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The 2009 Swedish EU Presidency: The Setting, Priorities and Roles

Abstract

This paper sets out to preview the Presidency juxtaposing the Swedish priorities with the different roles presidencies play in the institutional architecture of the European Union. The financial and economic crisis, the constitutional and institutional uncertainties and the climate change issue will dominate the Swedish Presidency of the EU and will force the Presidency to perform a number of different roles in relation to each. After a brief introduction of the European and global context, we review the formal roles of the presidency and the academic research on the roles of presidencies. We subsequently outline the priorities of the Swedish Presidency – and where applicable the Swedish policy positions – and analyse the different roles that the Swedish Presidency will have to play. The conclusion summarises the arguments and points to some pivotal issues that will mark the difference between failure and success.

1. Introduction

The context of the Swedish Presidency of the European Union during the second half of 2009 has changed considerably since the first plans were laid down in 2006. Growth has turned into recession, surpluses to deficits, the financial system has been severely destabilised, manufacturing giants are on the brink of bankruptcy and unemployment has risen sharply. Within the EU, the institutional uncertainties have been exacerbated as has enlargement fatigue and the extreme right is gaining ground in many Member States. Moreover, the impact of the crisis has been asymmetric between Member States adding to political instability in some Member States and the responses to the crisis have been divergent.

Consequently, the preconditions for a progressive, efficient and smooth presidency are adverse. In this paper we will out-

line, in turn, the European and global context; the tasks and roles of the presidency; and the priorities of the Swedish government for its stint at the helm of the European Union. We will conclude by highlighting the main aims of the Presidency, the roles it will have to play and some issues that we deem will be pivotal in future assessments.

2. Into the Global and European Maelstrom

The financial turmoil and the economic slowdown have profoundly changed the political agendas from local to global level and generally constrained the scope for progressive political reforms. Undoubtedly, this will affect a number of policy areas unfavourably where the EU and the Swedish Presidency would like to have had made progress but may in

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fact also have created the window of opportunity in other areas. The obviously adverse effects of financial deregulation have created momentum for re-regulation and creation of bodies on the European level, such as the European systemic risk board and a European system of financial regulators. However, reforms that cost money or redistribute money between Member States have become less likely as public debt is rising rapidly. In short; when there is shortage of money, room for expansive measures is limited.

The global challenges still include the stability and viability of the financial system but also which ideological response is appropriate when it comes to trade. In the wake of massive government intervention into the economy, the definition of the intersection between free trade and protectionism is generating more friction than normally is the case. This is causing debate also within the EU mainly concerning the redistributive effects of free trade and how and to what extent citizens and states are to be protected from adverse effects.

The economic crisis has also had purely political effects affecting the political stability of certain Member States and may yet trigger political turmoil and the radicalisation of politics. Thus far, the broad parliamentary centre of the political spectrum is holding up well but as the crisis is unfolding the extreme nationalistic right rather than the extreme left seems to be the more likely threat to the existing configuration of the political arena if the 2009 EP-elections are of any guidance. Moreover, there will be elections in mature democracies as for example Germany which are likely to have consequences for the decision-making of the Union. Of more importance for the EU and the Swedish Presidency would be a scenario where elections are held in the UK during the autumn of 2009 which result in a Tory government and then possibly a British referendum on the Lisbon Treaty.

Turning to the political system of the European Union, it is set to be in a state of flux during the Swedish Presidency. First, there will be the political renewal that takes place every five years starting with the EP-elections and normally ending with the appointment of the new Commission. An early setback of the Swedish Presidency was the failure to get Barroso confirmed by the European Parliament in July. The new Commission is to take office at the earliest in November and if the confirmation hearings in the European Parliament are problematic it can also be the case that there will be an interim Commission for the whole of the second half of 2009. Thus, if the Commission is the small member states'

best friend and if the Commission is the engine that keeps the polity ticking, the Swedish Presidency will face an up-hill struggle in maintaining momentum and initiative. To make matters even more challenging, a second Irish referendum on the Lisbon Treaty is scheduled for 2 October 2009 and regardless of the result will spell loads of work for the Presidency in preparing the implementation and implementing the Lisbon Treaty or picking up the pieces of failed constitutional reform.²

So to sum up, autumn of 2009 seems particularly challenging where progress on many issues is essential while the constraints are tight. However, this is also a time of opportunity and for leadership as many issues are in formative phases which, if handled skilfully, can set the EU and indeed the world on a progressive course and create momentum for European and global governance.

3. The Role of the Presidency in EU Governance

The role of the presidency in the institutional architecture of the European Union is formally not very exciting but as research – which we will outline below – has shown, the roles that the presidencies can and do play are very important indeed.

3.1 Formal Role as Regulated by the Treaties

Article 203 of the Treaty Establishing the European Communities specifies the six month rotation pattern of the Presidency and article 204 empowers the President of the Council to convene meetings on its own initiative or “at the request of one of its members or of the Commission”. Moreover, article 48 (TEU) authorises the presidency to convene an inter-governmental conference for treaty revision subject to the Council wishing to do so. Apart from these substantial provisions there are a number of obligations that the presidency shall carry out mostly relating to informing the European Parliament³ – representing the Council – but also for example allowing the President of the Council to participate in the meetings of the Governing Council of the European Central Bank.⁴ Also worth mentioning in this overview is that the presidency in agreement with the President of the European Parliament, is the convenor of the conciliation committee according to the procedures laid down in article 251.

The presidency chairs the European Council, the Council and Council working group meetings. It also represents the EU in international organisations and in relation to third

² For a slightly more in-depth analysis of this issue see Langdal, Fredrik and Göran von Sydow (2009), *Providing Leadership in Turbulent Times? A Preview of the Swedish EU Presidency 2009*, Berlin: Friedrich Ebert Stiftung.

³ See *Official Journal* C 321 of 29 December 2006, Consolidated Version of the Treaty Establishing the European Communities, Article 60.3, Article 99.4, Article 100.2, Article 104.11, Article 111 and Article 114.3.

⁴ Article 113.1.

countries. In all, a presidency chairs several thousands of meetings during its six months as President of the Council. The Treaties do not really tell us a lot about what it in practice entails to hold the presidency but continuing on the formal and procedural side of the matter we find that there are a number of other tasks to be carried out.

Turning to the Council's rules of procedures we find more detailed information on the obligations of the presidency. The role of chairing the meetings entails *inter alia* calling for a vote and ensure that there is a quorum. Moreover it falls on the chair to ensure that the discussions are conducted in a businesslike manner.⁵ Moreover, the presidency shall co-sign all texts adopted by the Council jointly with the Secretary General or his Deputy. In special urgent circumstances the presidency may also propose the use of a written voting procedure.⁶ Apart from chairing the meetings, the presidency shall draw up a provisional agenda for each meeting taking into account the Council's annual work programme.⁷ The agenda is to be sent to the members of the Council and the Commission at least 14 days before the meeting takes place. In the case of matters relating to police and judicial cooperation in criminal matters (Treaty on European Union – Title VI) and visa, asylum and immigration (Treaty establishing the European Communities – Part three, Title IV) the presidency shall “endeavour to ensure” that the agendas are available 21 days before the meeting.⁸

We will in the next section leave the formal side of the presidency and turn to academic research regarding the political roles the presidency have in the architecture of the Union and to what effect.

3.2 The Political Role of the Presidency

As seen above, the formal functions of the rotating presidency are rather detailed but tell us next to nothing regarding impact. Fortunately, we can depart from the limited, albeit growing, literature on the role of the presidency within the political system of the EU. Within this field of research, some accounts stress the limited possibilities of the presidency to

influence the agenda and to steer outcomes towards the incumbent's policy priorities. Dewost talks about “responsibility without power”⁹ and Heyes-Renshaw and Wallace¹⁰ stress the administrative and managerial aspects of the office. There are also certain accounts that emphasise the role of the presidency as an honest broker and as an actor capable of placing community interest before the national one to such extent as to make the ‘national’ role of the presidency almost superfluous.¹¹

In this section we will focus on two issues that are beginning to be systematised in the literature; first, the roles (and functions) performed by the presidency, secondly, the power resources or possibilities of influencing outcomes.

The Roles of the Presidency

The roles of the presidency can be broken down in several different ways. Recurring roles that are found in literature are: i) the presidency as manager, ii) the presidency as agenda-setter, iii) the presidency as broker and iiiii) the presidency as representative.¹² The first role focuses on the practical aspects of chairing the Union, including the administrative issues such as organising meetings and distributing documents. In the second role – agenda-setter – a presidency sets political priorities and can, in this capacity, advance issues on the common agenda that is in line with their own preferences. In the third role, the presidency acts as a broker and mediates between other Member States in order to resolve disputes in the decision-making process. Finally, in the fourth role, the presidency acts as a representative of the Council. This role can be divided into two distinct parts; firstly, it concerns the *internal representation* vis-à-vis the other institutions, most notably towards the European Parliament. Secondly, it concerns the *external representation* of the EU on the international scene.

In an attempt at evaluating the performance of individual presidencies, Schout and Vanhoonacker offer a slightly alternative way of structuring the roles.¹³ They label the functions, partly overlapping with the previous discussion, as i) organ-

⁵ 2004/338/EC, Euratom, Article 11 and 20. See also Annex IV for detailed information on working methods for an enlarged Council.

⁶ 2004/338/EC, Euratom, Article 12(6).

⁷ 2004/338/EC, Euratom, Article 3(3).

⁸ 2004/338/EC, Euratom, Article 3(2) and note 3a.

⁹ Dewost, Jean-Louis (1984), *La Présidence dans le cadre institutionnel des Communautés Européennes*, *Revue du Marché Commun*, 273, pp. 31-34.

¹⁰ Heyes-Renshaw, Fiona and Helen Wallace (2006), *The Council of Ministers*, Basingstoke: Palgrave.

¹¹ For example Kirchner, Emil (1992), *Decision-Making in the European Community: The Council Presidency and European Integration*, Manchester: Manchester University Press.

¹² See Tallberg, Jonas (2006) *Leadership and Negotiation in the European Union*, Cambridge: Cambridge University Press. This type of analysis has been labelled as the *Lund school*. See Whitman, Richard G. and Thomas, Gareth (2007), *Presidency as Leadership? Assessing the EU Presidency through the 2005 UK EU Presidency*, in Stivachtis, Yannis A. (ed.) *The State of European Integration*, Aldershot: Ashgate, p. 61.

¹³ Schout, Adrian and Sophie Vanhoonacker (2006), *Evaluating Presidencies of the Council of the EU: Revisiting Nice*, *Journal of Common Market Studies*, 44 (5), pp. 1051-77.

iser, ii) broker, iii) political leader, and iiii) national representative. In Schout and Vanhoonacker's analysis the focus of these four roles are respectively: i) efficiency in search for a common position (organiser), ii) fairness in the search for a common position (broker), iii) moving towards long-term objectives (political leadership) and iiii) preventing high (political) costs at the national level (national representative). The role of national representative can partly be filled by using the agenda-setting powers of the presidency. However, the national role of the presidency should perhaps not be underestimated.

In our following analysis, we will use the three roles of broker, agenda-setter and representative and link those functions to how the Swedish Presidency may be acting in different policy areas. The domestic setting and constraints will also be analysed as we explore the various policy dossiers, but we do not treat them as a specific role, as proposed by Schout and Vanhoonacker.

Power resources of the Presidency

The growing body of research about presidencies has recently focussed to a great deal on the power resources of the presidency. One of the key issues in this field relates to which extent a presidency can push political outcomes in the direction of national preferences. Based on both qualitative and quantitative techniques most studies confirm that chairing the EU actually bestows power resources upon the incumbent. A few of the findings that can be found are:

- Influence is related to the decision-making rule, making it easier to push results towards own preferences under QMV.¹⁴
- The Presidency can function as a *relais* between the Council and the EP under early agreements.¹⁵ The power of holding information about the other actors' preferences may be used to influence outcomes.¹⁶
- Presidencies which take place during the final stages of the decision-making process have more power to influence the content of outcomes.¹⁷ It is in the final face of the legislative process that the privileged position of chairing is relatively most influential.¹⁸

In sum, we can conclude that recent academic studies stress that holding the presidency comes with power resources and possibilities in shaping political outcomes to a higher degree compared to not holding the presidency. For a smaller Member State this additional weight in the decision making process is potentially a substantial increase in power. It has sometimes been stressed that smaller Member States fulfil the role of a neutral broker to a higher degree than the bigger Member States. This may be true but there is also ground for claiming that a smaller Member State can use the agenda-setting functions and put items on the common agenda that it would have had much more difficulties in achieving without the extra clout of the presidency bestows.

4. Conducive Conditions and the Setting for the Swedish Presidency

From here, we would like to move on, perhaps on a bit more speculative note, to say something about the conditions under which a presidency can be thought to be more successful. The conditions mentioned here represent a first attempt at systematising the contextual factors and can most likely be complemented by many more and framed in different ways.

1) Domestic peace

As the presidency to a large extent exhausts the capacities of the government and central administration (in particular for small Member States) devoting time and energy to domestic political quarrels, electoral campaigning, political scandals et.c. is something that any political leader would like to avoid. As was visibly demonstrated by the Czech Presidency, a weak parliamentary support is clearly detrimental to the capacity to lead the Union.¹⁹ Furthermore, the electoral calendar should be structured so that electioneering can be avoided.

When looking at the Swedish case, the conditions in this respect are rather good. There is a very cohesive majority coalition government backed by a stable parliamentary majority. The governing parties scored a decent result in the European Parliament elections in June and have good reasons to feel confident ahead of the legislative elections in September 2010. So far, individual parties in government have refrained from solo-riding and, hence, the government has

¹⁴ Tallberg, Jonas (2006), *op. cit.*. Schalk, Jelmer, René Torenvlied, Jeroen Weesie and Frans Stokman (2007), The Power of the Presidency in the EU Council Decision-Making, *European Union Politics*, 8(2), pp. 229-50.

¹⁵ Farrell, Henry and Adrienne Héritier (2004), Interorganizational Negotiation and Intraorganizational Power in the Shared Decision-Making: Early Agreements under Co-Decision and their Impact on the European Parliament and Council, *Comparative Political Studies*, 37 (10), pp. 1184-212.

¹⁶ Tallberg, Jonas, (2004), The Power of the Presidency: Brokerage, Efficiency and Distribution in EU Negotiations, *Journal of Common Market Studies*, 42 (5), pp. 999-1022.

¹⁷ Thomson, Robert (2008), The Council Presidency of the European Union: Responsibility with Power, *Journal of Common Market Studies* 46 (2).

¹⁸ Warntjen, Andreas (2008), The Council Presidency: Power Broker or Burden? An Empirical Analysis, *European Union Politics*, 9 (3), pp. 315-38.

¹⁹ For an in-depth analysis of the Czech Presidency, see Král, David, Vladimír Bartovic and Věra Řiháčková (2009), *The 2009 Czech EU Presidency: Contested Leadership at a Time of Crises*, SIEPS, 2009:20p.

not been tormented by internal disputes. The government has repeatedly asked for a *party truce* during the Presidency and after some hesitation the opposition agreed. However, when presenting the Presidency programme in parliament on June 23, the Prime Minister was nonetheless put under pressure by the opposition. The main disagreements between the opposition and the government concerns the initiatives regarding the regulation on posted workers – and labour market regulation more generally – and the level of ambitions in the area of combating climate change.

2) Political stability

A successful presidency certainly does not operate in a vacuum. Arriving at decent results requires the support of many other actors, in particular other Member States. Political leaders that are constrained by up-coming elections and/or falling public support are most likely less prone to make concessions that are hard to sell domestically. The Swedish Presidency will during its tenure be faced with German political leaders, currently in a coalition together, standing on opposite sides of an elections campaign, and – that is a very big uncertainty – the political turbulence around the UK government may eventually lead to new elections there too. The political stability among the key actors in the EU is not present. The European Parliament is looking for its role and the absence of new Commission are also destabilising factors for the presidency. However, the outcome of the EP-elections in June was, in many Member States, a signal that the centre-right parties – a political orientation shared by the Swedish government – are more trusted by the citizenry to deal with the consequences of the economic crisis. Therefore, the political composition of the Parliament points in the direction of stability. Furthermore, the dominance of centre-right governments in the EU gives the Council and the EP similar political orientation, which should be seen as a favourable condition for arriving at good results while chairing the EU.

It is not only the actors that should be stable but also stable constitutional rules make for an easier presidency – one which can focus its energies on preferred substantial policies. Neither this will be the case during autumn 2009. The Swedish Presidency will be in a position where it may have to prepare and implement a new treaty and even though it is not a radical change it is substantive in many areas.

3) A cooperative world

A stable world without wars and natural disasters is per definition desirable but in practice very unlikely. The trouble – apart of course from human suffering – is that it is very difficult to know what crisis will erupt and therefore how it will affect the EU and the presidency's planning and priorities. The aftermath of the Iranian elections can prove to be an early sampler of things to come. After all, the Trio colleagues of France and the Czech Republic had to deal with the wars in Georgia and Gaza and there is unfortunately no objective reason why something of similar magnitude will not happen during the Swedish Presidency. The question is only what.

The general currents in international affairs may affect the conditions for leading the EU. As many of the issues at stake concern not only the EU but also other major partners, the political situation among these key players may influence the general ambience of world politics. It seems logical that less polarisation and more of common understanding of central policy issues among the influential political actors or groups in world politics should be conducive to achieving results in global politics. Climate change, the economy and issues of security are all areas where a less polarised world may help to create a sound environment for the EU. A new American administration more in line with European policy priorities should definitely ease transatlantic cooperation. Also the apparent consensus around climate change at the G8 summit in L'Aquila must be seen as encouraging to arrive at desired results during the final rounds of international negotiations leading to Copenhagen.

4) An agenda in line with politically convenient issues

To achieve good results, there is of course the possibility of carefully selecting priorities that are well in line with national preferences. However, as we will see more in detail below, when an issue is close to the heart of a country holding the presidency there is a risk of disappointment concerning the results. As much of the agenda is inherited, a presidency may find itself in a position whereby it has to conclude dossiers that go down less easily among the electorate. That may, in turn, lead to an intensified debate in the public sphere as the presidency is more closely watched by the media than EU-affairs normally are.

In the Swedish case, the climate change issue and issues relating to the areas of justice, freedom and security are well

in line with domestic priorities while economic and institutional issues seem less convenient.

5) *Extensive networks and administrative capacity*

A rather obvious aspect of a successful presidency that should not be underestimated is the administrative capacity of the central administration. An experienced, knowledgeable cadre of bureaucrats is central to carrying out the groundwork required for the successful completion of the strenuous task of chairing the EU. As we saw in the previous section, some accounts stress the role as *organiser* of the presidency; an account that also often occurs in the anecdotal assessments made by civil servants from other Member States or staff from the EU-institutions. To have an administration experienced in operating in the corridors of Brussels, individual civil servants who know the issues, procedures and policy options and who act in the interest of the executive is of course essential to any Member State and even more so for a Presidency. As the Swedish administration successfully managed the presidency in 2001, there are no strong reasons to believe that they will fare worse this time around, on the contrary.

An extensive network and experience of European governance of those individuals who are to lead the work of Council constellations, including the European Council should also be central to a successful presidency. In a SIEPS-report on bargaining power in the European Council, several of the interviewees stress the importance of long experience of the European Council.²⁰ Former Swedish Prime Minister Göran Persson argues that “(m)y own position in the European Council is obviously a product of having been there long. I have been able to welcome many, say goodbye to many, and still remain myself”.²¹ Even though structural sources of power are found to be more important in the study, the experience, personalities, standing in domestic politics and expertise can provide leaders with additional weight in the bargaining process.

The current Swedish government has been in office for almost three years and the ministers should therefore have acquired some substantial experience of European integration. As there was a different government during first Swedish Presidency in 2001, few of today's leading politicians have the specific experience in chairing the EU. With some notable exceptions, the current government cannot be

described as one overcrowded with people of high international profile and standing. This experience is perhaps most important when chairing GAERC and the experience of the Minister for Foreign Affairs should be an asset in this field. Good relations to other political leaders is certainly an asset when finding common solutions to unexpected problems that arises along the way.²² There is, as of yet, little or no published research about how well the current Swedish government has developed those networks in the EU.

6) *When the going gets tough...*

It may be easy to draw up these conducive conditions but less clear as to the extent to which they actually are favourable to a presidency that wants to be heralded as *truly* successful. In fact, it is possible to argue that a ‘good crisis’ and turbulence may be just what political leaders want in order to exert political leadership. A crisis that emerges during the tenure of a presidency may actually prove to be the moment for a political leader to show his or her ability as an international leader and can be the dividing line between a competent presidency and a successful one. Without subscribing to a overly cynical world view, leaders that are positively evaluated by posterity have often excelled at some form of crisis management or dictated a long term agenda, be it of reform or stability.

The Swedish Presidency will to some considerable extent be assessed on the basis of how well it will handle upcoming crises and challenges. Some will be unexpected and hence beyond analysis while some will be foreseeable such as avoiding breakdown of the final climate negotiations which we will address below.²³ On an organisational level, the Swedish government has recently instituted a Crisis Management Coordination Secretariat within the Prime Minister's Office responsible for, inter alia, policy intelligence and situation reporting which will be central in alerting the Government of potential crises around the world.

To conclude there are a number of conditions that contribute to making life a bit easier for a President of the Council. In the Swedish case the picture is mixed; some circumstances are clearly detrimental for a smooth presidency while others are more conducive and which will be stronger can only be properly evaluated *ex post*. We will now proceed to the priorities of the Swedish Presidency and link those priorities with the roles introduced above.

²⁰ Tallberg, Jonas (2007), *Bargaining Power in the European Council*, SIEPS, 2007:1.

²¹ *Ibid.* p. 29.

²² For an account on the role of the Prime Minister during the 2001 Presidency, see Ruin, Olof (2002), *Sveriges statsminister och EU: Ett halvår i centrum*, Stockholm: Hjalmarsson & Högberg förlag. Ruin stresses the impact of the informal style of decision-making in the European Council and the importance of personal networks, see especially pp. 79-85.

²³ For an analysis of the crisis management of the French and Czech Presidencies, see Brickner, Gesa-Stefanie & Nina Netzer (2009), *EU-Ratspräsidentschaft in Zeiten der Krise. Einflussfaktoren auf den rotierenden EU-Vorsitz am Beispiel Frankreichs und Tschechiens*, Berlin: Friedrich Ebert Stiftung.

5. What Roles Will the Swedish Presidency Play?

From what has been outlined above we can safely assume that the Swedish Presidency will have to perform a number of different roles during autumn 2009, but that the importance of different roles will vary with the policy areas at hand.

Before moving on to the actual agenda of the Swedish Presidency we will very briefly introduce the Swedish position in relation to European integration in general. If there is such a thing as a national view on European integration, the Swedish version would be based on a perception of the EU as based upon intergovernmental cooperation aimed at delivering policy results that under internationalisation are hard to achieve nationally. There is a rather large dose of pragmatism and instrumental reasoning behind the Swedish vision of Europe and a reluctance to engage in discussions of institutional design and *finalité*. A cornerstone in the Swedish attitude towards the EU is the strong support for further enlargement, which is a consensual position among all key actors. The flipside of the support for enlargement is a – seldom advanced – hesitance towards deeper political integration. The current government, consisting of more pro-European parties than the opposition, proclaimed as it took office that Sweden should be a part of the ‘core of Europe’. How that core of Europe is to be defined seems rather unclear, but the ambition is at least rhetorically visible.

The political priorities as described in the six-month work programme are;

- Economy and employment
- Climate change
- The Stockholm Programme
- The Baltic Sea Strategy
- The EU, its neighbourhood and the world
- The institutional and constitutional questions.²⁴

Moreover, the policy priorities of the Presidency for each Council formation are also given in the programme (see Appendix for a bullet point summary). In the following we will set out to analyse the likely roles the Swedish Presidency will have to play in relation to each of the priorities given above.

5.1 Economy and Employment

The outbreak of the financial and economic crisis in 2008 will undisputedly have a huge impact on the Swedish Presidency. As was pointed out in the introduction, the financial and economic crisis is of such magnitude that it will dominate the agenda, affecting most other policy domains. While globalisation of the economy is far-reaching, the political sphere remains to a large extent national. Many of the responses by political leaders to the economic crisis are therefore designed to save national jobs, banks and industries. The threat of increasing protectionism has surfaced since the out-break of the economic crisis. It has become a natural response by many European leaders to argue that the financial and economic crisis is an imported rather than home-made crisis and that this, in turn, gives an imperative to secure levels of prosperity domestically – even if it requires measures that have negative externalities.

On a macroeconomic level, the tension between expansive and restrictive budget regimes is currently visible. While some governments have been generous with their use of public money to save national industries, banks and to increase the possibilities of private spending others have remained reluctant to overspend and to increase public debt. The suspension of the rules of the growth- and stability pact has off-loaded governments with the formal restrictions to public spending. The issue in the longer run is how to get back to the levels of deficits and debt stipulated by the pact. The Swedish government is intensively arguing for stability and long-term sustainability of public spending, putting this argument at the core of its reasoning and structures all consecutive arguments subject to this condition.

The Swedish Presidency will at the first stage deal with the regulation of the financial markets and follow up on the decisions taken at the European Council in June to set up a number of supervisory bodies and frameworks. The ground work for the area of financial regulation was made by the de Larosière report earlier this spring.²⁵ A number of proposals of how to reform the supervision of the financial markets within the EU, including the creation of supervisory agencies are now in the hands of the Swedish Presidency. Issues that have been subject to negotiations within the EU include, for example; the regulation of tax havens, the composition of the supervisory boards, the degree to which European regulation is necessary or if national ones suffice. The tensions between

²⁴ Swedish Government, *Work Programme for the Swedish Presidency of the EU*, available at www.se2009.eu.

²⁵ *The High Level Group on Financial Supervision in the EU*, European Commission.
http://ec.europa.eu/internal_market/finances/docs/de_larosiere_report_en.pdf

Member States about how much and what kind of regulations are needed have been visible even though there is a growing consensus around the need of installing mechanisms that can prevent future financial breakdowns. The perspective of the Swedish government has been to have better and more efficient regulations of the financial markets. To make progress on these regulations and to set up the system of supervision will be an important negotiating task for the Swedes. The new structure of supervision will include both the supervision of the overall stability of the system and of micro-level of banks operating in several countries. The latter part will also be achieved through better coordination between national supervisory agencies.

The link between supervision at the micro-level and the more systemic macro-level has become increasingly visible to many. In the area of monetary policies, the idea that inflation targets alone would generate economic stability has been questioned during the crisis. 'Macroprudential regulation', which means that regulators need to supplement micro-level supervision of firms with analysis of systemic roles of industries and firms, have become an appealing concept to many.²⁶ The logic behind this concept seems simple and clear but the actual implementation of it in a system such as the EU, where responsibilities are divided between different levels of governance and where not all Member States share the same monetary policies, seems less straightforward.

The Roles of the Presidency

Taking all the inevitable structural and institutional hindrances into account, it can – with some imagination – be possible to talk of a window of opportunity for leadership in the area of handling the effects of the financial and economic crisis.

The economic crisis has dramatically changed the political and economic environment for the EU and thereby also the setting for the Swedish Presidency. The fact that Sweden is not part of the Euro-group is – at the outset – a constraining factor. With respect to the roles of the presidency we can imagine that the role of representative can prove rather difficult to fulfil as Sweden is not part of the euro-zone.²⁷ The need for macroeconomic coordination is, quite naturally, highest among those countries that share currency. Much of the common actions taken concerning the economic crisis have thus far stemmed from within the Euro-group. Not being part of that group and to provide leadership within the EU

may prove a difficult combination. There is a growing public debate in Sweden concerning the euro but in all likelihood the question of joining the euro is not going to be formally raised until – at the very earliest – after the 2010 elections.

There is also considerable concern that – perhaps especially bigger – Member States will pursue policies in conflict with the commonly agreed ambitions and rules. Being a firm supporter of free trade, the Single Market and market economy, the Swedish government might want to engage in debates with other Member States concerning protectionist actions. The incentive to do so may also be higher as the institutional uncertainties, with a pending Commission, may affect the supervision of the Single Market. This could possibly lead the Presidency to act, something which could be very sensitive as it could be seen as expanding the role of the chair to interfere with domestic politics in other Member States. However, the proposed partnerships with the Member States to implement the Single Market could be seen as a viable starting point.

The relationship between the roles of *broker* and *representative* can probably be illustrated when the EU is preparing for the G20 summit and how the Member States will act during that meeting. What the exact role of a Member State holding the Presidency while not normally being part of the G20 is somewhat hard to understand. We assume that the role of internal *broker* ahead of the meeting is of more importance than as *representative* of the bloc at the meeting.

During the Spanish Presidency in 2010 a new agenda to replace the Lisbon strategy will be launched. As a result of the financial and economic crisis, these issues have received increased attention. As the Lisbon strategy has received substantial criticism for not leading to the expected results and for not having arrived at effective decision-making mechanisms, we can expect some innovations in this field. Without pre-empting the agenda for the following presidency, it should be possible to argue that the Swedish Presidency could be in a position where *agenda-setting* leadership could be exercised in this field. So far, the ideas of the government have mainly concerned restrictive public spending, focus on supply-side labour market reforms, active labour market policies, effective matching and – with respect to long-term growth – focus on research and innovation, effective markets, better regulation, a good business climate and labour supply.²⁸ The government devotes significant attention to the labour market arguing that “an active labour market policy

²⁶ 'Better broth, still too many cooks', *The Economist*, 20 June 2009.

²⁷ For example does not Article 113.1, concerning the participation of the President of the Council in the Governing Council of the ECB, apply in practice to non-euro countries and it is the chairman of the Euro-group that takes this seat during the Swedish Presidency.

²⁸ Presidency programme, *op. cit.* pp. 3-5.

for better adjustment and mobility in the EU's labour market, more effective matching, increased skills development and more entrepreneurs are important factors in dealing with the job crisis in the short and long term."²⁹ At the core of the reasoning is labour market participation and the government has devoted considerable attention to arguing for reforms that may increase the possibilities of female participation.

When it comes to how these reforms will come about and at which level action should be taken, not much is expressed. In the Presidency Programme, it is advanced that the "responsibility for labour market policy lies with the Member States. The added value of the EU is in the exchange of experience and commitments to take measures at national level that increase employment for women and men throughout the EU".³⁰ In an article by the Prime Minister and the Minister of Finance in the *Financial Times* they state that "most importantly, the successful implementation of the Lisbon Strategy requires more efficient benchmarking and evaluation and robust institutional frameworks underpinning increased productivity and long-term growth".³¹ It seems as the government prefers the mechanisms of benchmarking and comparisons to communitarian mechanisms of integration. As the issues raised in the Presidency Programme closely mirror the policies pursued by the Swedish Government at home, we may expect the Swedish government to want to export them to the European level but without making them truly European policy dossiers.

5.2 The Climate Agreement

The negotiations of a successor to the Kyoto protocol which will culminate in Copenhagen in December (COP 15 to insiders) will be the litmus test of the Swedish Presidency. It is the most important objective of the Presidency "to lead the EU and, together with other parties, to agree on an international climate change agreement".³² This is not the place for a comprehensive review of the policy options and implications of climate change. We will here only mention three policy questions on the global level which may well prove to be stumbling blocks on the road to an agreement. Firstly, the level of carbon dioxide emissions reduction to 2020 and how they are distributed globally give raise to an infinite number of configurations, including the positions of rapidly growing economies such as India and China. Secondly, and possibly even trickier, is the question of who will pay for the reduction

of emissions and for the adaptation of economies. Third, there is the question of governance structures for overseeing climate regimes in the long run. There are of course a myriad of other policy issues that will have to be addressed in Copenhagen such as the role of instruments like the Clean Development Mechanism (CDM),³³ emissions trading and deforestation but these seem somewhat more technical than the fundamental question of which principle is to guide burden sharing.

Within the EU the main challenge will be upholding commitments already made in the climate and energy package of December 2008. The so-called 20-20-20 deal essentially entails that the EU shall cut carbon dioxide emissions by 20 percent to 2020 from the levels of 1990, increase energy efficiency by 20 percent and that renewables should make up 20 percent of the energy mix. If there is a climate deal in December, the Member States have signalled that they are prepared to increase the commitment of emissions reductions to 30 percent. To make matters more complicated the European Council of June 2009 asked the Commission to propose how the cost should be met and distributed to the aim of intra-EU coordination and that decisions should be taken on all aspects of financing at the European Council in October 2009.³⁴

The Roles of the Presidency

The climate agreement has been labelled "[T]he most complex and vital agreement the world has ever seen".³⁵ It will be the tasks of the Swedish Presidency to *represent* the Council of Ministers and to *broker* a deal internally within the EU and maybe on the global level and perhaps to *provide leadership* in both internal and global negotiations. These roles are reviewed below.

The role of representation is the formally regulated of the three, as we saw above. Together with the President of the Commission, the Swedes will be heading the EU delegation and as such negotiate directly with the other parties. The position the Presidency is to represent is determined by a negotiating mandate which is yet to be established. Representing does not necessarily mean to only be a delegate, there should somewhere be an element of the role of trustee but we can safely assume that the Presidency will express the will of the Member States rather than a Swedish opinion. However, the fact that it is *Sweden* rather than for example Poland which

²⁹ *Ibid.* p 4.

³⁰ *Ibid.* p 4.

³¹ Fredrik Reinfeldt and Anders Borg, 'The Swedish EU Presidency and the economic and financial affairs of Europe', *Financial Times*, 5 June 2009.

³² Presidency programme, *op. cit.*, p. 6.

³³ See UNFCCC's homepage on CDM for further information, <http://cdm.unfccc.int/index.html>

³⁴ Presidency Conclusions, Brussels European Council, 18/19 June 2009, 11225/09, CONCL 2, point 32.

³⁵ 'UN Climate Conference: The Countdown to Copenhagen', *The Independent*, 9 January 2009.

represents the EU is likely to have some form of impact but its magnitude is impossible to assess beforehand. As Elgström has shown, the roles of the EU in multilateral negotiations vary and are shaped by the negotiation process and the EU's potential for leadership (as perceived by third parties) is dependent "on the capacity and will of the member states and EU institutions to agree on common policies".³⁶

Consequently, the question of how much the Swedes will be able to influence that mandate and how much room for manoeuvre the Presidency will have at the negotiations will be crucial and this leads us to the second role, i.e., internal brokerage. Here Sweden has a property that we believe will work in different directions and we cannot say which one will prevail. Sweden is undoubtedly something of an outlier concerning reductions of carbon dioxide emissions and dependence of carbon dioxide emitting generation of power. The government bill on climate and energy introduced to parliament in March 2009 set out the following goals for 2020:

- 40 percent reduction of climate change inducing emissions (non-traded sector);
- 50 percent renewables in the energy mix;
- 20 percent more energy efficiency; and
- 10 percent renewables in the transport sector.³⁷

These ambitions have been described as the most ambitious in Europe – though it should be noted that the domestic opposition was not impressed and criticised both the instruments and the lack of ambition.

Thus when it comes to both internal brokerage and the global multilateral negotiations Sweden can gain credibility through its own domestic commitments and with luck and skill inspire and frame solutions.³⁸ However, if the Swedes are the most ambitious in Europe and indeed in the West, then there is a risk that Sweden is too far from the median Member State (not to mention the lowest common denominator) to be taken into account other than as a formal leader of internal negotiations. This may be all the more so as the effects of the economic and financial crisis are both increasing doubts of investing in climate change policies which may entail making domestic industries less competitive in the short run and making preferences within the EU more heterogeneous thus making intra-EU agreement more difficult. The

Swedish government has repeatedly argued that the economic crisis should not be used as an excuse for lowering ambitions concerning climate change and rather argued the opposite, i.e., that a transition towards an "eco-efficient" economy will spur growth.

Lastly, underlying these global climate negotiations is the familiar logic of two-level games which highlights the interplay between international decision-making and domestic politics, where a win-set is a solution that is acceptable on both arenas for participating actors.³⁹ This will of course be a concern for almost all countries participating in the global negotiations and the Swedish government is no exception. As indicated above, the opposition thinks the Swedish commitments are too low, not allowing Sweden to bear a fair share of the burdens. This is one area where the government will run into fierce and unified opposition if it does not clinch a comprehensive deal on behalf of the EU and may either way affect the dynamics of the Swedish general election in 2010. Still, for the Swedish government, a bad deal is likely to be better than no deal.

To conclude, preparing and negotiating COP15 will put the Swedish Presidency to the test over a number of different roles, in an extremely complex policy area, under unfavourable conditions. Thus it will not be surprising if the deal reached in the end will turn out to be basic rather than comprehensive and pushing details, distribution of financial burdens and commitments to the future. This is however quite far from what is required to be able to label an agreement a success which would require, *inter alia*, upholding the European position; a *de facto* reduction of greenhouse gases; a financial infrastructure for adaptation of energy systems and of course bringing the USA and an array of emerging economies into the global framework for combating climate change.

5.3 The Stockholm Programme

Cooperation in the area of Justice and Home Affairs (JHA) has been guided by five year programmes or agendas since 1999. The Hague programme which stretches between 2004 and 2009 will expire during the Swedish Presidency and is to be succeeded by a Stockholm programme covering the areas justice, freedom and security. The Commission initiated a

³⁶ Elgström, Ole (2006), *Leader or Foot-Dragger? Perceptions of the European Union in Multilateral International Negotiations*, SIEPS 2006:1, p. 35.

³⁷ Ministry of Enterprise and Ministry of the Environment, *Klimat- och energipolitik för en hållbar framtid*, PM, 11 March 2009.

³⁸ See Young, Oran (1991), Political Leadership and Regime Formation: On the Development of Institutions in International Society, *International Organization*, 45 (3), p. 287f for different types of leadership.

³⁹ See Putnam, Robert D. (1988), Diplomacy and Domestic Power: The Logic of Two-Level Games, *International Organization*, vol. 42, pp. 427-460. Where action is coordinated via the EU, some have argued that the dynamics should be understood as three-level games. It is also worth noting that analysis of two-level games refers mainly to liberal democracies as domestic win-sets for authoritarian regimes and dictatorships are more easily controlled by the government itself.

public consultation on the programme in September 2008 and issued a communication in May 2009 which evaluated the achievements of the Hague Programme and what should be done in the future.⁴⁰ The programme was discussed by the informal JHA meeting in July and is expected to be approved at the European Council in December 2009. The programme is not legally binding but will contain political goals which will turn into specific measures that are to be approved and implemented.⁴¹ The programme will deal with issues such as free movement of persons, Schengen, asylum, immigration, judicial cooperation in civil and criminal matters, data protection, fundamental rights, racism, crime prevention, fight against organised crime and external relations. We will here only highlight a few of the priorities of the Swedish government before moving to a brief analysis of the roles of the presidency in the process.

The vision of the Swedish government for the programme is “a more secure and open Europe where the rights of individuals are safeguarded.”⁴² This vision is in line with the challenges identified by the Informal High-level Advisory Group (the Future Group) which was set up to consider the future objectives of the European area for justice, freedom and security.⁴³ In concrete terms this will lead to a focus on mutual recognition, common minimum rules on procedural rights in criminal proceedings such as translation and interpretation. Moreover, the Swedish government is a strong proponent of a common asylum system and some sort of burden sharing mechanism in this area as well as of information exchange systems such as Schengen Information System and Visa Information System. The Presidency is also likely to promote migration policy to facilitate labour migration. The content of the programme will also be affected by which constitutional framework the EU will have and discussions about family law will probably be put on hold until after a second Irish referendum on the Lisbon Treaty.⁴⁴

The Roles of the Presidency

The main task of the Presidency in this context will be to broker a deal between the Member States on the new action programme and, if successful, to limited extent set the agenda during the final stages of negotiations. Even though the action programme is not legally binding it will set the course for the policy area for the coming five year and must there-

fore be considered as important to all Member States. This is all the more true given the sensitive nature of cooperation in this area which is not least signalled by the particular safeguards that have been included in the Lisbon Treaty.⁴⁵

The main task is thus to lead negotiations on common positions regarding the goals of integration in a number of controversial policy areas of which we will only mention three. First, the issue of mutual recognition in criminal and civil law is likely to be highly sensitive as it cuts to the core of the national legal systems and traditions. Simply put, do the Member States trust each others legal systems enough to follow rulings affecting their citizens? For example, are the Portuguese comfortable with Finish civil law and Swedes fine with Bulgarian criminal law proceedings? If the answers to those questions are no, how much must laws and procedures be approximated to change the answer to a yes? The Stockholm Programme will not contain all the answers but it must contain the desired direction of policy development in these fields.

The second issue we chose to highlight is one of the issues stressed by the Future group and that is how to achieve a balance between free movement, security and privacy. The demand for repressive measures is likely to be unevenly distributed throughout the Union where some countries value the integrity of its citizens more than others but also which aspect of privacy is cherished varies. Consider a country like the United Kingdom which is practically littered with CCTV's but where ID cards are extremely controversial – the Swedish situation is exactly the opposite. Thus it can be expected that when EU27 will sit down to negotiate what a balance between privacy and security should look like it will take some considerable brokerage skills to reach a consensus that is substantial and defined rather than abstract and amorphous. A complicating factor for the Swedish government is that domestic laws concerning surveillance and tracking down file sharers unleashed a substantial mobilisation on exactly this conflict dimension which forced the government to back-track. In the wake of this ‘affair’, seven percent of the Swedish electorate voted for the Pirate Party in the EP-elections of 2009. The party has essentially one overarching policy position – privacy – and this will in all likelihood make the Presidency sensitive to issues that can be construed as a threat to privacy and integrity.

⁴⁰ Communication from the Commission, Justice, Freedom and Security in Europe since 2005: An evaluation of the Hague Programme and an action plan. COM (2009) 263 final, Brussels 10.6.2009.

⁴¹ Södersten, Anna, *Stockholmsprogrammet – ett ambitiöst program för frihet, säkerhet och rättvisa?*, EPA 2009:3, SIEPS.

⁴² Presidency programme, *op. cit.*, p. 8.

⁴³ *Freedom, Security, Privacy – European Home Affairs in an Open World*, Report of the Informal High Level Advisory Group on the Future of European Home Affairs Policy (The Future Group), June 2008, available at <http://register.consilium.europa.eu/pdf/en/08/st11/st11657.en08.pdf>

⁴⁴ Södersten, Anna, *op. cit.*, p. 3.

⁴⁵ See *Official Journal* C 115 of 9 May 2008, Consolidated Version of the Treaty on the Functioning of the European Union, Article 83(3) and Protocol (No 2) on the Application of the Principles of Subsidiarity and Proportionality, Article 7(2).

The third issue where we expect the Presidency to play an active brokerage role and even pursue private gains concerns asylum and migration policy. This is an area in which the Swedish government has well defined preferences and where decisions on the European level are critical for achieving the goals set out. The goals of the Swedish presidency are to promote a common asylum system “characterised by legal certainty and transparency”.⁴⁶ Apart from common regulations concerning for example the processing of asylum applications the Swedish government would like to see more substantial commitments from the Member States within the framework of UNHCR’s quota system.⁴⁷ This is in line with the domestic policies of the government which has focused extensively on a judicialisation of asylum policy. Moreover, labour migration is another area where the Presidency can be expected to follow the domestic policy positions which encompasses substantial liberalisation. These are contentious issues which not least the patchy success of far-right anti-immigration parties in the 2009 EP-elections demonstrated and it will be difficult to broker an agreement which further liberalises labour immigration and aims for a generous and uniform asylum policy.

To conclude, it is unlikely that the Member States will fail to agree to a new programme in the area of justice, freedom and security although there are numerous contentious issues that will have to be tackled. The questions are rather to which degree issues will be specified and in which direction general policy will develop and those questions will only be answered by the Stockholm Programme itself.

5.4 The Baltic Sea Strategy

As many previous presidencies, the Swedish Presidency of 2009 has placed a geographically defined topic on its list of priorities. The primary Swedish concern under this theme is the development of regional Baltic Sea relations which will be based on a Baltic Sea Strategy to be adopted during the Swedish Presidency. The European Council has requested the Commission to prepare the strategy⁴⁸ with the aim to coordinate the efforts of various actors in the region (Member States, regions, financing institutions, the EU, pan-Baltic organisations, non-governmental bodies etc.).⁴⁹ The strategy will be the first intra EU-strategy relating to a specific macro-region. The Commission presented a Communication in June 2009⁵⁰ about the Baltic Sea Strategy and it was

accompanied by an Action Plan with specified Flagship Projects.

The Strategy is built around four themes to make the region:

- Environmentally sustainable;
- Prosperous;
- Accessible and attractive; and
- Safe and secure.

The form of the cooperation will be intergovernmental with recurrent reporting to the General Affairs Council while much of the implementation will be made in task forces composed of civil servants. While certain synergies between programmes can be expected, no additional EU-funding is envisaged.

Ahead of the second stakeholder conference, held in Rostock in February 2009, the Swedish Prime Minister and the German Chancellor jointly called for the strategy to be (more) focussed in order to achieve results. They highlighted the environment in particular but also shipping, transport and energy infrastructure. Furthermore, they saw benefits in including research, innovation and culture in the strategy as well as prioritised projects regarding competitiveness through innovation and clusters and helping networking for SME’s.⁵¹

The Roles of the Presidency

That the strategy is a top priority of the Swedish can be illustrated by the comment from the Minister for European Affairs at the European Parliament in December 2007 where she stated “that the strategy is one of my government’s top priorities in the discussions with France and the Czech Republic for our common presidency work programme”.⁵²

The strategy is the clearest example of the presidency as *agenda-setter* in the entire work programme. The Swedish Presidency also aims to inspire other regions to form co-operation of similar kind which could be seen as a more long-term procedural impetus to the future integration of Europe. Quite obviously the government hopes to have found an issue that appeals to the Swedish public and that can be presented as a major achievement and to prove how a small Member State can influence the common agenda. However, the problems that can be foreseen with the strategy are, *firstly*, that it only concerns a limited number of Member States and, *sec-*

⁴⁶ Presidency programme, *op. cit.*, p. 8.

⁴⁷ Billström, Tobias, ‘Även andra länder måste ta sitt flyktingansvar’, *Dagens Nyheter*, 24 July 2008.

⁴⁸ European Council Conclusions of 14 December 2007, point 59.

⁴⁹ See European Commission, http://ec.europa.eu/regional_policy/cooperation/baltic/index_en.htm.

⁵⁰ Communication from the Commission, European Union Strategy for the Baltic Sea Region, COM (2009), 248 final.

⁵¹ Merkel, Angela & Fredrik Reinfeldt, ‘Ökat Östersjösamarbete i EU’, *Svenska Dagbladet*, 4 February, 2009.

⁵² Speech by Cecilia Malmström at discussion with Baltic Intergroup, European Parliament, Strasbourg 12 December 2007.

The date of this speech indicates that this priority has been consistently high on the Swedish agenda throughout the current Trio.

only, the question of the decision-making mechanisms seems to be uncertain. The main challenges are perhaps those of continuity and momentum, that is, how to make the strategy viable in the longer run. To make the strategy a success in the longer run, other key actors and partners will need to share the Swedish enthusiasm for the strategy. As the foreseen mechanisms of the strategy are based on voluntary agreements, the years beyond the six month of Swedish leadership will be the real test of the success of this innovative strategy. The Minister for European Affairs argued in a speech in June that the “Baltic Sea region is not a new institution or administration, but it is more than a strategy. It is a method, a way of thinking which demands concrete actions by defined actors who take responsibility for concrete projects. The Commission is responsible for the follow-up and evaluations, thereby securing continuity”.⁵³

The role of *broker* in relation to the strategy can perhaps be illustrated with the dilemma of bringing the eight countries involved in the strategy to pursue common goals while at the same time convincing the other Member States that the strategy is not a threat to European unity and coherence. The role of *representative* can best be seen as to how the strategy is perceived by Russia. Here the main challenge is to find a constructive cooperation within existing frameworks, notably the Northern Dimension. Diplomatically, the task is to credibly convince outside neighbours that the strategy does not include exclusory and – perhaps more importantly- hard security elements.

5.5 The EU, its Neighbourhood and the World

If the other five prioritised areas dealt with in this section can be described as relatively defined in terms of scope and tasks – with the possible exception of the economy – *The EU, its neighbourhood and the world*, must be seen as close to indefinable. A look at the appendix will indicate the prioritised items on the agenda of the GAERC Council which includes *inter alia* the European Neighbourhood Policy (ENP), the implementation of the Eastern Partnership, the Cyprus issue, relations with Russia, Asia in general, Afghanistan, Pakistan, Iran; the situation in Middle East and a number of free trade agreements. Additionally, continued enlargement is highlighted in the work programme where continued progress on Turkey’s accession negotiations is awarded special mention.

The priorities can be divided into two overlapping categories; bilateral relations with countries and regional organi-

sations and the EU as a promoter of the policy goals of peace, stability and development. We will in the following only highlight three areas which are close to the heart of the Swedish government; enlargement, the Eastern Partnership and free trade, but we will return to some of the others when analysing the possible roles the presidency will have to play.

The enlargement process is multi-faceted and it is difficult to know exactly which decisions will be taken during autumn. There are presently three candidate countries, Croatia, Macedonia and Turkey and five potential candidates, Albania, Bosnia-Herzegovina, Montenegro, Serbia and Kosovo. The negotiations with Croatia can possibly be finalised during autumn but the process is blocked by Slovenia; Macedonia’s application is held down by Greece and Turkey’s negotiations are slowed down by France in particular but also by a slow reform process in Turkey. It is possible that some further chapters will be opened during autumn but not in any sensitive areas, due to French opposition. In fact, out of 34 chapters, only 11 are open for negotiations and only one has been provisionally closed during the four years of negotiations.⁵⁴ The potential candidate countries of the Western Balkans will see a string of recommendations emanating from the Commission concerning visa liberalisation and progress during autumn may entail visa-free travel for the citizens of some of these countries before the end of 2009. Finally, the Icelandic application for membership to be submitted during the Swedish Presidency will be warmly welcomed by at least the Swedish government.

The second area which we choose to highlight in this section is the Eastern Partnership since it stems from a joint Swedish-Polish initiative. The Partnership is to be an Eastern dimension of the European Neighbourhood Policy involving the EU and Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The aim is to “create the necessary conditions to accelerate political association and further economic integration between the European Union and interested partner countries”.⁵⁵ Even though there are no meetings at ministerial level planned within the framework of the Eastern Partnership during the Swedish Presidency, it will be an important period to get the partnership off the ground and to keep momentum after the Prague summit, which may prove a very difficult task indeed.

Finally, while it is well nigh impossible to predict the conclusion of the Doha Round of trade negotiations, it is nonetheless seen as an important tool to restart growth and

⁵³ Speech by Cecilia Malmström, *Östersjöstrategin inför ordförandeskapet*, Swedish Parliament, 10 June 2009, <http://regeringen.se/sb/d/7415/a/128585>.

⁵⁴ ‘France lays down the law on Turkey’s EU progress’, *EUobserver.com*, 6 July, 2009, <http://euobserver.com/15/28412>. See also Council of the European Union, Seventh Meeting of the Accession Conference at Ministerial Level with Turkey, Brussels, 30 June 2009, 11568/09 (Presse 200).

⁵⁵ Council of the European Union, Joint Declaration of the Prague Eastern Partnership Summit, 7 May 2009, 8435/09 (Presse 78), point 2. This declaration also gives an overview of the Partnership and how it is planned to function. For a critical analysis, see Shapovalova, Natalia, *The EU’s Eastern Partnership: still-born?*, FRIDE Policy Brief No. 11, May 2009.

could be a way out of the economic crisis. According to the Trade Commissioner Ashton, there is “an excellent chance of closing a significant part of the remaining 20% [of unsettled issues] before the end of the year”.⁵⁶ Moreover, there are a number of bilateral free trade agreements under negotiations where the Swedish Presidency would like to see progress and possibly conclusion with countries such as South Korea and India and with regions such as the Andean Community and the Gulf Cooperation Council.

The Roles of the Presidency

Since this slightly nebulous cluster of priorities involves different instruments, complex processes and a large number of counterparts, both within the EU and outside, the Presidency is likely to have to play a number of different roles in all likelihood with varying success. External representation is per definition a large part of the job in this field, but effective internal brokerage will be a necessary – but not sufficient – condition for achieving results. The Eastern Partnership mentioned above (and the Baltic Sea Strategy also above) are examples of longer term agenda setting which we do not expect will be a particularly prevalent characteristic of the Presidency in this cluster, further to what already has been done.

Before turning to the more structured side of the EU's relations with the rest of the world we must briefly consider that the world of international relations often is unstable and conflicts tend to flare up with alarming frequency. The violence in Xinjiang is an early instance which the Swedish Presidency has had to deal with. Even though every actor would like to be proactive in crisis management, it is more realistic that action will be reactive and here efficiency in internal decision-making becomes paramount. The Swedish Presidency is not likely to be as fast in its reactions to an international crisis as for example France was in the case of the Russia-Georgia conflict but that may not necessarily be a bad thing. As Sweden indeed is a small country which is not a member of NATO and without a colonial past, responses will be brokered within the Union before action is taken. In particular this is likely to be the case if the crisis involves Russia as the harsh condemnation of the Swedish Foreign Minister of the Russians in the Georgian conflict has further soured relations which were not excellent to begin with. Thus, if a crisis occurs in the field of security policy, the Swedish Presidency can be expected to be cautious, consult extensively (i.e.,

broker) and properly represent an EU position when such a position is reached.

With regard to the Eastern Partnership the main role of the presidency will be to try to keep up the momentum and reaffirming the political commitment to the process. To provide leadership in this process will require diplomatic skills as Russia is watching the process closely and has been interpreting deeper cooperation with the former Soviet republics as directed towards Russia. Moreover, that leadership will be needed for processes of this kind has been shown by the fate of the Union for the Mediterranean.⁵⁷

Enlargement of the European Union has become increasingly contentious and enlargement fatigue is a term that captures the mood in many capitals of the Union as the Swedes take on the presidency. In fact, the Eastern Partnership may in effect be seen as a response to this fatigue as membership perspectives are absent from this process. Nevertheless, it is slightly surprising to see that the Swedish government has not chosen to put more emphasis on the issue in its priorities given its traditional role as a strong supporter of enlargement and this is probably best interpreted as a concession to *realpolitik* on behalf of the Swedish government. The main policy challenges were outlined above, i.e., progress in the negotiations with Croatia and Turkey and in the relations with Western Balkans and will primarily require the Presidency to focus on brokerage – both with Member States and as a representative of the Union vis-à-vis (potential) candidates.⁵⁸ The greatest difficulty, at least potentially, lies with the Turkish negotiation process where the Swedish government is firmly standing by the commitments of enlargement, a position which is at odds with for example the Trio-colleague France. It is however unlikely that the Presidency will provoke a clash over Turkey's accession but will rather concentrate its energy on avoiding further politicisation of the process.

Lastly, the role of the presidency in trade negotiations (WTO and bilateral trade agreements) is limited since it is the Commission which represents the EU in trade policy. Nonetheless, the Swedish Presidency has decided to push trade issues in general and a conclusion of the Doha round in particular. The political logic underlying this priority is that the Swedish government is very much in favour of free trade and that it sees an increasing threat of protectionism. By stressing its commitment to free trade it is possibly hoping to increase the prevalence of the issue on the European level and

⁵⁶ Speech by EU Commissioner for Trade Catherine Ashton, given at the British Bankers Association Annual Banking Conference, Merchant Taylors' Hall, London, 30 June 2009.

⁵⁷ See 'France attempts to revitalise Union for the Mediterranean', *EurActiv*, 26 June 2009, <http://www.euractiv.com/en/enlargement/france-attempts-revitalise-union-mediterranean/article-183525>.

⁵⁸ It should however be noted that the Swedish Foreign Minister has stated that he does not plan to get involved in solving bilateral disputes such as the one between Croatia and Slovenia or Greece and Macedonia. See 'Sweden to stay out of bilateral spats', *EUobserver*, 23 June 2009, <http://euobserver.com/15/28353>.

to counter protectionist rhetoric coming from some Member States. As president of the Council it may affect the conduct of trade negotiations at the margin since the Commission is negotiating with a mandate from the Council but it would be unseemly to try to push an own free trade agenda in the face of opposition in the Council. It may also be the case that the Presidency would get some extra leverage if the WTO were to schedule ministerial meetings, but then all other Member States would also be represented in their own right.

To conclude, the Presidency would like to see progress and minimally avoid stalemate regarding enlargement, free trade and the Eastern Partnership. But apart from these selected priorities there are – as indicated in the appendix – a number of other important issues where progress would be desired. These can be related to *specific areas* such as the Middle East or Afghanistan or *relationships* such as the transatlantic dialogue or *horizontal policy packages* such as development or the EU's crisis management capacity. Finally, this is the area where unexpected events may derail the most careful planning and any presidency would either like to deal with these swiftly and efficiently or wish that they do not occur at all.

5.6 The Institutional and Constitutional Questions

The sixth and final priority of the Swedish Presidency is to manage a new parliament, issues relating to the Commission and the Treaty of Lisbon. This section of the work programme is very frugal which reflects how politically sensitive these issues are. The main issue is of course the second referendum in Ireland on the Lisbon Treaty. If the referendum results in a Yes then the treaty change needs not only to be prepared and implemented but it will also create new conditions for a number of issue areas and this uncertainty casts a shadow over the whole incumbency. If on the other hand it results in a No a whole different kind of leadership will be needed and it falls heavily on the Swedes to take the lead both to instil calm and to initiate a renewed comprehensive debate on the purpose of the European Union – a discussion that in fact is likely to emerge regardless of the outcome of the referendum. A second issue is to appoint a new Commission President, a process which is underway at the time of writing. If the Lisbon Treaty enters into force there will be a number of other important posts that will have to be filled so securing a President for the Commission may prove to be a useful exercise in intra-EU bargaining for the Presidency.

The Roles of the Presidency

The institutional and constitutional issues will require the Presidency to mainly play the roles of internal representation and brokerage. Of all the issues outlined in this analysis, the preparations and implementation of the Lisbon Treaty is where the role of *honest broker* is most important to uphold since it concerns the rules of the game. It could be seen as offensive if the Presidency tried to skew constitutional and procedural rules towards its own preferences, though this has undoubtedly happened before.⁵⁹ The Swedish Presidency will have to work actively with the preparations for implementing the Lisbon Treaty as time will be short between an Irish referendum and (assuming a Yes vote) the entry into force of the Treaty. There is a long list of practical issues that will have to be prepared such as the Rules of Procedure of the European Council, the External Action Service, the budget and a first attempt to delineate the boundaries between the President of the European Council and the dualistic High Representative.

However, as it is politically sensitive to be seen as planning for implementation of a treaty that has not been ratified, this groundwork will have to be carried out informally, playing both the roles of broker and internal representative. Moreover, informal agreements with other key players in the EU is made more difficult as the European Parliament is busy with internal affairs such as distributing chairs, the position of the proposed Commission President has not been confirmed, a new Commission is to be appointed and confirmed late in 2009 and there will be national elections in for example Germany in September. There is thus an uncertainty regarding the mandate of the counterparts in the intra-EU discussions. Potentially, this does however create some room for manoeuvre for the Presidency and a window of opportunity for entrepreneurial leadership if the Presidency chooses to go down that path. Moreover, the scope for lasting influence at a formative constitutional moment is potentially very high as inertia is one of the main characteristics of constitutional rules.

Even though we set out to predict what roles the Swedish Presidency will play and polls are pointing to an Irish Yes vote,⁶⁰ an analysis of this kind would not be complete without the alternative scenario, i.e., a No vote. If the Lisbon Treaty is not ratified by all member States it is likely that the EU will be thrown into both an institutional impasse and a renewed debate regarding the purpose and *finalité* of the inte-

⁵⁹ See the case of the French Presidency and the Nice Treaty negotiations in Tallberg, Jonas (2006) *op. cit.*, p. 137ff.

⁶⁰ See 'Support for Lisbon rises in Ireland', *European Voice*, 1 June 2009.

gration process. It is difficult to predict how grave the institutional impasse would be – the current constitutional rules would continue to be in effect – but the psychological effects, in terms of confidence and capacity could be serious indeed. If such a scenario was to materialise we would not expect the Swedish Presidency to take the lead in the discussions on the future of the EU but rather focus on managing the effects and ensuring that the decision-making machinery is not paralysed. We will return to the future in the concluding section of this paper.

To conclude, the Presidency will like to see smooth solutions to the institutional and constitutional questions listed above – with lowest possible degree of politicisation – but that it may be a bumpy road ahead has been shown by the initial failure to get Barroso confirmed as President of the Commission.

6. Conclusion

The global and European context makes for a challenging presidency where the risk of not delivering results is substantial. However, the possibility of succeeding in the face of adverse conditions is also present but it will require leadership and – not least – luck.

The priorities of the Presidency are mostly exogenously given and not chosen. Some of the priorities fit well with traditional Swedish concerns in the process of European integration while others are more awkward. For example, the Presidency would certainly have preferred not to have had to deal with the economic issues in the way they have now materialised on the agenda. Looking at the six main priorities we find little that binds them together to a whole. Rather, they are disparate and a mixture of necessity with a sprinkle of self-interest. In the following paragraph we will very briefly summarise the main priorities.

In the field of the economy and employment, the issues of financial regulation and preparation of the Lisbon Strategy will be central along with the more ideological macro-economic debate on fiscal stimulus and restraint. Concerning climate change, the agreement on a new climate deal, comprehensive if possible, remain the top priority. Agreeing to a successor to the Hague programme is the centre piece in the areas covered by justice, freedom and security. The Baltic Sea Strategy is destined to be approved and will above all serve to focus some attention towards the Baltic region. The EU, its neighbourhood and the world is a nebulous category which includes a large number of disparate but important issues where, *inter alia*, avoiding stalemate regarding enlargement and pressing ahead with free-trade agreements will be central to the efforts of the Presidency. Finally, the institutional and constitutional issues will cast a long shadow

of uncertainty over the Swedish Presidency. In this area it would probably suit all Member States if the Lisbon Treaty could be implemented smoothly and if public political battles regarding appointments can be avoided.

As regards the roles performed by presidencies, we have throughout this paper linked the roles to the specific issues of the Swedish Presidency. The analysis has demonstrated that there are elements of different roles connected to almost all issues (see Table 1). As the government has downplayed its priorities quite a lot the room for further agenda-setting seems rather limited. Furthermore, there are constraining factors for the Swedish Presidency when it comes to the representative roles being a small, non-Euro and non-aligned Member State. The role that may prove to be the most important one is therefore that of broker. To perform the role of the ‘honest broker’ will certainly be appreciated by other major players, but as regards domestic politics there might be a risk of single-handedly prioritise this role.

To conclude this analysis we will address the question of how we believe the Swedish Presidency will be evaluated with the benefit of hindsight. Apart from organisational efficiency, there are at least three crucial tasks which will form the basis for *ex post* evaluations of the Swedish Presidency, two general and one specific to this Presidency. First, the handling of the unexpected crises will be central; swiftness, determined action and flexibility may be called for and this is especially the case if the crisis occurs within the EU or in its border regions. If the Presidency can muster a collective and coherent response this will decidedly be to its credit. Second, if the Presidency manages to make a lasting constructive impact on either policy or on procedures this will naturally contribute to a positive evaluation. Even though it may be unlikely, this could be done during the implementation of the Lisbon Treaty, while preparing the successor to the Lisbon Strategy or – though there are reasons to be sceptical also here – through the mode of cooperation envisaged for the Baltic Sea Strategy. Finally, and this is a challenge set for the Swedish Presidency, how it will handle the climate change negotiations in Copenhagen. If a breakdown can be avoided and if a deal is reached that is in line with the priorities of the European Union (and Sweden), this will dominate perceptions of the Swedish Presidency. If the negotiations do break down, it will inevitably affect assessments but it may be the case that the reasons for the breakdown lie with other actors than the European Union and is thus not necessarily a failure of the Presidency. In sum, the successful handling these three tasks will make for a successful presidency and vice versa and it is no bold guess that the Swedish Presidency is likely to end up somewhere in-between.

Summary of tentative roles played by the Swedish Presidency*

Area: Role:						
	Climate change	Economy and Employment	Stockholm programme	Baltic Sea Strategy	Institutions	Neighbourhood and the World
Broker	Gather common position ahead of Copenhagen	Finalise work with financial regulations. Gather Member States around continued actions to fight the economic crisis	Negotiate common and comprehensive programme	Receive support from all Member States	Successful management of Treaty and nomination of new posts and new Commission	Gather common positions in relation to international crises, enlargement and free-trade
Agenda-setting	Convincingly lead others to keep ambitions high	Shape post-Lisbon strategy	Mechanisms for burden sharing. Secure balance between measures	Placing the strategy on the agenda	Shaping the delineation of powers of the new posts	Continued process and commitment to enlargement
Representative	External: successful negotiations at Copenhagen	External: negotiations about global economic issues, notably at G20	External: build constructive cooperation with third countries	Internal: constructive cooperation with COM. External: relations with Russia	Internal: creating constructive cooperation with new EP and COM	External: represent the EU on the international arena

* This table links the roles of the presidency to the key areas of the programme without making hierarchies of importance of these roles. Needless to say, there are many other aspects that are not mentioned in this table.

Appendix

In this appendix we list the priorities for each Council configuration as described in the Work Programme for the Swedish Presidency. The list is not exhaustive but comprehensive and aims to give the reader a quick overview of the priorities and strategy of the Swedish government. It is worth noting that many of the priorities listed below are in effect on-going policy dossiers fostered on the Presidency, while some are referring to broad on-going political problems with less concrete policy substance and some are issues that the Swedish government have chosen to highlight.

GAERC – General Affairs: Horizontal issues for a better EU

- *The Baltic Sea Strategy*
- *Continued enlargement*
 - Enter final stage of negotiations with Croatia
 - Progress in accession negotiations with Turkey
 - Progress concerning membership perspective for Western Balkan countries
- *A strategy for growth and jobs for the coming decade*
- *A sustainable Europe*
- *Transparency in the EU*
 - Concluding the negotiations on a revision of the regulations on access to documents
- *More for the money*
 - Initiate debate on altered priorities in the EU budget when the Commission's report on the budget review has been presented

GAERC – External Relations: The EU as a global actor

- *Relations with other countries in our region*
 - ENP
 - Implementation of the Eastern Partnership
 - Negotiations with Ukraine on an association agreement
 - Deeper cooperation with the Mediterranean region
 - The Cyprus issue
 - Relations with Western Balkans
 - Progress on visa liberalisation
 - Relations with Russia
- *Strengthened cooperation and political role in the world*
 - Transatlantic cooperation
 - EU-Brazil
 - Asia – in particular China and India
 - Afghanistan and Pakistan
 - The situation in the Middle East
 - Iran

- Implementation of the joint EU-Africa Strategy
- Economic partnership agreements with ACP-countries
- CFSP characterised by the promotion of international law, human rights, democracy and the principle of the rule of law
- Disarmament and non-proliferation issues
- *Development of the EU's crisis management capacity*
 - European armaments cooperation
 - Implementation of the UN Security Council Resolution on women, peace and security
 - Follow-up of ongoing crisis management operations
- *Development issues with focus on climate and democracy*
 - Fighting poverty in developing nations
 - EU support for democracy-building in external relations
 - Policy effectiveness and coherence for development
- *Increased free trade*
 - Concluding the Doha Round
 - Free trade agreements with South Korea, India, Ukraine, the Gulf cooperation countries, the Andean Community and Central America
 - Trade policy to underpin efforts ahead of the climate meeting in Copenhagen

ECOFIN – Economic and Financial Affairs: Reversing economic developments

- *The economic and financial crisis*
 - Functioning financial markets
 - Guarantee programme
 - Counteracting measures to the economic crisis
 - Assessing stimulus measures
 - Restoring balance in public finances
 - G20 representation
- *Supervision and regulation of the financial markets*
 - Improving coordination, cooperation and exchange of information
 - New structures and bodies for micro- and macro-financial supervision

- *Public finances that are sustainable in the long term*
 - Keep public finances in good order
 - Sustainability and quality in public finances
 - Correct and responsible application of the Stability and Growth Pact
 - Progress in efforts regarding aging population and welfare state financing
 - Lisbon Strategy
- *Climate*
 - Financing of climate adaptation
 - Conversion towards an eco-efficient economy
- *Other issues*
 - Annual budget for 2010
 - Internal market for payments
 - Harmonised rules for invoicing in the area of VAT
 - Good governance in the area of tax matters
 - Combating tax fraud

JHA – Justice and Home Affairs Council: A more secure and open Europe

- *Citizen's rights*
 - Regulation concerning succession and wills
 - Review of the Brussels I Regulation
 - eJustice
 - Mutual recognition and enforcement in the area of criminal law
 - Minimum rules on the right of suspects to interpretation and translation
 - Strategy for support for victims of crime
- *The fight against crime*
 - Strategy for exchange of information
 - Accreditation of forensic laboratories
 - Schengen Information System (SIS)
 - Transfer of proceedings
 - Strengthen the European Crime Prevention Network
 - Tightening EU regulation of sexual exploitation of children and child pornography
 - Combating trafficking
 - Cooperation against terrorism
- *Enhanced capacity to prevent and manage crises and disasters*
- *A common asylum and migration policy*
 - Renegotiation of draft directive on a more uniform reception of asylum seekers
 - Joint EU resettlement programme
 - EU Global Approach to Migration
 - Increase labour migration

- Visa Information System (VIS)
- Common code on visas
- *Integration strengthened through exchange of knowledge and experience*

EPSCO – The Employment, Social Policy, Health and Consumer Affairs Council: Full employment and good health

- *Towards full employment and more inclusive labour markets*
 - Preparing the next Lisbon strategy
- *Promoting good health*
 - Patient mobility directive
 - eHealth cooperation
 - Antibiotic resistance
 - Progress on the pharmaceuticals package
 - EU alcohol strategy
- *More healthy and dignified ageing*
- *Strengthened gender equality and improved protection against discrimination*
 - Report on developments regarding the Beijing Platform for Action
 - Equal treatment of self-employed women and men
 - Improve health and safety in the workplace for pregnant workers
 - Directive on the equal treatment of persons

Competitiveness Council: A competitive Europe

- *Economic recovery and transition to an eco-efficient economy*
 - The economic recovery plan
- *A future long-term growth strategy*
 - Preparing the next Lisbon Strategy
- *An efficient Single Market*
 - Partnerships with Member States to implement the internal market
 - Community patent
 - Community patent litigation system
 - Effective protection of intellectual property rights
 - The Services Directive
 - Draft directive on consumer rights
- *Improving the business climate*
 - Better regulations
 - Reduced administrative burdens
 - Funding for SME's
 - Making it easier for women to set up and run businesses

- Environmental criteria in public procurement
- *A competitive European research and innovation area*
 - EU framework programme for research
 - The European Research Area
 - European Innovation Plan

TTE – Transport, Telecommunications and Energy Council: Towards an eco-efficient economy

- *Transport policy for the future*
 - Sustainable transport solutions
 - Future EU transport policy
 - Framework for developing Intelligent Transport Systems (ITS)
 - Passenger rights
 - Galileo
- *Telecommunications/IT for growth and an accessible knowledge society*
 - The Telecom Package
- *Effective energy policy*
 - The Second Strategic Energy Review
 - Energy Security and Solidarity Action Plan
 - Directive on energy efficiency in buildings
 - Revision of the Energy Labelling Directive
 - Draft Directive on labelling of tyres
 - Revised action plan on energy efficiency
 - Security of Gas Supply Directive
 - Communication on the financing of low-carbon technologies
 - Enlargement of the Energy Community
 - Energy market around the Baltic Sea

Agriculture and Fisheries Council: Using resources without using them up

- *Long-term sustainable fisheries*
 - Fishing quotas
 - Fisheries control
 - Future fisheries policy

- *Food and climate – the global challenges*
 - FAO
 - Food safety and novel foods
 - Regulation on food information
- *Sound animal husbandry and healthy animals*
 - EU strategy for animal health
 - Regulation on animals used in food production
 - Regulation on animals used for scientific purposes

Environment Council: A credible EU for the environment

- *Uniting the world's countries behind an ambitious climate agreement*
- *An eco-efficient economy gives competitive advantage*
 - EU Sustainable Development Strategy
- *The key role of biodiversity*
- *Strengthened policy for a neglected marine environment*
 - Baltic Sea Strategy
 - EU marine directives
- *Other important issues*
 - A global convention on mercury
 - Renegotiation of the Gothenburg Protocol to the Convention on Long-range Transboundary Air Pollution

Education, Youth and Culture Council: High standards promote better growth

- *Education – cooperation, modernisation and integration*
 - Professional development of teachers
 - Education and social integration
- *Youth – improved cooperation to promote good living conditions for young people in the EU*
 - Framework with new common goals and priorities for youth policy cooperation in the EU from 2010
- *Culture and media – for a creative generation*
 - Increase children's and young people's access to culture