



BULLETIN

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Belgian Presidency of the EU Council

by Paweł Tokarski

Belgium's rotating presidency of the Council of the European Union, which began on 1 July 2010, is held in a highly unstable political situation and for this reason it will most likely be heavily influenced by the European Council's permanent president, former Belgian Prime Minister Herman Van Rompuy. Belgium's is the second rotating presidency exercised under the Lisbon Treaty, so its experiences may be of importance for the future presidencies. Belgium's major goals will be to prevent financial and fiscal crises in the EU and create the European External Action Service (EEAS).

The Belgian presidency is held in an exceptional situation: no ruling coalition has yet been formed after last June's election, and the country is governed by a caretaker cabinet of Yves Leterme, with the Flemish-language Nieuw-Vlaamse Alliantie and the French-language Parti Socialiste still locked in negotiations. However, this situation is unlikely to perceptibly impact the presidency, which has been prepared in minute detail well in advance. This is the country's twelfth presidency already, which warrants expectations of a certain institutional memory and experience on the part of officials and diplomats. Taking care of a proper course of the rotating presidency will also be the permanent president of the European Council, Herman Van Rompuy, who back in late 2009, in his capacity as Belgian prime minister, toured most EU capitals and discussed the subject with his hosts. The new government, probably to be formed not earlier than in October, will have little time left to put its own imprint on the rotating presidency.

Presidency Agenda. As agreed within the trio of three successive presidencies (Spain, Belgium, Hungary), the official programme of the presidency lists five priorities: socio-economic issues; social cohesion; climate and the environment; European area of freedom, security and justice; and external action. But the actual performance will very likely be overwhelmed by three topics: economic coordination among member states, new regulations for the European financial market, and the formation of the European External Action Service (EEAS).

Given the scant progress achieved so far on the economic governance front, Belgium will have to put in much more effort than the previous Spanish presidency, towards finding solutions acceptable to all member states. The weightiest problems remain to be: the extent of economic coordination and the sanctions for deficit rule breakers. An emerging dispute between the European Commission and the Council over responsibilities and powers in the field will also have to be resolved. In September, the Commission is expected to present legislative proposals on economic coordination, which will then be discussed by the Belgian-led Economic and Financial Affairs Council (ECOFIN). Economic coordination will also be taken up in a report from a special taskforce headed by Herman Van Rompuy, to be released in October. The report will very likely overwhelm the debates at the European Council summit, which will be held then and which has originally been scheduled to focus on science and innovation, the most important objectives of the long-term strategy Europe 2020. Hence the Belgian presidency faces the risk of long-term issues being overshadowed by current exigencies, just as was the case with the Spanish presidency.

An important task for the presidency will be to help push through new regulations for the European financial market, designed to reduce the risk of more financial crises breaking out in the future. In particular, an agreement is badly needed between the European Parliament and governments about the competences of the new regulatory bodies: the European Systemic Risk Board and three European Supervisory Authorities (ESA). According to the Parliament, the version proposed by the Council and the Commission vests these institutions with insufficient powers. The new oversight

system, involving cooperation between national and EU-level regulators, is planned to be established in early 2011, which means that there is not much time left.

The next task for the presidency concerns the establishment of the European External Action Service (EEAS), to be headed by the EU High Representative for Foreign Affairs and Security Policy Catherine Ashton. Belgian politicians stress the importance of the new instrument, introduced under the Lisbon Treaty, and they declare full support for its creation, including assistance from Belgian Foreign Ministry personnel for the EEAS chief. Even with an EEAS compromise already reached, the Parliament and the Council may still disagree on details of the service's organization, which would require mediation by the presidency.

Among other topics of interest to the Belgian presidency, work on the 2011 budget will be finalized in the autumn—and for the first time an annual budget will be passed under the Lisbon Treaty, which broadens the Parliament's powers and equalizes its position with that of the Council. Also, consultations will be held over the half-year period on the new financial perspective for 2014–2020, as initiated by the Commission.

The Belgian presidency will also continue a debate on the future of the Common Agricultural Policy after 2013, initiated by the Spanish presidency. In the autumn, the Commission is expected to publish its proposals on CAP revision, to be taken up by the Council towards the end of the year and then fleshed out in the course of legislative work over 2011–2012.

There is little to be found in the presidency's programme about EU enlargement, but Belgium is likely to attempt to have the Croatian negotiations finalized, reach progress in talks with Turkey and open negotiations with Iceland.

Institutional aspects. The coming six months will be of considerable importance for the political practice of holding Council presidency under the Lisbon Treaty rules. With the European Council and the Foreign Affairs Council now led by supranational representatives, the rotating presidency's influence on some EU proceedings is diminishing. Worthy of note are also the broadening powers of the permanent president of the EU Council and a stronger position of the high representative for foreign affairs and security policy (following the formation of the EEAS). The change from with the preceding rotating presidency is that the permanent Council president now has no rival comparable with Spanish Prime Minister José Luis Rodríguez Zapatero, who sought to play the first fiddle, especially at the beginning of the Spanish term. Meanwhile, Belgian Prime Minister Yves Leterme is ceding initiative to Herman Van Rompuy and Catherine Ashton.

Conclusions. The growing importance of the permanent Council president over the next six months has the effect of raising the European Council's position in the EU institutional system. This may streamline decision-making, but it also may upset a balance between the Council, Commission and Parliament, resulting in disputes over competences. Watching how Lisbon Treaty provisions are implemented in practice, and especially how the rotating presidency is exercised, will be of major importance for the forthcoming Polish tenure (e.g. the Polish prime minister will have to find his place in the institutional make-up, as modified by the practice of the present and next half-year periods).

Despite the political problems affecting Belgium, the country's rotating presidency of the Council of the European Union should proceed smoothly, reflecting not only the position of Herman Van Rompuy, but also the massive organizational experience earned in the course of previous presidencies.

Over the coming half-year, Belgium will not inject new ideas into the European debate, but will rather focus on unresolved current issues. With the eurozone situation developing dynamically, member states' fiscal problems may be back, overwhelming the presidency's agenda once again.