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# What to Expect from Ireland's Presidency of the Council of the European Union

## Abstract

This paper contains an analysis of the political settings for the Irish Presidency of the Council of the European Union, which began on 1 January 2013. It highlights the challenging context in which Ireland holds the Presidency, exploring domestic political and economic factors, issues relating to public perceptions of the EU and the Presidency, and the ongoing fundamental debates at EU level about the future direction of the Union. It also considers the track record of previous Irish Presidencies and the Government's approach to the task on this occasion. A number of issues on the EU policy agenda are presented, with a specific focus on Ireland's positions and priorities. The paper argues that, as a result of the experience gained during its last six EU Presidencies, rigorous preparations and political commitment, Ireland should fulfil the high expectations of its European partners in spite of the challenges.

## 1. Introduction

Ireland took over the Presidency of the Council of the European Union for the seventh time on 1 January 2013, forty years after it became a member of the then European Economic Community. Dublin Castle, where the inaugural flag-raising ceremony took place, was once the seat of British rule in Ireland. Now, it is a hub for events over the six-month EU Presidency, which will see Irish Ministers and officials chair negotiations on issues affecting the lives of the EU's 500 million citizens.

Both Ireland and Europe have undergone dramatic social and economic changes in the forty years since Ireland's accession, and even in the nine years since the last Irish Presidency. Yet Ireland is approaching its seventh

Presidency in the first half of 2013 in a very similar manner to previous occasions. In accordance with the approach tried and tested in 1975, 1979, 1984, 1990, 1996 and 2004, Ireland is prioritising detailed preparations, emphasising the community-method of decision-making, and embracing the role of honest broker.<sup>1</sup> The Government's ambition is for Ireland to lead by example – a recovery country driving a recovery agenda in Europe.

*"We will bring to our six months in office our national experience in securing fiscal and economic stability aimed at restoring jobs and strengthening social cohesion. We are doing this at home, and as Presidency, we will play our part in driving a pro-growth and pro-employment agenda across Europe."*

*- Irish Presidency Programme<sup>2</sup>*

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<sup>1</sup> The intention to act as an honest broker has been expressed by a number of Government Ministers and officials, including An Taoiseach, Enda Kenny, in a speech to the IIEA Brussels branch on 3 October 2012.

<sup>2</sup> Programme of the Irish Presidency of the Council of the European Union 1 January – 30 June 2013, on <http://www.eu2013.ie/ireland-and-the-presidency/about-the-presidency/programme-and-priorities/>

This paper outlines the ambitions of the Irish Presidency as well as some of the opportunities and challenges that lie ahead. It outlines Ireland's track record over its six previous Presidencies, which has shaped the high expectations that exist on this occasion. It analyses the European and domestic contexts in which Ireland holds the Presidency, focusing on the political and economic challenges arising from the economic crisis. The paper then considers the approach that the Irish Government is taking to the Presidency in terms of working method and policy priorities. Finally, it highlights some key elements relating to the expectations for the Irish Presidency.

## 2. Ireland's Presidency record

Ireland is regarded as an experienced and competent Presidency country, and Irish Ministers and officials are known as skilled negotiators. Expectations across Europe of the Irish Presidency are largely based on Ireland's strong performance on previous occasions<sup>3</sup>.

Each of the six previous Irish Presidencies is associated with significant achievements.<sup>4</sup> The 2004 Presidency (January-June 2004) is best remembered for the 'Day of Welcomes' ceremony held in Dublin on 1 May, when ten new Member States acceded to the EU. The Government of the day also succeeded in the huge task of resurrecting and finalising the text of the Constitutional Treaty, which had been left moribund at the end of 2003. During the Irish Presidency in 1996 (July-December 1996) key issues around the introduction of the Euro were agreed, including the legal framework, the Stability and Growth Pact and a new exchange rate mechanism.

Between January and June 1990, Ireland managed Europe's reaction to the historical reunification of Germany. Two summits in Ireland agreed on a common approach and on relations with Central and Eastern European Countries. The Dublin Convention, on processing requests for asylum in the EU, which later became the Dublin Regulation, was also signed. The 1984

Presidency (July-December 1984) saw agreement in the European Council on reinforcing the European Monetary System and giving a more important role to the European Currency Unit. A High Level Committee on Institutional Affairs was established, chaired by the former Irish Minister for Foreign Affairs, Jim Dooge. The work of the committee contributed significantly to the preparation of the Single European Act (1987).<sup>5</sup>

During the Irish Presidency of July-December 1979, the Council concluded the agreements made during the Tokyo Round of multilateral trade negotiations. The European Monetary System was also established. The first Irish Presidency, from January to June 1975, was notable for the inaugural meeting of the European Council, which was held in Dublin in March 1975. Ireland was also in the chair for the creation of the European Regional Development Fund. Former British Foreign Secretary, Sir Geoffrey Howe, praised the 1975 Presidency as "a remarkable model of efficiency".<sup>6</sup>

Ireland's strong track record is especially important as its 2013 Presidency falls between two newer Member States taking on the role for the first time: Cyprus (July-December 2012) and Lithuania (July-December 2013).

## 3. European context

### The Presidency post-Lisbon Treaty

The 2013 Presidency will differ from previous occasions, as it is Ireland's first post-Lisbon Treaty Presidency. The Lisbon Treaty reduces the role of the Presidency country in certain areas, chief among them external relations. However, the rotating Presidency continues to chair nine of the ten Council formations, dealing with issues ranging from financial regulation to fundamental rights and from climate change to copyright. The Lisbon Treaty changes create a new set of opportunities and challenges for the rotating Presidency: to navigate relations with

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<sup>3</sup> The reputation of Ireland's representatives as able negotiators is outlined, for example, in Laffan, Brigid, 'Managing Europe from Home in Dublin, Athens and Helsinki: A Comparative Analysis', in *West European Politics* Vol. 29 No.4 687-708, September 2006.

<sup>4</sup> As documented in a number of books on Ireland's relationship with the EU, including Callanan, Mark (ed.), *Foundations of an Ever Closer Union*, IPA, 2007, and also summarised on the Irish Presidency website,

<http://www.eu2013.ie/ireland-and-the-presidency/about-the-presidency/previousirishpresidencies/>

<sup>5</sup> As detailed by Brigid Laffan in *The Dooge Lecture – Why the European Institutions Matter* at the IIEA, 4 May 2011, <http://www.iiea.com/events/the-jim-dooge-memorial-lecture--european-institutional-innovation-past-and-present>

<sup>6</sup> Callanan, Mark (ed.), *Foundations of an Ever Closer Union*, IPA, 2007.

the new President of the European Council and the High Representative for Foreign Affairs and Security Policy; to generate support at home for a role which gives less visibility than before; and, significantly, to negotiate on behalf of the Council with the European Parliament, whose powers have been significantly enhanced by the Lisbon Treaty.

Ireland benefits from taking office as Presidency at a time when the Lisbon Treaty changes have largely bedded down over the first six post-Lisbon Presidencies (Spain and Belgium in 2010, Hungary and Poland in 2011 and Denmark and Cyprus in 2012). One feature of Ireland's preparations has been an added focus on building relations with Members of the European Parliament, parliamentary committees and European political groups since the beginning of the Government's term in office. Between spring 2011 and autumn 2012, Irish Ministers made over thirty-five visits to the European Parliament,<sup>7</sup> a recognition of the institution's enhanced importance in the system. In the last quarter of 2012, Ireland hosted visits from the President of the European Parliament, Martin Schulz, from the European Parliament's Conference of Presidents, and a number of important committee delegations and political groups.

### European political landscape

Ireland takes the reins as President of the Council at a critical juncture in the evolution of the European Union. The Union, and particularly the eurozone, has been in crisis management mode for more than four years. Some major initiatives have been taken, for example the creation of the European Stability Mechanism, agreement on the Fiscal Stability Treaty, the June 2012 statement from European Heads of State and Government that "it is imperative to break the vicious circle between banks and sovereigns"<sup>8</sup> and the actions of the European Central Bank in the second half of 2012. Decision-making, however, has been characterised by delays and disagreements.

The first years of the crisis witnessed a new phase of intergovernmentalism, with ECOFIN, the Eurogroup and the European Council dominating decision-making and Germany and France firmly in the driving seat. Since the election of President François Hollande in France, however, France has strengthened its alliances with Italy and Spain, and smaller countries such as Finland and the Netherlands have had a strong voice in the debates on economic policy.<sup>9</sup> Attempts to tackle the crisis have given increased surveillance powers to the European Commission and a rebalancing between the institutions can now be seen. Ireland has always been a proponent of the Community Method of decision-making<sup>10</sup>, characterised by a strong, balanced and independent European Commission, and has committed to placing a strong focus on the Community Method during its Presidency.<sup>11</sup>

The experience of the last four years has renewed the fundamental debate about the political direction that the Union is taking. Leading political figures, including key actors such as Chancellor Angela Merkel and Commission President José Manuel Barroso, feel that deeper political union is required in parallel with Economic and Monetary Union to make the EU more robust in the long term. As part of the Union's response to the crisis, European Council President, Herman Van Rompuy, has written a series of reports, *Towards a Genuine Economic and Monetary Union*, which outline a roadmap for financial, fiscal, economic and ultimately, political union. Reflection and planning based on these reports is being conducted within the European Council. As issues of both substance and timing became clearer throughout the course of 2012, it was evident that various legislative measures are intended to flow from the decisions taken at the European Council level. This provides a mandate for the Presidency, which will chair discussions on any draft legislation produced by the European Commission, according to the ordinary EU legislative procedure. For example, as a result of European Council conclusions on Van Rompuy's report,

<sup>7</sup> Irish Government, Minister Creighton steps up engagement with European Parliament ahead of the EU Presidency, 23 October 2012, <http://www.merriestreet.ie/index.php/2012/10/minister-creighton-steps-up-engagement-with-european-parliament-ahead-of-eu-presidency/>

<sup>8</sup> Council of the European Union, Euro Area Summit statement, 29 June 2012, [http://www.consilium.europa.eu/uedocs/cms\\_data/docs/pressdata/en/ec/131359.pdf](http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/131359.pdf)

<sup>9</sup> Stubb, Alexander, Inaction is not an option – Fixing the Euro, speech to the IIEA, 18 September 2012, <http://www.iiea.com/events/finland-in-europe>

<sup>10</sup> In 2003, Ireland's Minister for Foreign Affairs was a founding member of the 'Friends of the Community Method' group.

<sup>11</sup> Address by the Taoiseach, Enda Kenny T.D., to the Konrad Adenauer Stiftung, Brussels, 22 November 2012, <http://www.merriestreet.ie/index.php/2012/11/address-by-the-taoiseach-enda-kenny-t-d-to-the-konrad-adenauer-stiftung-brussels-irelands-presidency-priorities/>

the Commission came forward with proposals for the establishment of a single supervisory mechanism (SSM) for banks in September 2012<sup>12</sup> and it will fall to the Irish Presidency to negotiate the operational aspects of the SSM in the first half of 2013.

The Europe-wide focus on these broad issues may create challenges for the Irish Presidency, especially by monopolising political attention and energy to a certain extent. This environment may, however, also create opportunities for Ireland. It is a hugely interesting time for Ireland to be at the centre of European decision-making. For example, Ireland may be able to use its enhanced influence to ensure that decisions on the EU's future integration do not isolate the United Kingdom, which is Ireland's closest neighbour, largest trading partner and with whom the Irish Government works closely on issues relating to Northern Ireland.

#### 4. Domestic context

##### Irish political context

The domestic political landscape is likely to remain relatively stable during the six months of the Irish Presidency. The two-party coalition Government consisting of Fine Gael (centre-right, part of the European People's Party) and Labour (centre-left, part of the Socialists and Democrats group), which came to power in February 2011, has the largest majority of any government in the history of the state, despite some defections in the last two years. It emerged intact from the potentially destabilising announcement of the 2013 budget in December, although a number of highly contentious issues are on the agenda for the first half of this year, including legislating for abortion and the payment of a €3.1 billion tranche relating to the debts of two of Ireland's failed banks, Anglo Irish Bank and Irish Nationwide. The next general election is due in early 2016 and, while it is too early to predict whether the current Government will last its full term, it seems to have the political expertise and, crucially, the numbers in

Parliament, to retain power and maintain stability over the coming six months despite the challenges that exist.

Of the previous six Irish EU Presidencies, Fine Gael and Labour have been in power for three, including Ireland's first Presidency in 1975 (the others were in 1984 and 1996). A new cohort of leaders have come to the fore since the last Fine Gael/Labour Presidency. Enda Kenny is now Leader of Fine Gael and Taoiseach (Prime Minister). Eamon Gilmore is Leader of Labour, Tánaiste (Deputy Prime Minister) and Minister for Foreign Affairs and Trade. The Government comprises a majority of first-time Cabinet Ministers. However, since they came to power in February 2011 the Government as a whole and a large number of individual Ministers have demonstrated considerable skill in negotiating and working with international partners, including on the implementation of Ireland's economic recovery programme. For example, ministers have been centrally involved in a number of important decisions taken at EU level. In addition, Ireland's recent success in the very competitive election for a three-year seat on the UN Human Rights Council demonstrates the strong confidence of the international community in Ireland's capabilities.

##### Irish economic context

The economy is the dominant issue at national level in Ireland, as the country continues its efforts to recover from the economic crisis which destroyed the so-called Celtic Tiger and saw the housing bubble burst, significant levels of bank debt nationalised, rates of unemployment and emigration spike and the international community intervene with an €85 billion bailout. The Irish bailout programme expires at the end of 2013, at which point the Government hopes to be able to return to borrowing on international markets at sustainable interest rates. Recent signs have been positive in some regards: the Government has already sold one quarter of its bond target for 2013<sup>13</sup>, residential property prices have showed signs of stabilisation<sup>14</sup>; and small annual decreases were recorded in the number unemployed in each month of

<sup>12</sup> Two draft regulations and a communication on banking supervision were released by the European Commission on 12 September 2012. The three texts are available at [http://ec.europa.eu/internal\\_market/finances/banking-union/index\\_en.htm](http://ec.europa.eu/internal_market/finances/banking-union/index_en.htm)

<sup>13</sup> An over-subscribed bond auction in early January 2013 sold €2.5 billion of 2017 bonds. 87% were bought by international investors, mainly from other EU countries.

<sup>14</sup> Signs of stabilisation were reported in two studies published in January 2013, by Daft.ie, The Daft.ie House Price Report 2012 Q4, 2 January 2013, <http://www.daft.ie/report/Daft-House-Price-Report-Q4-2012.pdf> and MyHome.ie, MyHome.ie Property Barometer Q4 2012, 2 January 2013, <http://advice.myhome.ie/2013/01/myhome-ie-property-barometer-q4-2012/>

2012<sup>15</sup>. Some economic commentators, however, warn that a clean break from bailout by December is still highly uncertain.<sup>16</sup> A particular worry in this regard is the continuing significant gap between domestic income and expenditure (€15.7 billion in 2012<sup>17</sup>).

While Ireland has become the ‘poster child’ of the eurozone bailout countries for its rigorous implementation of the conditions laid down by the troika,<sup>18</sup> the Irish economy is still very much at risk from developments at EU level. Recovery in Ireland is likely to continue at a modest pace, barring a further deterioration of the situation in the eurozone as a whole. This situation has played a large part in shaping Irish citizens’ current complex attitudes towards the EU – the Union is seen as having propped up the Irish economy through the bailout, but is also blamed for imposing crippling austerity measures as part of the troika programme and threatening the future course of recovery through its handling of the Europe-wide crisis. These attitudes are discussed in more detail below.

### Irish attitudes towards the EU

Irish citizens’ attitudes towards the EU are nuanced and complex, although figures have consistently shown Ireland to have high levels of support for the EU and, in particular, one of the highest amongst the ‘old’ Member States, even since the outbreak of the crisis.<sup>19</sup> Over the past forty years, many benefits of membership have been experienced and recognised by the Irish people, including the freedom to work, travel and study anywhere in the EU, access for businesses located in Ireland to a single

Europe-wide market, support for Irish agriculture through the Common Agricultural Policy and regional funds for infrastructure projects and rural development.<sup>20</sup> Ireland has been an enthusiastic participant in the evolution of European integration and, if a two-speed or two-tier EU emerges, as appears increasingly likely, Ireland is firmly committed to being part of the ‘core’ that moves ahead with deeper integration.<sup>21</sup> Many examples of Ireland’s active role in the EU can be identified: Ireland was part of the first wave of countries to adopt the Euro, was one of only three countries (along with the United Kingdom and Sweden) that did not impose temporary labour-market restrictions on the ten accession countries that joined in 2004, and signed the intergovernmental Fiscal Stability Treaty in March 2012.

There is, however, another side to Ireland’s relationship with the EU. Public debate on European issues is very vibrant in Ireland, due in particular to the requirement to hold referenda on any additional transfer of sovereignty from national to EU level.<sup>22</sup> A total of nine referenda have been held on EU issues since 1972, when the initial referendum on membership was passed with 83% of the vote. In recent years, two referenda have been rejected – the first on the Nice Treaty in 2001 (it was later approved in a referendum in 2002) and the second on the Lisbon Treaty in 2008 (also approved in a second referendum in 2009). The campaigns in advance of these referenda highlighted many of the negative perceptions of the EU in Ireland – as a confusing, bureaucratic machine out of touch with the values and concerns of citizens in small Member States and impinging on Ireland’s hard-won

<sup>15</sup> See Burke-Kennedy, Eoin, Live Register Numbers Fall Again, *The Irish Times*, 4 January 2013, <http://www.irishtimes.com/newspaper/breaking/2013/0104/breaking22.html>

<sup>16</sup> See, for example, Dan O’Brien, Economics Editor of *The Irish Times*, Escape from recession not on the cards in 2013, <http://www.irishtimes.com/newspaper/finance/2013/0104/1224328418834.html>

<sup>17</sup> The Irish Department of Finance, Budget 2013, Economic and Fiscal Outlook, <http://budget.gov.ie/budgets/2013/Documents/Budget%202013%20-%20Economic%20and%20Fiscal%20Outlook.pdf>

<sup>18</sup> ‘The troika’ refers to the three lenders who finance the bulk of Ireland’s recovery programme – the International Monetary Fund, the European Commission and the European Central Bank.

<sup>19</sup> The most recent (Eurobarometer 78, quarter four 2012) shows that 36% of Irish respondents have a positive image of the EU, compared to an EU average of 30%. Amongst the pre-2004 Member States, only France (37%) gave a higher positive rating. [http://ec.europa.eu/public\\_opinion/archives/eb/eb78/eb78\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb/eb78/eb78_en.htm)

An EMI/Red C poll in January 2013 found that 83% of Irish people believe that, on balance, Ireland has benefited from being a member of the EU.

<http://www.europeanmovement.ie/wp-content/uploads/2013/01/EM-Ireland-Red-C-Presidency-Poll-Report.pdf>

<sup>20</sup> See Standard Eurobarometer surveys, [http://ec.europa.eu/public\\_opinion/archives/eb\\_arch\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb_arch_en.htm)

<sup>21</sup> Based on private discussions at the IIEA with leading politicians and officials.

<sup>22</sup> The Crotty judgment (1987) requires a constitutional amendment (and, as a consequence, a referendum) if a new EU Treaty is considered to go beyond the “essential scope or objectives” of the existing EU Treaties. The Supreme Court interpreted the “essential scope or objectives” narrowly, which has resulted in governments holding referenda rather than risk constitutional challenge.

sovereignty.<sup>23</sup> The two ‘No’ votes were seen to damage Ireland’s standing in the EU, but the success of the second Lisbon Treaty referendum and the May 2012 vote on the Fiscal Stability Treaty demonstrated a change of mood.<sup>24</sup> The Government considers this year’s Presidency an opportunity to further restore the country’s standing as a committed EU Member State. Minister of State for European Affairs, Lucinda Creighton, has emphasised this in a number of speeches, stating “We also look forward to using the Presidency on the 40<sup>th</sup> anniversary of our accession to demonstrate our continuing commitment to Europe and to the principles of freedom, equality and justice on which the Union stands.”<sup>25</sup>

As mentioned above, the reaction to the economic crisis has elicited both positive and negative feelings towards the EU in Ireland. Some believe that the EU has failed to deliver timely solutions to the crisis. Others blame the EU, and in particular Germany, for the austerity that has been imposed on the Irish people. On the other hand, citizens recognise that the blanket bank guarantee issued in 2008 was a primarily national mistake and that it is, in fact, the EU that is best able to take effective actions against the effects of the financial and economic crisis.<sup>26</sup> On this basis, and with the prospect of losing access to future bailouts looming large, the Fiscal Stability Treaty was accepted with 60% of the vote in May 2012.

## 5. The Presidency

### Stability, Jobs and Growth

Ireland’s motto for the 2013 Presidency is “For Stability, Jobs and Growth”. The trio programme for the Irish,

Lithuanian and Greek Presidencies<sup>27</sup> maps out the agenda for an 18-month period and focuses in particular on building the foundations for lasting economic growth. The Irish Government has asserted ownership over the first phase of the trio by pointing out that never before has an Irish Presidency agenda so closely mirrored our domestic priorities, stating that “Ireland will bring to this Presidency our own national experience in securing economic stability, recovery and a return to growth.”<sup>28</sup> The Taoiseach will drive the overall agenda of stability, jobs and growth at the highest level, working with the Presidents of the European Council, Commission, Parliament and Central Bank, as well as fellow Heads of State and Government.

### Ireland’s working methods

*“Our essential approach will reflect the best of our previous Presidencies – always an honest broker, open and transparent, striving for efficiency and with a firm focus on results.”*

*- Irish Presidency Programme<sup>29</sup>*

In the build up to the Presidency, the Irish Government has placed greater emphasis on *how* the Presidency will operate than on *what* it aims to achieve. This emphasis on style and methodology derives from the experience of Ireland’s previous Presidencies, which demonstrated that the best way to achieve results, especially as a small Member State, was to act as a fair and impartial office-holder and a provider of solutions. These have become the watchwords of the current Presidency, with Ministers presenting an image of a “focused and workmanlike Presidency, driven not by pomp and expense, but rather by

<sup>23</sup> For more, see Tony Brown, *Saying No – An Analysis of the Irish Opposition to the Lisbon Treaty*, IIEA, 2010. <http://www.iiea.com/publications/saying-no---an-analysis-of-the-irish-opposition-to-the-lisbon-treaty>

<sup>24</sup> The Lisbon Treaty was accepted by a large margin in the second referendum on the issue; 67.1% Yes to 32.9% No. The Fiscal Stability Treaty passed with 60.3% Yes to 39.7% No.

<sup>25</sup> Address by Minister of State for European Affairs, Lucinda Creighton T.D., to the Oireachtas Joint Committee on European Union Affairs, 27 November 2012, <http://oireachtasdebates.oireachtas.ie/Debates%20Authoring/DebatesWebPack.nsf/committeetakes/EUJ2012112700004?opendocument>

<sup>26</sup> Eurobarometer 78 shows that Irish respondents felt the EU is best able to take effective actions against the effects of the financial and economic crisis (26%, compared with 20% for national government). The EU average is 21% each for EU and national government. [http://ec.europa.eu/public\\_opinion/archives/eb/eb78/eb78\\_en.htm](http://ec.europa.eu/public_opinion/archives/eb/eb78/eb78_en.htm)

<sup>27</sup> The trio programme is produced by the Council Secretariat with the input of the three successive Presidency countries. The programme for the Irish, Lithuanian and Greek Presidencies was published on 11 December 2012. <http://register.consilium.europa.eu/pdf/en/12/st16/st16994.en12.pdf>

<sup>28</sup> Address by the Taoiseach, Enda Kenny T.D., to the Konrad Adenauer Stiftung, Brussels, 22 November 2012. <http://www.merriestreet.ie/index.php/2012/11/address-by-the-taoiseach-enda-kenny-t-d-to-the-konrad-adenauer-stiftung-brussels-irelands-presidency-priorities/>

<sup>29</sup> Programme of the Irish Presidency of the Council of the European Union 1 January – 30 June 2013, <http://www.eu2013.ie/ireland-and-the-presidency/about-the-presidency/programme-and-priorities/>

the results that we achieve and the effective way in which we are planning to manage the dossiers to keep the EU machinery moving forward”.<sup>30</sup> The Taoiseach has spoken of a Presidency run in a “spirit of constructiveness and determination”, which “listens as much as it speaks”.<sup>31</sup> Overall, the aim is that an efficient and effective Presidency will further enhance the country’s reputation as a serious, committed and competent partner.

## The policy agenda and policy priorities

While the Presidency’s agenda-setting function is not as prominent in the post-Lisbon architecture, its planning function confers a certain scope for lending impetus to particular dossiers and Councils over others by scheduling more meetings and holding informal Ministerial meetings. In a speech to the IIEA, European Commission Secretary General, Catherine Day, spoke of the potential of the Presidency to “set a different rhythm” and “build a momentum” around particular issues.<sup>32</sup> The best example of this under the Irish Presidency is the focus on data protection. In 2012, the European Commission published a draft regulation and a draft directive with the aim of overhauling the 1995 European data protection rules, which are now under consideration by the European Parliament and the Council.<sup>33</sup> The Irish Presidency has scheduled over twenty working group meetings on data protection, a clear indication of the Presidency’s commitment to reaching agreement on the dossier.

The following sections highlight some of the key issues on the legislative agenda during the Irish Presidency. Full details of the Presidency’s policy programme<sup>34</sup> can be found on the Presidency website, [www.eu2013.ie](http://www.eu2013.ie).

## *Economic policy*

In general terms, the Irish Presidency has expressed its intention to focus first and foremost on implementation of existing decisions, rather than measuring its success by the number of new initiatives and declarations. Education Minister, Ruairí Quinn, has emphasised that “as a Presidency we wish to move the Union to action”.<sup>35</sup> High on the list for implementation are the June 2012 Compact for Jobs and Growth, economic governance measures (the six-pack, the two-pack and the Fiscal Stability Treaty) and the European Semester process for surveillance of national economic policies, which is led by the Commission but contains an important role for the Presidency in negotiating country-specific recommendations for each Member State.

The creation of a Banking Union is at the top of the European economic agenda with the first of three stages, the creation of a single supervisory mechanism (SSM), already underway. The Irish Government will take over from where the Cypriot Presidency and the European Council left off in December 2012, when agreement was reached on the establishment of the SSM.<sup>36</sup> Ireland will focus on reaching agreement on an operational framework, including the definition of legacy assets, an issue of particular national pertinence due to Ireland’s aim of having its legacy bank debt taken off the sovereign balance sheet and banks directly recapitalised by the European Stability Mechanism. Proposals on the second stage of Banking Union, a single resolution mechanism, are due from the European Commission during 2013.<sup>37</sup> If they are submitted during the first half of the year, they will be dealt with as a priority by the Irish Presidency. No concrete progress on the third stage, a common deposit

<sup>30</sup> Address by Minister of State for European Affairs, Lucinda Creighton T.D., to the Oireachtas Joint Committee on European Union Affairs, 27 November 2012, <http://oireachtasdebates.oireachtas.ie/Debates%20Authoring/DebatesWebPack.nsf/committeetakes/EUJ2012112700004?opendocument>

<sup>31</sup> Address by the Taoiseach, Enda Kenny T.D., to the Konrad Adenauer Stiftung, Brussels, 22 November 2012, <http://www.merriestreet.ie/index.php/2012/11/address-by-the-taoiseach-enda-kenny-t-d-to-the-konrad-adenauer-stiftung-brussels-irelands-presidency-priorities/>

<sup>32</sup> Address by European Commission Secretary General, Catherine Day, to the IIEA, 3 January 2013, <http://www.iiea.com/events/keynote-address-catherine-day>

<sup>33</sup> See draft regulation [http://www.europarl.europa.eu/registre/docs\\_autres\\_institutions/commission\\_europeenne/com/2012/0011/COM\\_COM\(2012\)0011\\_EN.pdf](http://www.europarl.europa.eu/registre/docs_autres_institutions/commission_europeenne/com/2012/0011/COM_COM(2012)0011_EN.pdf); and draft directive [http://www.europarl.europa.eu/registre/docs\\_autres\\_institutions/commission\\_europeenne/com/2012/0010/COM\\_COM\(2012\)0010\\_EN.pdf](http://www.europarl.europa.eu/registre/docs_autres_institutions/commission_europeenne/com/2012/0010/COM_COM(2012)0010_EN.pdf)

<sup>34</sup> Presented in Dublin on 9 January 2013 in the presence of European Council President, Herman Van Rompuy.

<sup>35</sup> Address by Minister for Education and Skills, Ruairí Quinn T.D., Ireland’s Presidency Priorities, IIEA/TEPSA Irish Presidency Conference, 23 November 2012, <http://www.iiea.com/iiea-irish-presidency-conference-videos#prettyPhoto>

<sup>36</sup> European Council, European Council 13/14 December 2012 conclusions, 14 December 2012, [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/ec/134353.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/134353.pdf)

insurance scheme, is expected before the end of the Irish Presidency.

### *The Budget*

The November 2012 European Council summit did not achieve political agreement on the Multiannual Financial Framework (or MFF, the seven-year EU budgetary framework), which means that leaders will have to return to the issue in February 2013. Herman Van Rompuy retains control of the dossier, which means there is only a small role for the rotating Presidency in the overarching political negotiations between the Member States, as chair of COREPER and the General Affairs Council. Where the role of the Presidency will be vital, however, is in securing the approval of the European Parliament once the European Council reaches an agreement. This is especially demanding, as the consent of an absolute majority of all the Members of the European Parliament is needed. The Irish Presidency also inherits the chair on the sixty-seven pieces of implementing legislation, covering such key areas as the Common Agricultural Policy, cohesion policy, the Connecting Europe Facility, Horizon 2020, and the financing instruments for external action. The MFF is a dossier that effects almost every Council formation and will determine the orientation of many key European programmes between 2014 and 2020. Much will depend on the Heads of State and Government, but the Irish Presidency must be ready to spring into action whenever a deal is reached.

### *The Single Market and the Digital Agenda*

The Single Market is the jewel in the crown of EU integration, and it has given Irish companies access to a market one hundred times the size of the domestic population. However, the Single Market is not fully functioning. The Irish Presidency has expressed its determination to address a number of unfinished measures from the first Single Market Act (which dates from April 2011), while also making progress on the implementation of the Single Market Act II (October 2012). Initiatives outstanding from the Single Market Act I include elements of the public procurement package and a directive on the recognition of professional qualifications. The Government is also aiming to boost small and medium size enterprises (SMEs), which account for 99% of European businesses,<sup>38</sup> by reaching agreement

on COSME (Programme to enhance competitiveness of enterprises and SMEs).

Ireland is a hub for multinational technology companies in Europe and the Irish Presidency hopes to make progress on a number of important dossiers with a view to completing the Digital Single Market by 2015. The Government considers completing rules on e-signatures as central to the development of e-commerce. The Digital Agenda, one of the flagship initiatives of the Europe 2020 strategy, is currently undergoing a major mid-term review. Presidency priorities in this area relate to intellectual property rights, collective rights management, cyber security and high-speed broadband rollout. A Digital Assembly, to be held in Dublin in June 2013, will be the largest event of the Presidency, bringing together governments, business (including multinational corporations, SMEs and start-ups) and civil society.

### *Trade*

An important facet of the Irish Presidency's strategy for stability, growth and jobs is to look beyond the borders of the EU to seek new trade and export opportunities. A number of important trade negotiations will be active during the Presidency. The Council delivered a mandate in November 2012 for negotiations to begin with Japan and a deal could add €42 billion to trade between the two blocks.<sup>39</sup> Negotiations with India were launched in 2007, but have entered an intense phase following the EU-India Summit in February 2012. It is believed a deal may be reached in 2014. The Irish Presidency will also manage the endorsement of the Council for the EU-Singapore Free Trade Agreement (FTA), which was completed in December 2012.

The biggest Presidency priority in terms of trade is to make progress towards an EU-US Free Trade Agreement (FTA). The European Union and the United States have the largest bilateral trade relationship in the world but a comprehensive bilateral trade deal has remained elusive despite numerous attempts. There is optimism on both sides that the time may now be right to allow progress. Given Ireland's strong bilateral trade and business links with the US (there is more US investment in Ireland than in all of the BRICS countries combined<sup>40</sup>), the Irish Government is in a strong position to broker agreement on

<sup>37</sup> Herman Van Rompuy, Towards a Genuine Economic and Monetary Union – Final Report, 5 December 2012, [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/en/ec/134069.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/134069.pdf)

<sup>38</sup> European Commission, [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/index_en.htm)

<sup>39</sup> Irish Government, EU to open talks on Free Trade Agreement with Japan following agreement at Trade Council – Minister Bruton, 29 November 2012, <http://www.merriestreet.ie/index.php/2012/11/eu-to-open-talks-on-free-trade-agreement-with-japan-following-agreement-at-trade-council-minister-bruton/>



a formal Council mandate for the European Commission to enter negotiations with their US counterparts. The European Council meeting on 8-9 February 2013 will focus on trade issues and the Irish Presidency has scheduled an informal meeting of Trade Ministers from across the EU in Dublin on 17 and 18 April 2013. The aim is to reach agreement before the end of the Presidency, but a breakthrough at the informal Ministerial meeting would provide a particular boost to the Irish Presidency.

### *Enlargement*

The 2013 Presidency will draw on Ireland's experience of the 'big bang' enlargement in 2004 to ensure that the final preparations have been completed to allow for Croatia to become the 28<sup>th</sup> EU Member State on 1 July 2013. The Irish Presidency will monitor Croatia's fulfilment of the commitments undertaken in the accession negotiations and the ratification of the Accession Treaty by all Member States.

The Irish Government remains committed to further enlargement in the future.<sup>41</sup> Accession negotiations with Iceland will continue either side of the Icelandic national parliamentary elections in April 2013. The Irish Presidency will also host a conference to mark the 10<sup>th</sup> anniversary of the Thessaloniki conference, when the Union affirmed the European path of all of the Western Balkan countries. The Presidency will work to secure agreement on a start date for accession negotiations with Serbia. After a six-month freeze in relations, Ireland also aims to reopen diplomatic lines between the EU and Turkey, with the ambition of opening at least one new chapter in the accession negotiations. This would be an important development, as no new chapters have been opened in the last two years.

### *External relations*

Since the entry into force of the Lisbon Treaty, the High Representative of the Union for Foreign Affairs

and Security Policy sets the external agenda and chairs the Foreign Affairs Council (FAC). Most foreign policy groups will also be chaired by members of the European External Action Service (EEAS). However, the rotating Presidency maintains a role in external relations. The Irish Minister for Foreign Affairs will chair the FAC when the High Representative is absent and will represent the Union at approximately thirty meetings in third countries. The rotating Presidency also chairs the working groups on development, human rights and disarmament. The Irish Presidency has, in particular, identified a number of priorities in the area of development, which has for many years been a pillar of Irish foreign policy.<sup>42</sup> A number of major conferences are planned, the first on Feeding the World in 2050 scheduled for mid-January in Dublin and another in April on the linkages between hunger, nutrition and climate change. The Government will also work towards securing a mandate for the negotiation of the post-2015 successor to the Millennium Development Goals.

### *Agriculture, Energy and Environment*

Ireland has a deep-rooted attachment to working the land and agri-business is Ireland's largest indigenous industry, accounting for 18% of total industrial output.<sup>43</sup> Therefore, completing the ongoing reform of the Common Agricultural Policy (CAP) is one of the top priorities of the Irish Presidency. The outcome of the MFF negotiations will impact the conclusion of the debate on CAP reform, although it is already evident that what was heralded as a major overhaul of the CAP will, in reality, only amount to tinkering around the edges.<sup>44</sup> The dossier is highly politicised given the funding implications for many Member States – Ireland, for example, receives 85% of its EU funding through CAP payments.<sup>45</sup>

A number of recent or upcoming proposals from the European Commission will be at the centre of the Presidency's energy agenda: the ILUC<sup>46</sup> Biofuels Directive (draft published in October 2012); the Internal

<sup>40</sup> US Commercial Service report, Doing Business in Ireland: 2012 Country Commercial Guide for US Companies, 2012, [http://export.gov/ireland/build/groups/public/@eg\\_ie/documents/webcontent/eg\\_ie\\_056733.pdf](http://export.gov/ireland/build/groups/public/@eg_ie/documents/webcontent/eg_ie_056733.pdf)

<sup>41</sup> Irish Government, Ireland to help countries of the western Balkans achieve their EU perspective, 7 July 2012, <http://www.dfa.ie/home/index.aspx?id=87893>

<sup>42</sup> See the work of Irish Aid, the Irish Government's programme for overseas development, <http://www.irishaid.gov.ie/>

<sup>43</sup> Creighton, Lucinda, statement to the Oireachtas Joint Committee on EU Affairs meeting on the MFF, 27 June 2012, <http://www.oireachtas.ie/parliament/media/JCEUA-meeting-to-discuss-MFF---MoS2-statement-5a.pdf>

<sup>44</sup> Matthews, Alan, Greening CAP Payments: A Missed Opportunity? IIEA, January 2013, <http://www.iiea.com/blogosphere/greening-cap-payments--a-missed-opportunity>

<sup>45</sup> Coveney, Simon, statement to Dáil Éireann on the Common Agricultural Policy, 4 October 2012, <http://oireachtasdebates.oireachtas.ie/debates%20authoring/debateswebpack.nsf/takes/seanad2012100400026?opendocument>

Energy Market Communication (published November 2012); and the Sustainable Criteria for Biomass Directive (due early 2013). In the domain of environmental policy, the key priority will be to secure agreement on the seventh Environment Action Programme, entitled 'Living well, within the limits of our planet', which will guide environmental policy up to 2020. The Presidency will also represent the EU in international climate fora.

#### *Justice and Home Affairs*

Finalising new data protection legislation, an issue with a profound impact on citizens as well as on governments and technology companies which process large amounts of data, is the key priority of the Irish Presidency in the area of Justice and Home Affairs (JHA). The Presidency also takes place with separate reviews of the British and Irish JHA opt-outs on the horizon.

The Presidency will negotiate with the European Parliament with a view to the adoption of the Directive on the freezing and confiscation of proceeds of crime, which will make it easier for authorities to confiscate and recover profits from cross-border organised crime. In the past, the Irish Criminal Assets Bureau (CAB) has been presented as a model for other EU Member States in relation to the confiscation of criminal assets. The Irish Government also anticipates finalising the Common European Asylum System before the middle of 2013.

#### *Employment and Education*

Youth unemployment is a cause for huge concern across Europe. In Ireland 30% of people under the age of twenty-five are unemployed.<sup>47</sup> An informal meeting of EPSCO (Employment, Social Policy, Health and Consumer Affairs) Ministers in February will work towards a Youth Unemployment Package. This is to include a Youth Guarantee, a fund to help young people into a job, apprenticeship or further education or training within four months of leaving school. Ireland has applied

for funding from the European Commission to run a pilot youth guarantee project.

## **6. Expectations for the Presidency**

Many politicians, officials and commentators in Ireland and across Europe will no doubt follow the Presidency closely and with much interest. Expectations are high based on Ireland's track record and the pace of the preparations, which have seen the number of staff in Ireland's Permanent Representation to the EU in Brussels double in addition to a reinforced Presidency team in Dublin. However, amongst the Irish public at large, very few expectations of the Irish EU Presidency exist. A poll by a leading online news site posing the question "Does Ireland's EU Presidency matter to you?" found that, amongst approximately 2,500 respondents, 42% believe that it does not matter at all to them. A further 35% answered that they did not know, leaving just 15% saying that it matters a little bit and 6% responding that the Presidency matters a lot to them.<sup>48</sup>

The Irish media will be watching the Presidency with particular attention on expenditure. The Government has emphasised on numerous occasions its commitment to a 'no-frills' austerity Presidency. The costs of the Presidency are being kept at a minimum – €63 million, compared with €110 million for the last Presidency in 2004 – and the Government has stated that a successful Presidency need not be an expensive Presidency. As a result, any perception of excess or inefficiency would be damaging. Already, the Presidency has attracted unwanted controversy over the cost of the Presidency website (almost €250,000). However, there may be potential for a boost to the economy from approximately 15,000 visitors arriving to Ireland in the context of the Presidency. In addition, as with the last Presidency, a range of Irish businesses are involved in mitigating the costs through sponsorship of services.

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<sup>46</sup> Indirect Land Use Change

<sup>47</sup> Mac Cormaic, Ruadhán, State to urge action on EU jobless youth, says Gilmore, The Irish Times, 19 October 2012, <http://www.irishtimes.com/newspaper/world/2012/1019/1224325457268.html>

<sup>48</sup> Poll by TheJournal.ie, published January 2013. Does Ireland's EU presidency matter to you?, Results as of 10 January 2013, <http://www.thejournal.ie/poll-ireland-eu-presidency-736876-Jan2013/>

## 7. Concluding remarks

Ireland's significant experience in the Presidency role at many crucial moments in the development of the Union, as well as the detailed preparations that have been made at political and official level on this occasion, mean a strong likelihood of a successful Presidency.

Outside of the busy legislative agenda, the 2013 Presidency offers the Irish Government an opportunity to make a positive contribution to enhancing democratic participation and accountability in the EU. The Government has stated its ambition to harness the Irish Presidency to create a more positive image of the EU amongst Irish citizens. 2013 is the European Year of Citizens and the next set of direct elections to the European Parliament will take place less than a year after the end of the Presidency. The Irish European Affairs Minister is planning to launch a series of public debates

across Ireland about what the country has achieved as a Member State of the EU over the past four decades and about what sort of Union Irish people want for the future.

This takes place against the backdrop of EU elites grappling with how to enhance democratic legitimacy and accountability and how far political integration will be deepened in the next phase of the European Union. One positive impact that the Irish Presidency could have is to ensure that the envisaged public debates are truly open and inclusive and, in this way, to create a model for other European countries to replicate. While quite likely to reveal some apathy and even hostility towards the EU, this process would be beneficial in preparing for a future referendum on political union, which looms on the horizon sometime after 2015, and leaving a legacy which could contribute to the fundamental debate on the future of Europe by setting out a framework for involving Europe's citizens more closely.

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