as many students might fear it is simply a waste of time. From this, an overarching 'rule' can be identified; when the domestic situation becomes somewhat uneasy, external opportunities become less prioritised. Another example illustrating this unofficial rule In order to enhance the notion of belonging to a common European sphere, the need for common platforms for EU debates has often been stressed. The internal EU debate in Sweden is very low, and views from other member states within this debate are almost non-existent. Whether or not such a debate would enhance this notion is contested. What used to be the case a decade ago does not necessarily need to be the case today. What can



Figure 1 Outgoing students from/incoming students to Sweden within the Erasmus programme between 2007/08 and 2013/14 (source: European Commission)

can be found by looking at the Swedish government's decision to temporarily reinforce border controls, officially in order to regain control of who enters the country. The single market and the Schengen Area are usually what matters the most to Swedish people,<sup>10</sup> but when the inner balance gets destabilised, support for traditional EU symbols such as Schengen immediately decreases. In а recent Eurobarometer survey, immigration and unemployment were considered the two most important issues among Swedes.<sup>11</sup> The resistance towards the decision to temporarily step away from Schengen was very limited, although the border-free environment is usually what Swedes appreciate the most.

still be said, however, is that Swedes prefer to see actual advantages that come from the EU, which is often perceived as something bureaucratic located in continental Europe, and which Sweden only has limited access to. Accordingly, political reforms that would affect the average Swede in a positive way can make the scepticism decrease. Abolished cell phone roaming fees, for instance, is a good example where the understanding for what the EU can bring, and the notion of belonging to a European sphere would increase.

Thus, it is reasonable to assume that the legitimacy could be measured in output terms. This, however, requires that there are politicians and journalists who would give the EU credit when credit is due, which today is too rarely the case. When the EU decides on something that would affect Swedish citizens positively, national politicians tend to present it as a negotiation success, while the EU is most often blamed for negative decisions. The Swedish exemption from the EUs relocation scheme agreed in September 2015,<sup>12</sup> whereby 160,000 asylum seekers are to be relocated proportionally among the member states, serves as a recent example of a situation that was portrayed as a governmental negotiating success.13 Similarly, the Swedish parliament intentionally delayed the implementation of the Data Retention Directive by almost seven years until Sweden was fined for not implementing it.14

To conclude, the Swedes need to see tangible benefits as a direct result of their EU membership. Only then would the notion of belonging to a common European sphere increase. Abolished roaming fees and benefits for students, such as the Erasmus exchange programme are both good examples. Otherwise, there is an imminent risk for decreased legitimacy, not least with new generations growing up. It is important that such reforms take place on a regular basis, as most reforms would be perceived as something temporary and the positive effect would quickly fade away.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Sweden has a somewhat schizophrenic view of the EU. It likes to cherry-pick from the EU policy buffet: it does not want to join the EMU but is less hesitant towards the banking union, not least as Swedish banks are closely integrated with the rest of Europe.<sup>15</sup> Yet, there is a fear that the decision-making in the banking union will be based on the European Central Bank's board. On the other hand, Sweden sometimes tries to elevate issues to EU-level for national purposes, such as in the case of immigration and environment policies, while merely suggesting the possibility of common EU taxes would set alarm bells ringing in Sweden. These examples clearly demonstrate Sweden's overarching view of the EU. It can therefore be concluded that there is no guiding principle to the Swedish position. It is either Swedish core issues, such as trade and immigration, or Swedish pragmatism (i.e. situations where Sweden alone cannot solve a common challenge) that determine when policies tend to get elevated to the EU-level. For example, when joining the union, it was virtually impossible to suggest a commitment to the Common Foreign and Security Policy (CSFP). Yet, to a somewhat limited extent, the situation today is different and the support for the CFSP is relatively strong. Sweden is a strong advocate of a strong European Global Strategy to guide the CFSP and Common Security and Defence Policy. Sweden is now also openminded about the prospect of using EU delegations abroad for consular purposes, but only in places where it has no national delegations itself.

To elevate an issue to the EU-level is often a stepping stone for politicians who seek leverage. The EU is used as a tool whenever it is considered pragmatic for national policies. In policy areas where Sweden considers itself to be a forerunner, such as on climate and environment policy, immigration policy and equality, it tries to reach out as far as possible. A dominating view, however, is that Sweden is only a small country in northern Europe with limited options to influence wider policy matters. The mainly intragovernmental structure of the EU and the need to reach consensus adds to the Swedish perception that it is often difficult to affect the EU policy-making structure.<sup>16</sup>

To conclude, the utility of EU cooperation needs to be demonstrated almost immediately in order to better legitimise the EU. The overarching view, along with the cherrypicking, shows that Sweden most likely will not invest in complicated issues that would take 20 years to implement. It is, probably, this view that prevents the EU's legitimacy from growing stronger in Sweden, as the large principal policy areas are consequently being avoided, either due to Sweden's half-hearted engagement or due to the difficulty of affecting the EU level. If such issues would better legitimise the EU, it is accordingly necessary that the EU does not become a political battlefield for national interests, but rather promotes common European interests.

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### ★ UNITED KINGDOM

### Louise Borjes Anand Menon

### Still the Odd Man Out?

# What does your country hope to gain from its membership of the European Union?

Perhaps the single fundamental difference between British perceptions of its membership of the EU and those of most of its partners is that, for most in Britain, the relationship is seen in transactional terms. Whilst primarily an economic instrument, European integration in all other Member States serves a fundamental political purpose. In the original six, that purpose was to preserve peace; in the southern European states, the EU is associated with the establishment and preservation of democracy; in Central and Eastern Europe with the escape from communism and "return to Europe".

For the British people, on the other hand, membership of the European Union was always sold as an economic decision taken for economic reasons. There are many possible explanations for this. One is that Britain emerged from the Second World War victorious and hence had no need for the profound soul searching about its system of government or place as a nation that others endured. Another is that the United Kingdom (UK) entered the EU at a time of almost unprecedented economic dislocation and membership was seen simply as a means of addressing this. Whatever the reason, the transactional nature of British views on the EU profoundly shapes expectations about European integration. For one thing, British attitudes towards integration are marked by a "cost-benefit" striking element. The

### Highlights

- ★ For Britain, membership of the EU is seen in largely transactional terms. Joining and remaining in the EU was always sold as an economic decision taken for economic reasons. Therefore, concepts like "political union" mean very little in the UK. Even the idea of the EU being a "project" has little echo.
- Unlike most other Member States, the optimal development of the EU would be no development at all, or developments that unpick existing areas of EU activity. The UK indeed favours the status quo in integration with the single market as the core of its membership.
- ★ Issues, such as a European public sphere or policies to further legitimise the EU, have very little appeal in the UK. The British press stands among the greatest obstacles to fostering a greater sense of belonging to a European public sphere and debates focus more on the illegitimacy of the EU as a political system than on how to correct it.

government tends to support initiatives that it expects to bring practical benefits. Revealingly, the decision on whether or not to enter the euro under Tony Blair was taken after precisely such an exercise: the five economic tests subjected the issue of euro membership to rigorous empirical analysis in 2003.<sup>1</sup>

Similarly, the prime case for British membership of the EU has long been, and remains under David Cameron, the single market. It was, after all, the British duo of Margaret Thatcher and Lord Cockfield, then Commissioner for Internal Market, who had pushed hard for the creation of this single market in the first place.<sup>2</sup> The UK has played a leading role in the development of the single market and associated market liberalisation.<sup>3</sup> Therefore concepts like 'political union' mean little on this island. Because the EU is seen in economic terms, a failure on its part to deliver economic success becomes a reason to question membership.

Moreover, bargaining for a more open market comes at a price. In exchange for market liberalisation the UK has found itself having to accept legal arrangements regarding, for example, the free movement of people that the UK alone would not have implemented.<sup>4</sup> The development of more explicitly "political" aspects of what was seen as a market building exercise has strongly affected the cost-benefit calculation carried out by many in this country.

### Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

Continuing from the above, there is clarity about what European integration should involve in Britain, but that stands in contradiction to any idea of it being a "project". Insofar as European integration is seen as a "project" at all in the United Kingdom, this tends to be a line propounded by eurosceptics anxious to warn of the development of a "European superstate". One manifestation of this has been the demand by David Cameron, as part of his strategy to "renegotiate" British membership, that the UK cannot accept the commitment to "ever closer union" contained in the treaty.<sup>5</sup>

Moreover, different areas of British society support European integration for different and on occasion contradictory reasons. Thus, much of the business and financial services communities are broadly in favour of British membership, but fully support David Cameron's attempt to make the EU more competitive, and to cut what they see as burdensome red tape and regulation. However, according to some surveys, only a handful of businesses would openly advocate for staying in the EU, largely because of fears of alienating eurosceptic consumers.6 Other groups, such as Business for Britain, have been created to campaign in favour of changes in the terms and conditions of Britain's EU membership, failing which they would militate for a British exit.7

In contrast, British Trade Unions have largely been in favour of integration since Jacques Delors, then President of the European Commission, attended the TUC conference in 1988 and sold them the vision of a "social Europe" involving the kinds of social and employment regulation that the Thatcher governments were committed to scrapping. The Unions remain committed to regulations that David Cameron aspires to get rid of, such as the Working Time Directive.8 The nature of the Prime Minister's "renegotiation" strategy has led some trade unions to became more sceptical about EU membership - the Transport Workers' Union RMT has already stated its intention to campaign against membership of the "pro-austerity, antiworker" EU.9 Any intention to include the scrapping of the Working Time Directive the Prime Minister's approach to renegotiation would have alienated trade unions, which

could have even considered campaigning in favour of exit.  $^{10}\,$ 

### What degree of integration seems adequate to the position and ambitions of your country both politically and economically?

One of the reasons why the UK differs from its partners may, on the surface, appear paradoxical. Ever since the 1990s, Britain has been largely satisfied with the EU status quo. A Union with minimal foreign policy powers that centred largely (for non-euro members) on the single market was an EU that the UK was relatively comfortable with. This was, after all the Europe so eloquently outlined in Margaret Thatcher's now infamous speech to the College of Europe in September 1988.<sup>11</sup>

Thus, unlike most other Member States, the optimal development of the European Union would be no development at all, or developments that unpick existing areas of EU activity or competence in which the UK has no interest. Prime Minister Cameron has, during the course of the debates that have occurred since his 2013 Bloomberg speech (in which he first promised a referendum on membership), made this abundantly clear. The various ideas floated in these debates that would need to form part of the promised "renegotiation" have included: limits to the principle of labour mobility (epitomised in talk of limiting the right of migrant workers to in-work benefits); reducing the amount of "red tape", "regulation" produced by the European Union; the introduction of a "red card" procedure to allow national parliaments to block proposed EU legislation, strengthening national parliaments in the EU; and the repatriation of some EU competences to national level.<sup>12</sup>

There are also concerns about further integration extending to areas in which the UK does not formally participate. Thus, another key demand of David Cameron has been the need to avoid further integration in the Eurozone adversely affecting non-euro Member States.<sup>13</sup> The dangers here were spelled out by former Chancellor of the Exchequor Nigel Lawson:

"Not only do our interests increasingly differ from those of the Eurozone members but, while never 'at the heart of Europe' ... we are now becoming increasingly marginalised as we are doomed to being consistently outvoted by the Eurozone bloc."<sup>14</sup>

The two camps of the EU referendum debate focus on the ability, or inability, of Britain to wield influence in Brussels. Those in favour of a Brexit argue that Britain has little or no influence and argue that Britain will flourish outside the EU.<sup>15</sup> On the other side of the debate, promembership supporters have argued the opposite – claiming that Britain has long been an influential member of the EU.<sup>16</sup> This was also the overall verdict in the Balance of Competences Review of EU membership carried out by the UK Coalition government in 2014.<sup>17</sup>

Even in those areas where Britain has, in the past, exercised a leadership role, this is no longer the case. In the area of defence and foreign policy, the UK, together with France, took a lead in creating the Common Security and Defence Policy (CSDP). Since then Britain has been central to the development of the Battlegroup concept.<sup>18</sup> The 1998 UK Strategic Defence Review stated that the country is "a major European state and a leading member of Union".19 Subsequently, the European however, British interest in European Union foreign and security policies has waned significantly, with London frequently playing the role of lone opponent of further integration, notably in its opposition to the development of an EU operational headquarters.

### According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

Frankly, this is hard to envisage in the United Kingdom. The majority of supporters of European integration in this country reject the notion of a common European public sphere outright. European integration is seen in cost benefit terms as a purely transactional means of improving economic performance and explicitly not as the creation of a new level of public or political authority. Not only are British political leaders reluctant to foster the sense of a common public sphere, but there is little evidence to suggest that the public would be receptive to such ideas even if they were. For example, a poll from June 2013 shows that a clear majority of those voting in favour of membership would consider voting for a Brexit if a higher degree of integration was forced upon the UK - especially any integration relating to the Eurozone.<sup>20</sup>

One reason for this is the attitude of the British press, which provides highly limited coverage of the European Union. Perhaps more importantly, large sections of the British popular press are resolutely hostile in tone towards the EU. This does not necessarily imply that popular newspapers are in favour of Brexit. It remains to be seen which of the tabloid press (apart from the *Daily Express* which, alone, supported UKIP in the recent General Election)<sup>21</sup> will campaign for a British exit. Yet, whatever editorial decisions are taken, the fact remains that the tone adopted by the press when discussing the EU is one reason helping to explain why the British people

simply do not think in terms of the development of a common European public sphere.

This will become abundantly clear as the campaign ahead of the referendum gathers steam. Perhaps more revealingly, promembership campaigners will almost certainly base their arguments on the dangers of exit rather than on the advantages of being engaged in the European "project". The lack of a positive narrative in favour of membership will become obvious in the run-up to the referendum in June. At the other end of the spectrum, the pro-Brexit side will emphasise the economic costs of EU membership while arguing that that intra-EU migration has negatively affected welfare provision in the UK. One of the major political successes of the UK Independence Party (UKIP) in recent years has been its ability to link the issues of Europe and immigration in the minds of voters.<sup>22</sup>

It should be stressed that, even if Britain decides to stay in the EU, discussion of the costs and benefits of integration will continue. The precedent of the Scottish independence referendum in 2014 illustrates all too clearly that a popular vote does not necessarily put an end to discussion of an issue. And the success of the Scottish National Party in the succeeding election in 2015 served to underline the potential implications of winning a campaign via purely negative campaigning. Therefore, even if Britain were to stay in the EU after the referendum it is difficult to see a common European identity being shaped amongst UK citizens.

### Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

It is difficult to pin down specific policies that could better legitimise the European project in the UK for reasons explained earlier, not least the reluctance to see European integration as a project at all. Rather, the British political debate often focuses on the *illegitimacy* of the EU as a *political system*. A concern particularly amongst eurosceptics is the perceived illegitimacy of a legal system that directly contradicts the principle of parliamentary supremacy. Some argue that more than two thirds of UK law is made by the EU.<sup>23</sup>

Generally speaking this is not perceived to be something that is amenable to resolution at the EU level. Insofar as there are thought to be solutions, these are seen as lying at the national level. One idea that is gaining particular traction is that of empowering national parliaments in the EU policy making process. Another solution mooted by some is the repeal or amendment of the European Communities Act of 1972, by which the ability of the EU to overrule national law is ensured.<sup>24</sup>

It is common, in the context of the British debate, to refer to the academic concepts of "input" and "output" legitimacy. The former implies democratic self-determination, which requires that choices made by the given political system are driven by the authentic preferences of citizens, suggesting a chain of accountability linking those governing to those governed. But "democracy" is only part of the story of political legitimacy, which also demands that those exercising political power are able to achieve a high degree of effectiveness in meeting the expectations of the governed citizens - output legitimacy. It has long been commonplace in the academic literature to emphasise the role of the latter in terms of the legitimacy of the EU.

And it is very much output legitimacy that has shaped British debates on European integration. In other words, it is the performance of the EU in terms of its policies that shapes British attitudes. The output legitimacy of the EU is crucial when deciding which policies are essential to legitimise the EU in the UK. As the EU is continuously framed in cost-benefit terms, the UK will firmly stand by policies that only benefit the UK economically. Thus, the economic performance of the EU is the crucial determinant of its legitimacy for Britain. Eurosceptics were quick to pounce on the impact of the Eurozone crisis, arguing that the UK found itself "shackled to a corpse". Clearly, the economic performance of the EU relative to that of the UK will have an impact on the outcome of the referendum.

The flip side of this is that the British remain relatively unconcerned by debates on the input legitimacy of the European Union. For example, the "Spitzenkandidat" process to nominate the President of the European Commission went relatively unnoticed in Britain. Ideas about, for instance, strengthening the power of the European Parliament enjoy little traction in the UK.

The cost-benefit minimalistic approach that Britain entered the EU with in the 1970s still remains firmly in place. There is a strong reluctance to see integration in areas from which Britain will not benefit economically. Attempts at integration beyond the single market are generally seen in terms of the EU changing into something that Britain did not sign up for.

With the referendum on EU membership taking place within the next two years, Britain is facing an uncertain European future. The referendum will dominate the British political debate. However, even if the British population decides to stay in the EU, they are no more wedded to the notion of a European "project" than before. A purely transactionalist, costbenefit approach to the EU will continue to characterise British relations regardless of the outcome of the referendum.

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