

An Evaluation of the Swedish EU Presidency: Difficult Setting, Pragmatic Style and Mixed Results (ARI)

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Tema: This ARI reviews the achievements and set-backs of the 2009 Swedish EU Presidency.

Resumen: The Swedish EU Presidency during the second half of 2009 delivered few surprises, pleasant or otherwise. In style, the Presidency is better characterised by pragmatic brokerage than by providing leadership for the Union. Progress was made on a number of issues, most notably the ratification and implementation of the Lisbon Treaty and the adoption of the Stockholm Programme concerning future cooperation in the field of freedom, security and justice. Also, the agreements on financial oversight and on a tentative exit strategy are worth highlighting, but on all these issues much work remains to be done. Among the setbacks, the failure to reach a comprehensive and legally-binding deal in Copenhagen on climate change stands out.

Análisis:

Introduction

The Swedish Presidency of the EU during the second half of 2009 was launched at a time of substantial political and economic uncertainty and this profoundly affected its planning and execution. The economic and financial crisis was threatening to bring about not only a meltdown of the financial markets but also a prolonged and deep recession: what would be considered an appropriate response? The institutional and constitutional uncertainties were potentially threatening to bring the Union's decision-making to a halt: what would the best strategy be for different scenarios? A successful conclusion to the climate-change negotiations looked increasingly unlikely: how was the Presidency to act to secure the necessary deal? These were the most important horizontal questions facing the Swedish government when it took up the Presidency in July 2009. Its priorities were therefore:¹

- Institutional and constitutional questions
- Climate change
- Economy and employment
- The Stockholm Programme
- The Baltic Sea Strategy
- The EU, its neighbourhood and the world

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¹ Fredrik Langdal, [The Priorities of the Swedish Presidency](#), ARI nr 133/2009, Elcano Royal Institute.

A brief analysis of the progress or lack of progress on each of these priority areas is provided below, in rough order of importance.² However, the analysis has a drawback: it is structured following the priorities the Swedish government set itself during its term in the Presidency. Other actors will have held a different set of expectations, which could constitute an equally valid basis for structuring an account of the Swedish Presidency, but with a different content and possibly different conclusions.³

When writing about current affairs one always runs the risk of infusing any analysis with a degree of “chauvinism of the present” and thus if anything here is stressed as “important” or “serious” it should primarily be seen as a current or short-term attribute. Furthermore, in this sort of analysis it is always difficult to disentangle which actors have contributed and made a difference and which decisions would have been taken regardless of the country holding the rotating Presidency. Would another Presidency have secured a deal on the right to mobility for patients; would another Presidency have managed to broker a more comprehensive deal on financial oversight and would another Presidency achieve just the same result regarding the Stockholm Programme? These questions are of course hypothetical, but they do underline the uncertainties inherent to this kind of analysis and the risk of stressing too much the Presidency’s importance.

The Institutional and Constitutional Questions

Undoubtedly, the successful ratification and entry into force of the Lisbon Treaty is the major positive development in the EU during the Swedish Presidency. Although, the Presidency’s role in a ratification process is formally very limited, it nevertheless came to play an unexpectedly significant part during the autumn. After the verdict of the German Constitutional Court on 30 June and the subsequent adjustment of German parliamentary participation in EU affairs and the Irish ‘Yes’ vote on 2 October, the road to completing the ratification process faced one last hurdle. How big a hurdle it constituted was difficult to assess at the time, as the Treaty was submitted a second time to the Czech Constitutional Court and the intentions of President Klaus, whose signature was necessary, were unknown.

President Klaus’s main concern –apart from being against the Treaty as such– was the relationship between the Beneš Decrees and the Charter of Fundamental Rights, where he feared that the latter would override the former, opening up the possibility for property claims from the ethnic German Czechs expelled in the aftermath of the Second World War. The Presidency mainly relied on low-key diplomacy rather than on putting public political pressure on Klaus, a strategy which, with the benefit of hindsight, turned out to be the right course in gaining the sought-after signature. The deal that was struck at the European Council meeting was that the Czechs would get an opt-out from the Charter, which will be annexed to the next accession treaty, probably with Croatia.

Following the solution to the ratification problems, there was a rapid implementation of the Treaty, which entered into force on 1 December 2009. Preparing for a possible implementation of the Lisbon Treaty had kept civil servants and ministers busy since before the inception of the Presidency and most of the necessary spadework was successfully completed by the end of November. The issues that seem to have caused most concern were: (1) the delimitation of power between the posts of High

² For a one-sided account of progress on a Council-by-Council basis see the Swedish Presidency’s website: www.se2009.eu.

³ See, for instance, EEB’s Assessment of the Environmental Results of the Swedish EU Presidency, July to December 2009, *Good Ambitions, Disappointing Outcome*, 23/XII/2009.

Representative for Foreign and Security Policy and the President of the European Council (see, eg, European Council Decision 2009/882/EU) which will to a substantial extent be determined by practice; (2) the setting up of the European External Action Service (see Council of the European Union 14930/09) where much work remains; and (3) the constitutional anomaly which arose with respect to the number of MEPs with the entry into force of the Lisbon Treaty. One cannot say that these issues were solved during the Swedish Presidency but nor did progress stall and several of the issues will continue to develop over the years to come.

The Presidency's challenge in institutional and constitutional spheres was the appointment of the Commission President and the two newly-created top jobs under the Lisbon Treaty. Despite Durão Barroso's re-appointment being delayed by the European Parliament from July to September, there was never any serious alternative candidate as he had the unanimous backing of the heads of State and Government. More controversial were both the handling and choice of the President of the European Council and the High Representative. The process leading up to the appointments seemed like a relatively smooth process, avoiding late-night negotiations, but this was achieved at the price of both appointing politicians who epitomised the lowest common denominator and – according to some accounts– taking the backseat in the negotiations and leaving the bigger Member States to sort out an acceptable deal. The appointment of Herman van Rompuy and Catherine Ashton was reached unanimously and struck a balance between, *inter alia*, gender, party affiliations and small and large Member States but it should be noted that it was much less than many had hoped for. To conclude, one can say that the institutional and constitutional questions did not really capture the imagination of the Swedish government and in all they were probably seen more as an inconvenience than an opportunity.

Climate Change

As the difficulties were mounting in the climate change negotiations which were to culminate at the Copenhagen Conference, the Presidency tried to lower the expectations for a comprehensive and legally-binding deal. The Presidency had many tasks in this extremely complex multi-level negotiation process amongst which the main ones were to uphold internal EU coordination, to secure a deal on climate financing and to represent the EU at the negotiating table in Copenhagen. In relation to these tasks the Presidency's performance must be seen as having passed the test even though the desired results failed to materialise. First, internal EU coordination was upheld with difficulty despite the severe economic crisis. Secondly, an eleventh-hour deal on financing was struck at the European Council in December, with the EU pledging €2.4 billion a year over the next three years. As it turned out, Sweden will be the fourth-largest contributor to this fast-start financing, supporting climate change adaptation in developing countries, behind only the UK, France and Germany. This was more ambitious than had been expected a few months earlier, according to Durão Barroso. Globally –but including the contributions of Japan and the US–, fast-track financing is still around €1 billion short until 2012. However, a deal on corresponding long-term financing was not struck.

The result in Copenhagen was, according to the Swedish Environment Minister, 'a disaster' (*European Voice*, 22/XII/2009). Without going into the details of the UN political declaration which was agreed in Copenhagen, one can say that in essence it entails a commitment to the 2°C target by 2050 without corresponding commitments to cut emissions. The EU was negotiating for a 25% reduction of emissions by 2020 compared with the level in 1990 but the bids during Copenhagen did not even reach 20%. The two

major set-backs for the EU and the Presidency were that no legally-binding deal was struck which would commit countries to cut emissions to meet the 2°C target and that there is no timeline for when such a legally-binding treaty is to be signed in the future. If one were to seek some good news it is probably that the fast-start financing mentioned above seems to be within reach of the target and the increased monitoring of emission reductions.

Did the Presidency deliver in relation to the third task, negotiation on behalf of the EU? There is still much about the Copenhagen Conference's negotiating process that remains unknown to outsiders, and political scientists interested in tracing its process will have a formidably interesting task ahead of them. What can be said at this stage is that most observers put the blame for the non-result on the US and China in particular and on the UN's unanimity decision-making system, but criticism has also been levelled at the Swedish Presidency from both the domestic opposition and environmental organisations.

The Economic and Financial Crisis

The challenges relating to the economic and financial crisis were and remain serious and multifaceted. The progress –and lack thereof– made in the three main areas that will also remain central to the Spanish Presidency are briefly outlined below: financial supervision, so-called exit strategies and the EU's long-term growth strategy.

The agreement in the Council on a new structure for financial oversight is a substantive step towards a more stable financial system in Europe even though the final deal was watered down by opposition from –mainly– the UK. The agreement on 2 December on a general approach was described as a major breakthrough by the Presidency and aims at establishing three new authorities for the supervision of financial services in the EU (see Council 16885/09 (Presse 357)). However, as the agreement contained the possibility of referring certain decisions to the Council and the European Council, which in effect opens up for the possibility of vetoing the decisions of the supervisors during a crisis, the effectiveness of the proposed system can be called into question. The negotiations with the European Parliament are likely to be fierce as the four largest groups in the parliament have rejected the agreement and it will thus be the task of the Spanish Presidency to try to steer it through the next steps of the legislative process.

The concept of exit strategies falls partly within the Presidency's priority of returning to the long-term sustainability of public finances. One exit strategy concerns the ending of extraordinary measures in the financial markets, where the agreement entails that these should be phased out depending on the situation in each country and where general guarantee programmes are the first to be abolished. The other exit strategy is probably of more profound significance and concerns stimulus measures and the return to sustainable public finances. The divisions between the Member States as to the timing of this phasing-out have been a significant headache for the Swedish Presidency, which advocated a rapid transition in contrast to, for instance, Spain which argued that it is too early to set any dates. A rather vague deal was brokered by the Presidency which entailed that, given self-sustained recovery, fiscal consolidation should start in 2011 at the latest and that consolidation should go beyond a benchmark of 0.5% of GDP a year (Council Conclusions on fiscal exit strategy, 20/X/2009, and European Council Conclusions, 10-11/XII/2009). Setting down the general principles is, however, very different from a possible future implementation of those principles, and it is likely that this issue will remain contested during the Spanish-Belgian-Hungarian Trio.

Finally, the EU 2020 Strategy –the successor to the Lisbon Strategy–, which is to address the long-term structural challenges facing the European economy, is to be approved during the Spanish Presidency. The Swedish Presidency prioritised ‘preparing and setting the framework’ of the strategy (*EurActiv*, 29/VI/2009). It is difficult to assess the impact the Swedish Presidency has had on the consultation paper (COM(2009)647 final) which was presented by the Commission, but the claim that ‘[T]he Presidency has set the scene for economic growth in the EU in the coming decade’ (www.se2009.eu) made by the Finance Minister seems close to hyperbole. What can be said to be at least in line with the Swedish government’s priorities is the emphasis on environmental and fiscal sustainability and increased employment within the strategy, although the Presidency’s impact seems weak.

A concluding question for further analysis is the impact on Sweden’s room for manoeuvre in the economic field of the fact that it is not a member of the euro zone. Would arguments concerning exit strategies and a return to the stability pact have carried more weight had Sweden been a euro-insider? These questions will be particularly interesting to follow during the Spanish and Belgian Presidencies.

The Stockholm Programme

The adoption of the Stockholm programme, which is the framework for cooperation within the fields of, *inter alia*, criminal and civil law, police cooperation, migration and asylum, is a tangible result of the Swedish Presidency (see Annex to Council of the European Union 17024/09). Even though it is a comprehensive programme, hence making it difficult to single out particular features, it is worth mentioning a few of the central aims agreed upon. First, there is an agreement –or at least the ambition– to complete the common asylum system by 2012, which has been an important aim of the Swedish government, as has the creation of a system for labour immigration. Secondly, the internal security strategy may prove to have far reaching implications, not least regarding the balance between data collection and data protection. Finally, the harmonisation efforts concerning the creation of a judicial area, which will entail, in particular, further efforts to increase mutual recognition in the field of criminal and civil law. In the latter case this will, for example, mean extending mutual recognition to new fields as yet untouched such as ‘succession and wills, matrimonial property rights, and the property consequences of the separation of couples...’ (*ibid.*, p. 24), which are likely to prove highly controversial.

This is the sort of programme that will attract criticism whatever level of ambition is agreed upon, as it touches the core of state functions. The outcome has been criticised for being a missed opportunity for re-launching the integration process and providing a new narrative for the EU, but also for failing to address human rights problems within the EU and for creating a dangerous surveillance and control system. Whether the balance struck in the final unanimous agreement is the right one, is of course dependent on one’s views on future integration in this area, but what can be said at this point is that the Spanish Presidency will have to maintain a difficult balance between a number of conflicting aims and policies and that it is unlikely that this can be done in a way that will satisfy all or even most of the stakeholders.

The Baltic Sea Strategy

The adoption of the Baltic Sea Strategy by the European Council in late October has in contrast to the Stockholm programme been a relatively uncontroversial process. As a truly endogenous priority of the Swedish Presidency, the strategy is the first intra-EU macro-regional strategy and has thus far aroused interest more in terms of form than content and

process rather than policy. The idea behind the strategy is that macro regions within the EU share common problems and potentials, which are of less relevance to the Union's other Member States. These problems and potentials should –according to this logic– best be tackled through regional voluntary cooperation within the EU institutional framework. The Strategy is structured around four pillars –including environment and safety and security– and is accompanied by an Action Plan which contains some 80 flagship projects (see Council 13744/09 and Commission SEC(2009) 712). The criticism which has been voiced over the Strategy includes its lack of an external dimension, its lack of additional funding and the risks associated with an intra-regionalisation of the EU (Bengtsson, 2009, and Schymik & Krumrey, 2009).

The EU, its Neighbourhood and the World

As the last of the Presidencies held under the old framework, the international dimension has been present and visible, with summits with, among others, the US, Russia and India, while a steady stream of foreign dignitaries passed through Stockholm during the autumn of 2009. The international limelight is bound to shift to Brussels under the Lisbon Treaty and the Spanish government's strategy will be closely watched by the Member States. As the appointments to the top jobs showed, Member States are not overly keen to be shut out of the foreign policy loop and the presence (or absence) of Spaniards may well set the precedent which others will have to follow.

In the absence of a major crisis, this brief analysis outlines the developments related to enlargement and free trade, although the adoption of an EU strategy for Afghanistan is also well worth mentioning. Swedish political parties are broadly supportive of the further enlargement of the EU and it was surprising to some to see that enlargement was not given a more prominent place in the Presidency's priorities. However, the enlargement process has ticked on without any major upsets, which under the present mood of enlargement fatigue must be seen as an achievement. The accession of Croatia is inching forward and the Swedish Presidency has received –and gladly accepted– membership applications from both Iceland and Serbia. Furthermore, the environment chapter in the accession negotiations with Turkey was opened. Thus, the pragmatic and low-key approach seems to have served the enlargement process in the short term but support for accession is not likely to rise unless political leaders from all over the EU start to argue the case loud and clear and actually *lead* on the issue. As the prospect of membership for the countries included in the Eastern Partnership remains elusive it seems that the Swedish and other pro-enlargement governments are currently not succeeding in making their case.

There has also been some notable progress on the issue of visa-free travel for the citizens of the Western Balkan countries. As of 19 December the citizens of Serbia, Montenegro and Macedonia have visa-free access to the EU, while the pace of progress in Bosnia and Herzegovina has been slower than for its neighbours.

Finally, the Swedish Presidency prioritised the issue of free trade and here the results are meagre in relation to the admittedly high expectations regarding –especially– the Doha Round. The most tangible result was the free-trade agreement which was concluded with South Korea –although this may still be blocked by the EP under the Lisbon Treaty provisions–, but agreeing on a negotiating mandate for free trade agreements with Azerbaijan, Armenia and Georgia are also important steps forward. Also of interest is the agreement reached on the issue of bananas with Latin America and the US, a discord which has been running for nearly two decades. However, the failure to make any

substantial progress with the Doha Round is of course disappointing for the Swedes and others, although steps forward have been taken on the process, where the aim now is to reach an agreement in 2010. As in the case of the climate change negotiations, outlined above, the blame lies not primarily with the Presidency or with the EU, but with US domestic politics and multilateralism dependant on unanimous decision-making.

Conclusions: So how are we to rate the Swedish Presidency and what will be its long-term legacy for the EU and short-term bequest for the 2010-11 Trio? When looking at the ratings by foreign and Swedish analysts of the Swedish Presidency there seems to be a relative consensus that the Swedes have passed the test but not resolved all the challenges. Whether policy outcomes are considered to be good depends largely on ideology and expectations. For instance, financial regulation is being developed under Swedish chairmanship, but the extent to which the *content* of the package is too Anglo-Saxon or intergovernmentalist depends on preferences and expectations. It also seems that the Trio-coordination between the French, Czechs and Swedes has not really been very effective or important and there also seems to be a lack of effective coordination between the Trios.

Generally, one can say with some certainty that the Swedish Presidency can be described as pragmatic rather than dogmatic and as a low-profile broker rather than a leader. Thus it seems that the outcomes are not especially infused with Swedish preferences beyond the preference to reach agreement. Some of the results outlined above reflect final outcomes but in which developing practices will be very important, while others have only progressed some important steps in the policy process but their final results remain to be decided, so any verdict is by nature provisional. The short term results –or lack of results– that will be of importance to the Spanish/Belgian/Hungarian trio include the implementation of the Lisbon Treaty, in particular setting up a functioning External Action Service and a functional division of powers between different actors, especially in the field of foreign policy. In the field of economic and financial affairs, concluding the negotiations on the new financial oversight structure will be important as will the transformation of general guidelines regarding the exit strategy to actual policies in the Member States. The Stockholm Programme will need to be translated into an action programme and while the Baltic Sea Strategy will require little action from the incoming Trio, both the enlargement process and climate change policies will need the wholehearted support of the next Presidencies in order to progress. A long-term legacy is of course more difficult to predict and less likely to materialise but in a sense the successful ratification and entry into force of the Lisbon Treaty during the Swedish Presidency will make a lasting impact on the EU, although it is too early to assess how important a role the Swedes actually played. In terms of policy, the agreement and the content of the Stockholm Programme will also profoundly influence the Union in the years to come. Finally, the concept of macro-regional cooperation seems to have captured the imagination of policy-makers around the EU and there will be other initiatives modelled on the Baltic Sea Strategy. A *model* has thus been set during the Presidency, but it will take a number of years before we can properly assess if this new mode of cooperation has proved efficient and progressive in terms of outcome and, indeed, if it will actually serve as a model for others to follow.

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