

PRO-EUROPEAN PRESIDENCY

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OF HEAVYWEIGHT EU MEMBERS

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- Poland took over its first Presidency of the Council of the European Union on 1 July 2011. The initial steps have now been taken, yet the most significant moves, as well as the outcomes of various meetings, forums, summits and negotiations are still to follow.
- Coming into force due to the Lisbon Treaty of December 2009, the rules on which Council presidencies are founded have been substantially modified. As a consequence, the Polish presidency has also been affected in many ways by this change.
- With a view to their agenda, the Poles attempt to engage in six particular areas during the six-month term of office: the EU internal market, economic challenges and future financial framework, Eastern Partnership and neighbourhood policies, defence cooperation, external energy policy and Europe's intellectual capital.
- The list of the Polish priorities seems extensive to say the least. By having introduced fewer and more specific goals, Poland could have best secured more intensive involvement in the most important issue areas.
- To Poland's credit, its reasonably pro-European Government, civil servants and political elite are most likely to have a positive impact on the eventual success of its Presidency; the only disadvantage being the national elections that will be held in October that many presume will interrupt the smooth running of the agenda.

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Polish Foreign Minister Radosław Sikorski (left), President of the European Commission José Manuel Barroso and Polish Prime Minister Donald Tusk at the inaugural meeting of the Polish Presidency in July. Photo: European Commission Audiovisual Services.

On 1 July 2011, Poland took over the Presidency of the Council of the European Union. It is the first Presidency for Poland during its seven-year EU membership. As an ambitious, large and relatively new member state, Poland is now striving towards joining the club of heavyweight players in the EU. Although the Polish Government and political elite are highly pro-European, this work remains nothing but demanding. Nevertheless, Poland is no doubt the most powerful state in the Presidency trio comprising of Poland, Denmark and Cyprus.

Coming into force due to the Lisbon Treaty of December 2009, the rules on which the Council presidencies are founded have been substantially modified. As a consequence, the Polish Presidency has also been affected in many ways by this change. In place of six-month Presidencies that rotate automatically, the Treaty introduced the President of the European Council on the one hand, and the High Representative for Foreign Affairs and Security Policy in the Council of Foreign Affairs on the other.

Whereas the Foreign Affairs Council is now permanently chaired by the High Representative for Foreign Affairs and Security Policy and the European Council by the permanent President, the traditional rotating Presidency remains in the General Affairs Council, with rest of the Council configurations now held by the group of three member states, called 'trios', for a period of 18 months. However, a great deal of political power was transferred from the

rotating Presidencies to the European Council President and the High Representative.

Even if the members of the trios are encouraged to share their responsibilities and assist each other, dividing the burden has been demanding for Poland, Denmark and Cyprus, apparently due to their diverging orientation towards a number of issues. In search of a common 'trio-identity', Poland is without question the most enthusiastic of these states. Although the member state Presidencies have now lost some power, a number of old tasks and responsibilities have remained, such as managing and mediating decision-making and searching for compromises, as well as initiating and stimulating political debates and processes.

Due to the overwhelming financial and economic crisis, the European Union is going through perhaps the most difficult period in its history. The global developments, including the Arab Spring, within the Union's close neighbourhood forces it to speak with one voice. The EU is now also facing enormous challenges in the areas of CSDP, energy and neighbourhood policies. A particularly high level of aspiration would be needed from any Presidency to take advantage of these controversies at hand.

Poland declares in its Presidency priorities that it will engage in actions to guarantee three major developments: European integration as a source of growth, the security of Europe and the benefitting of Europe

from openness.¹ These concerns are, however, still loosely defined as such. A closer look at official statements and recently published material reveals six more detailed areas in which Poland will attempt to engage during its Presidency: 1) the internal market; 2) economic challenges and financial framework of 2014–2020; 3) Eastern Neighbourhood and the Partnership programme; 4) Common Security and Defence Policy; 5) external energy policy; and 6) Europe’s intellectual capital.

Given that the months of July and August are holiday months in literally all the member states, no major steps could have been taken by Poland thus far. Therefore, instead of conducting a sound mid-term review in order to analyse to what extent Poland has been able to address its agenda, it is the aim of this paper to reflect upon the original priorities of Poland with a view to the potential prospects for success and failure.

Financial Matters and the Single Market

The Presidency trio of Poland, Denmark and Cyprus will mark the 20th anniversary of the establishment of the internal market. Its growth potential, however, has not yet been fully exploited and it is the aim of Poland to develop its formation and functioning. With regards to the *Single Market Act*, adopted by the European Commission in April 2011,² Poland intends to advocate the strengthening of the internal market in order to address the economic crisis and to find sources of economic growth. Special attention shall be paid to the regulations of the financial sector and the development of the digital services market. This includes measures such as the removal of existing barriers in intra-Union trade and barriers blocking cross-border online transactions, reducing roaming charges, the free transfer of expertise and innovation, and improving conditions for small and medium enterprises, as well as fulfilling European

Commission proposals stemming from Professor Mario Monti’s report on the future of the internal market.³ Furthermore, it has been stated by the Polish Minister of Foreign Affairs, Radosław Sikorski, that an EU-wide common sales contract and a better patent regime would transform the way business is done across Europe.

There is no doubt that the financial crisis will affect the European agenda more broadly in the foreseeable future. The eurozone is facing its most difficult crisis since the birth of the single currency. The scale of the economic challenges confronting Europe also requires appropriate and effective measures to be taken by the Council Presidency. The economic downturn is now reflected in almost every European policy – though most importantly in the social agenda, internal market and Europe 2020 strategy. Most recently it has become evident that of the EU member states, Greece needs to be bailed out again, whereas Ireland, Italy, Portugal and Spain have all been forced to introduce heavy budget measures. Moreover, the EU has remained divided over the so called ‘six-pack’ rules aimed at strengthening of economic governance by forcing eurozone countries to restrict their spending and make the economies of member states generally more competitive.

Given that Poland is outside the eurozone, particular issues of economic coordination and monetary policy fall unavoidably outside its full competence. On the other hand, as a Presidency-country it chairs the EU’s Economic and Financial Affairs Council (ECOFIN). Poland could arguably increase overall optimism by boosting the citizens’ confidence also away from the decision-making tables given its economy is doing relatively well, thanks to an economic growth rate of about 3.8% in 2010; it was, in fact, one of the best results in Europe last year. Reconstruction of European-wide social trust in further economic growth is a matter of urgency and Poland could credibly intervene in this venture.

A proposal for the EU’s 2014–2020 budget was published by the Commission this summer. The Polish Presidency thus fell within a period of intensive talks regarding these proposals, which underline

1 “*Programme of the Polish Presidency of the Council of the European Union, 1 July 2011 – 31 December 2011.*” Ministry of Foreign Affairs, Warsaw 2011.

2 “*Together for new growth, Single Market Act.*” European Commission, Internal Market and Services, 2011, and “*Your Single Market? Single Market Act for a highly competitive social market economy.*” European Commission, Internal Market and Services. Luxembourg, 2010.

3 “*A new strategy for the Single Market at the service of Europe’s economy and society.*” Report to the President of the European Commission by Mario Monti. May, 2010.



Cars queueing at the Polish–Ukrainian border. Poland seeks to strengthen the EU's Eastern Partnership programme. Photo: Michael Eisenriegler / Flickr.com.

that the new Multi-annual Financial Framework (MFF) should serve as an instrument to support sustainable economic growth in Europe. While Poland has generally been in favour of increasing the EU budget, opposition has emerged from countries like the Netherlands, Finland, Germany and the UK. Poland will therefore have to act as a moderator and potential bridge-builder when national interests are at stake within this issue. It is also Poland's aim to publish a paper during its Presidency to advance a more in-depth discussion on budgetary matters in 2012. The fact that the Commissioner for Financial Programming and Budget, Janusz Lewandowski, is Polish does not decrease its potential to conduct successful negotiations.

However, reaching an agreement in budgetary matters is not the aim of the Polish Presidency exclusively. Even if a preliminary political agreement on the financial perspective for 2014–2020 is required during the first European Council in 2012, carrying out the negotiations within the 2014–2020 financial framework will be one of the most demanding tasks of the whole Poland–Denmark–Cyprus trio. The budget will be finalised not earlier than during the Cyprus Presidency in the second half of 2012.

Enlargement and Eastern Policies

Due to its geopolitical location and history, Poland is not only willing but practically obliged to focus on the EU policies towards its Eastern neighbours. The

agenda of strengthening the Eastern Partnership (EaP) was inherited in its entirety from Hungary, which decided to postpone the Eastern Partnership Summit originally scheduled for May 2011. The summit will now be held in Warsaw on 29 and 30 September. The adoption of this priority thus reflects the Polish aspiration to promote Eastern policy issues in general, and the EaP programme in particular.

The Eastern Partnership, inaugurated in 2009, was designed to intensify cooperation between the EU and its six post-Soviet neighbouring states: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. Strong public support for further EU enlargement gives Poland an appropriate mandate for the EaP initiative. The implementation of the partnership includes strengthening economic cooperation between the EU and partner states, negotiating free-trade areas and allowing easier travel to the EU through visa liberalisation – as soon as the necessary preconditions are met. Moreover, the EaP aims to support democratic and market-oriented reforms among the post-Soviet countries and bring them closer to the EU, both economically and politically. Access to the EU free-trade area will eventually be dependent on the political and democratic *status quo* in these countries. Negotiation of the association agreements, especially with Ukraine and Moldova, has remained among the top objectives for the Poles. Should these countries continuously manage to work on the stated reforms, further decisions could potentially be taken in the European Council in December.

The third meeting of the Eastern Partnership Civil Society Forum will be hosted by Poland in November. The event will be comprised of representatives from Civil Society Organisations within the Eastern partnership states, as one of the Poland's aims is to foster cooperation between these organisations and governments in the respective countries. It has been stated by the Polish Prime Minister, Donald Tusk, that EU membership should appear on the agendas of all western Balkan countries. Moreover, renewing and modernising the framework for cooperation between Russia and the EU is also on the Polish agenda. Nevertheless, the formalisation and shaping of EU policies towards Russia is a long-term project and requires many years.

Along with the measures that will be taken in the name of the Eastern Partnership and neighbourhood policies, it is Poland's aim to sign the Accession Treaty with Croatia. The accession negotiations reached an end during the Hungarian Presidency on 30 June 2011, and the signing of Treaty, together with the Croatian referendum, are expected to take place in the second half of 2011. The accession of Croatia to the EU is expected to take place on 1 July 2013, given that the parliaments of all 27 member states have ratified the Treaty. With regards to Turkey, Poland strongly supports the continuation of its accession negotiations. Indeed, the Presidency should undertake every effort to guarantee that Turkey is committed to conducting meaningful political and socio-economic reforms with a view to its membership. The same also applies to other candidate countries and the countries in the western Balkan region.

The Issues of Security: Defence and Energy

The concept of security encompasses three aspects during the Polish Presidency: food, energy and defence. A secure Europe directs attention to financial, economic and border securities. The reform of the Common Agricultural Policy is indispensable, as are the issues of energy supplies: yet, due to the current North Africa and Middle East crises, it can be seen as a rather inauspicious moment to include the issue of deepening defence cooperation as a priority. Given that there has been a gulf between the member states' positions towards the use of military force abroad in general, and operative actions taken by the EU in the Middle East in particular, it will definitely be demanding to get military cooperation among

the 27 member states back on track or to kick off any reasonable debate regarding it. Moreover, defence budgets have been streamlined all over Europe, meaning the Polish intentions may thus prove much more problematic.

It has been stated by Polish Defence Minister Bogdan Klich that on military security Poland has four priorities: upgrading the European Union's efficiency in the area of military service (i.e. deepening defence cooperation among member states and reforming the EU command structure); further developing and reopening the debate on EU Battlegroups; ensuring proper partnerships with NATO; and engaging in a strategic dialogue with the Eastern Partnership states. Deepening defence cooperation is, however, not the only issue the EU as a whole should be concerned about today. Right at this moment it is of the utmost importance to the EU to avoid signalling political weakness towards third countries or its closest neighbourhood – especially towards countries such as Ukraine, Moldova, Libya and Syria. It is within these very issues that the Presidency should act as an honest broker in order to achieve the necessary compromises.

To be able to speak with a single voice, the EU must focus on reinforcing particular institutional settings. Guaranteeing coherence in international relations also falls into the responsibilities of the High Representative of the Union for Foreign Affairs and Security Policy. The country holding the Presidency of the EU should at least engage in constant dialogue with the External Action Service (EEAS), currently led by Catherine Ashton. With regard to the Polish Presidency, it has been of particular interest to the rest of the Union to see who will stand out as the top leader in the 'topics of the day', such as the Eastern Partnership, the Middle East, Libya and Ukraine. It still remains to be seen as to what role Poland in general, and the Foreign Minister Sikorski in particular, will continue to take towards the EEAS and Ms Ashton, even if it has been stated by the latter that he will act as the former's "loyal deputy".

Poland has proposed an in-depth debate in order to find ways to strengthen the EU's external energy policy and to preserve the competitiveness of the European energy sector. The European Council made an agreement to establish a single European energy market by 2014 during its meeting in February this year. The goal is to elaborate new mechanisms for



Foreign Minister Sikorski visited the EUFOR troops in Bosnia and Herzegovina last May. Deepening European defence cooperation has been on Poland's agenda during its Presidency. Photo: Markus Rumpold / EUFOR.

solidarity and competitive energy policy compliant with the provisions of the Lisbon Treaty. A new energy strategy calls for a detailed analysis of the EU's existing external energy policy, so that the appropriate recommendations can be drawn up. Should Poland be able to come up with a paper or document analysing the European energy market, which is then followed by sound advice for further action, then the Presidency could be deemed a success in this field.

The energy relationships between the EU and third countries need to be appropriately settled in the near future. The position of the European Union *vis-à-vis* the main consumers, producers and energy transit countries should be much more consistent and stronger. The role of the Presidency can be seen as decisive when fostering these very issues. In addition to this, it has been of great interest, particularly to the Poles, to decrease dependence on Russia as regards energy.

By and large, the issues of energy policies should be reflected in the new budgetary framework. During this period of economic downturn, however, it is challenging for any actor to take excessive environmental measures. By the same token, the question has been raised as to whether Poland can coherently represent the EU at the climate change conference that will be held in South Africa in November.

Lastly, the Polish Presidency intends to stimulate the growth of intellectual capital by launching concrete

initiatives in cooperation with the Commission, in order to take full advantage of it. Better utilisation of the intellectual resources of the EU could, according to Poland, be guaranteed by enhancing cohesion and synergy between EU policies and initiatives. In this context, the promotion of youth mobility, the modernisation of universities and better usage of the EU's scientific potential are also in Warsaw's interests. Through these measures, Poland aims to boost Europe's competitive advantage.

Polish Pro-European Administration and Political Elite

Poland is without doubt one of the European Union's most pro-European members. As regards the potential success of its Presidency, this enthusiasm of both the Polish Government and its citizens can be considered a great advantage. The dedication of the political elite on the one hand and the commitment of the public administration and civil servants on the other have always been key success factors for a country holding the Presidency.

Polish optimism could well invigorate the EU during this financial and economic crisis. The Prime Minister, Donald Tusk, has declared that increasing euroscepticism can be fought for and argued against, whereas Foreign Minister Radosław Sikorski has contended that integration is the best security for Europe. Both ministers seem to have a crystallised vision of European integration as a source of growth, and together they have called for the strengthen-

ing of common institutions. Encouraging economic growth in Europe is, according to Sikorski, a starting point for greater solidarity, greater generosity in the neighbourhood and a greater openness to enlargement. For Sikorski, the issues of the Eastern neighbourhood have also been of great interest.

As with any major deviations in domestic events, the Polish parliamentary elections that will be held in October may play a crucial role with regards to the developments potentially having an effect on the ultimate success or failure of the Polish Presidency. Preparations for the Presidency take years but the civil servants running the grassroots tasks and coordinating the project as a whole can literally change in a day. It is still largely unknown as to what extent the policies of the new administration and government-to-be differ from that of their predecessors. For the time being it is, however, likely that Prime Minister Tusk's Civic Platform will be re-elected.

Being a second-half-of-the-year Presidency with limited working months, the timeframe for the smooth running of the Polish agenda will be significantly restricted. The election campaign will thus pose a major challenge for Warsaw, as it comes exactly when the Presidency is supposed to be in full swing and the ministers exclusively involved in their various EU assignments. There is no need to exaggerate the situation, but it goes without saying that abundant sensitivity is needed on the part of both the opposition and the government to exclude all Presidency-related issues from election campaigns. Few national priorities have been pushed forward during the Polish Presidency so far, but when the two major parties, the ruling Civic Platform and the opposition Law and Justice, seriously start their campaigns, unexpected turns in the political course will no doubt be seen.

Prospects for Potential Losses and Victories

It has now been recognised that there is strong pressure on Poland to succeed in its Presidency, and it has a number of chances to shine. However, its agenda seems extensive and highly ambitious. Six months is a short amount of time to master any single issue now labelled a Presidency priority. The success of the Polish Presidency presumes that it takes the right *ad hoc* moves and displays appropriate leadership in the most important domains on an

EU level. If any of the Polish ministers end up being absent from the meetings of Council configurations due to the election campaign in October, perceptible harm could be done. Deterioration of the Presidency due to the national election is something the EU can do without.

The question remains as to what extent Poland will manage to tackle even some of the issues of its wide agenda. Leading the European Union "towards faster economic growth" in six months does not lack aspiration in a situation in which it is still unclear how the default of Greek economy will be addressed or what political and economic measures will be taken in order to avoid further deepening of eurozone crisis. It has also been declared in the agenda that Poland will support the EU foreign and security policies aimed at enhancing the EU's international position. In light of the recent developments in the European Union's Eastern and Southern neighbourhood, it has become apparent, however, that the EU is neither strong nor unified enough to present itself as a reference point for other countries. Instead of actively promoting the process of stabilisation and democratisation, the EU has more often than not signalled political weakness towards the transition states. It is on these very issues that the Presidency should take on a determined leader and bridge-builder role in order to initiate democratic transformations and guarantee overall positive progress in those countries.

Among a number of other negotiations, the outcomes of the Eastern Partnership Summit and the third meeting of the Eastern Partnership Civil Society Forum still remain to be seen. Expectations are high and the EU should be able to conclude association agreements with at least Ukraine and Moldova, as well as creating comprehensive free trade areas with the countries covered by the Eastern Partnership. Moreover, some progress in the process of visa liberalisation should be made by the end of this year. In these issues, it is the Presidency – namely Poland – that should once again act as a reliable mediator.

Intensive consultation, correct and close cooperation with other key actors – e.g. former Presidencies, members of the trio, the Commission, the European Parliament and the President of the European Council – will increase Poland's potential to successfully manage the planned actions. By coordinating the work of the sectoral Councils, the Presidency may

exert significant influence over a range of topical issues.

To avoid pure rhetoric is always reasonable. With a view to the priorities of the Polish Presidency, it becomes evident that a certain amount of vagueness exists. To illustrate, Poland has declared that the Presidency shall *support* a number of actions, initiatives and proposals to *improve* the regulation and supervision of the financial markets; *assist* small and medium-sized enterprises in third country markets; *start a debate* regarding the preparations and planning of the civilian and military nature of the EU; and *draft* documents, papers and procedures on various issues. Nevertheless, it remains unclear to most of us just what concrete measures will be taken to carry out these objectives.

Due to the post-Lisbon division and the increased complexity of intergovernmental decision-making, it becomes ever more challenging to point out the potential winners and losers in Council decision-making. Individual Presidencies may easily claim their victories in particular negotiations, even if the decisions would have been mastered by various parties under different Council configurations. By and large, there is little, if any, evidence that Poland will advance its own national priorities during the Presidency. On the contrary, the Polish priorities allegedly depend on the long-term EU agenda. To this extent, Poland has made every effort to make its agenda European by definition.

Having taken all this into account, the ongoing Presidency appears to be nothing but challenging, yet at the same time promising. By having selected fewer priorities, Poland could have guaranteed more intensive involvement in specific topics; after all, the indicators of Polish losses or victories cannot be identified before the last week of December. The challenges, however, lie in four major activities: addressing the financial state of affairs in the Union; implementing EU directives connected with the internal market; performing the apparent duties within the EU's close neighborhood and the Eastern Partnership; and decreasing the lack of unity between member states. The economic status of the EU necessitates a Presidency that is capable of acting rapidly and forcefully whenever needed. The 'active and energetic engagement' of Poland towards the EU Presidency, as promised by Polish Prime Minister Tusk, may well turn out to be a success story.

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