

A VISION FOR EUROPE

Spain's presidency of the Council of the European Union
(January-June 2010)

BARCELONA, OCTOBER 2009

On 1 January 2010, Spain will take over, for the fourth time, the rotating presidency of the Council of the European Union. In view of the results of its previous three presidencies (1989, 1995 and 2002), its participation for more than two decades in the European machinery and its strong commitment to Europe, Spain has the solid experience, resources and proven political and diplomatic capacity to successfully face this challenge. In addition to being a difficult test from an organisational point of view, the presidency is a golden opportunity for Spain to make its mark on the European agenda – an opportunity that will not be repeated for many years (at least 14, and probably more with the enlargement process) and one that in all likelihood will be very different when it comes around again.

An influential Spanish diplomat used to say that Spain had never managed to find its place in the 15-Member State Europe. There were small rich countries that were net contributors, and there were also small but relatively poor countries. Among the large countries, however, there were no other “poor” States. Spain always found it difficult to reconcile its status as number one recipient of European aid with its position as a large State with global interests. However, a strong Commission and its proximity to the Franco-German motor enabled it to achieve some considerable successes and to take particular advantage of the opportunities for growth. What can be said about Spain in the EU-27? Relegated once again to a peripheral position, with no notable presence or influence in any of the new Member States, Spain has sealed no great agreements or strategic alliances with these new members in the last decade that could compensate for an evident loss of relative influence in the enlarged Union. The severe crisis that has affected the Spanish economy more acutely than most other economies has undermined the image of success projected by the country during the last decade.

Spain's presidency of the EU offers a unique opportunity to design not only the European Union model that Spain wants but also, and in particular, the role it wishes to play in it and how it proposes to develop this role

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in the years to come. If, as Prime Minister José Luis Rodríguez Zapatero has stated, Spain's presidency of the EU should be a political project and not merely the difficult administrative task of organising a heavy schedule, the general outline of what the presidency might look like should be disclosed before it starts, and should inspire not only the actions to be carried out during the first half of 2010 but also (and this is the justification for thinking in the medium and long term) in subsequent years.

The victory of the Yes vote in the Irish referendum on the Lisbon Treaty cleared up one of the fundamental questions facing the Spanish presidency: the legal and institutional framework in which new legislation is to be applied. For this reason, it is possible that the presidency of the European Council and of the General Affairs Council will not be held by Spain's Prime Minister and Foreign Affairs Minister respectively but by a permanent President. This will demonstrate the extent to which the capacity for action and the responsibilities of the country holding the rotating presidency may be affected. If there were an international crisis that required a rapid, forceful response, for example, it would be hoped that the permanent President would be the visible voice of the European Union. Relinquishing the lead where necessary, the Spanish Government can help establish the President as the lead figure of the Union, thus demonstrating the country's deep commitment to Europe and laying the foundations for a new way of running the presidencies whereby the Member States are at the service of the Union rather than the other way round.

The present Government has rightly opted to attach particular importance to the trio of presidencies, i.e. its joint work with the governments of Belgium and Hungary during the year and a half covered by the three combined presidencies. The number of meetings and the high degree of coordination in the former trio (France, Czech Republic and Sweden) was unprecedented, and the effort being undertaken to prepare for this joint programme is impressive. All this work may also lead to an extension of Spain's influence beyond its six-month presidency to at least a year and a half. Hence the opportunity for a real long-term blueprint, since this additional period could be crucial in consolidating the achievements of the Spanish presidency of the Council. This intense coordination, however, is no replacement for essential on-going consultation with the capitals of the major States (Paris, with whom there is a good understanding; but also Berlin, much less receptive on European matters than it used to be; London, where strong winds of change are blowing in a direction that is unpromising for a pro-European project; and a Rome absorbed in its domestic affairs) or the formation of coalitions around the ambitious projects and proposals that Spain wants to drive forward.

The first documents, statements and interviews concerning the Spanish presidency have shown how traditional interests and the domestic political agenda have been decisive when selecting the priority issues for the term of office, as is usually the case in rotating presidencies. But if the aim is to use the first six months of 2010 to provide Spain with a new role, the country cannot run the risk of sticking rigidly to what twenty years ago was an innovative vision of the part that Spain could play in Europe and in the world, and pass up significant opportunities in new fields. Obviously, the Spanish Government will have to concentrate its strategic vision and its diplomatic efforts on its long-standing European policy interests, such

as the questions relating to budget, migration, the Mediterranean and Latin America, particularly when some of Spain's key priorities in the foreign affairs arena are seen by certain major players in the EU as relatively old or tired (as with the Mediterranean, cohesion and agricultural policies). But Spain also has much to contribute to other less traditional areas such as security policy or relations with Russia and must not fail to leave its imprint on key items on the European agenda.

This document is therefore an invitation to contemplate the presidency of the EU with a perspective that goes beyond the first six months of 2010: to consider it as an opportunity to review Spain's priorities in Europe, the country's influence and the role it wishes to play, and also to consider it as a prime opportunity to make a decisive contribution to the re-launching of Europe with the application of the Lisbon Treaty. The most obvious example would be the discussion on the financial perspectives after 2014. A vision in keeping with Spain's traditional negotiating stance would call for stubborn resistance to save what can be saved of the existing funds, both in regional policy and in agricultural (and fisheries) policy, in order to try and maintain its status as net recipient, even though (unless the results of the current economic crisis alter this situation) Spain is now above the average income in the enlarged Europe. Nevertheless, being a net contributor could also be seen as a chance to transform Spain's role in drawing up the European budget, strengthening its weight in the negotiation of individual items, and avoiding being perceived as a competitor by the new recipients; and indeed as a chance to play a greater part in the configuration of the Union itself and its future and to join the hard core of European politics. The economic expectations, too, are what will make Spain's stated priorities, such as enlargement, credible or not.

Having consolidated its European status and its areas of international activism (in Latin America and the Mediterranean, but also in emerging areas such as West Africa), for Spain the road back to the "heart of Europe" runs at present through the Centre and East of the continent. On the one hand, within the European Union itself this road takes in capital cities such as Berlin and Warsaw that are too often overlooked in the political dialogue (partly due to their own inward-looking nature), and continues with the rest of Central Europe and the Baltic States. On the other hand, beginning with the Moscow-Ankara-Belgrade triangle, to which the present Government attaches considerable importance, it would be advisable to foster relations with other players to whom we are less close, such as Ukraine, the Balkan States and the countries of the Caucasus. We think that, in a European Union whose centre of gravity has clearly shifted towards the East, and whose attention is likely to continue to focus in that direction for some time to come, it is not sufficient to have and to champion its own European and international agenda, but it is also essential to take up positions on issues of global interest and in particular on everything relating to Eastern Europe. Spain cannot have any credibility as a large EU State if it does not have a much closer presence in, attitude towards, knowledge of and links with the area to the east of the Adriatic and the Oder, a large part of which is already in the Union.

For Spain's influence in the European Union to be felt, it is not enough to merely form alliances and be a good administrator: it is even more

Spain's future status as a net contributor can be seen as an opportunity to transform its role in drawing up the European budget

For Spain's influence to be felt, it is not enough to merely form alliances and be a good administrator: it must articulate its own vision of Europe

The aim is for a strong, open, institutionally solid Europe able to provide effective international leadership and resolve people's day-to-day problems

A Europe that is closed to the world is a Europe that is going nowhere – and this is as valid for immigration as it is for enlargement

Now is the time to appear in Europe with an agenda for the EU as a whole rather than any specific part of it; when Spain did this in the past, it achieved its most notable results

important to clearly articulate its own vision of the Europe it wants and of the objectives it proposes for Europe in the principal political and geographical arenas. This vision must be matched by better aligned and more consistent Spanish Government positions in the various decision-making fora of the European Union. In particular, it should propose policies and strategies to which it has the political will and operational capacity to contribute – for example, in the field of defence, where there is a clear contradiction between the stated European commitment and the actual resources allocated to European defence, or between the multilateral discourse and the unilateral instincts shown in the hasty withdrawals from Haiti and Kosovo, which undermine the Spanish Government's credibility. In the long term, too, it would be essential to make the necessary choices to eliminate the frequent contradiction between Spain's position on issues related to trade, agriculture, fisheries and border control policies and its stated aims on foreign policy, enlargement, neighbourhood policy and development.

The purpose of this document is solely to contribute to the essential debate on articulating this vision of Europe and its policies. The aim would be as follows: a strong, open, institutionally solid Europe capable of international leadership, committed both to the major global challenges and to the specific problems of its citizens in times of economic difficulty. In our view, a Europe that is closed to the world is a Europe that is going nowhere – and this is as valid for enlargement as it is for immigration. It is important to be convinced of the value of this maxim at a time when Eurosceptics are proliferating and even internal opening-up is being questioned: strong defence of these basic pillars of European construction such as the internal market (we should remember here the need to apply legislation that guarantees the free provision of services) and the free movement of persons within the Union (eliminating barriers between existing Member States or restrictive clauses for candidate States) is a fundamental prerequisite for fuller European integration. Our proposal is that this should result in a more unified and effective role for the EU in the world, and also in people's daily lives, by strengthening the principal economic and social aspects of Europe (monetary policy, tax regulation, immigration, energy policy, etc.). After the Lisbon Treaty comes into force, the Spanish presidency will be able to do this through a strong President of the Council of the European Union who is perceived by citizens as the leader of a political project for the future.

This vision could be championed by a Spanish Government that is able to make use of its relative weight and to build on the results of over two decades of EU membership and previous presidencies, but also by a Spain that is able to find a new, more relevant role in the EU as a whole. Now that the boon of European funds has come to an end, as they flow to regions and countries that are far more needy than anywhere in Spain, it is time to appear in Europe with an agenda for the EU as a whole rather than for any specific part of it. When Spain has done this in the past, it has achieved notable results for European construction and at the same time has increased the country's prestige and influence. 2010 represents an excellent new opportunity to re-think Spain's place in Europe as well as the Europe that Spain wants. This is the Europe that should emerge with renewed strength and ambition from the long, bitter constitutional predicament in order to continue along the path of economic growth, greater democracy and enlargement.

PART ONE: A STRONG, EFFECTIVE AND OPEN EUROPEAN UNION

The European Union, which has become the continent's major political project, has the opportunity to begin a new phase marked by less attention to its institutional issues and greater concern as regards its response to the priorities of its citizens. We have summed up this vision in three adjectives: strong, useful and open. Strong as a result of the reactivation of the process of European integration in new areas and the deployment of new institutional mechanisms for responding to both internal and global challenges. Useful, in that it is able to articulate effective joint responses to immediate challenges affecting its citizens, such as the economic crisis, the need to find a new model for growth, and the need to secure energy supplies. And open, both to the European countries that wish to join in the construction of this increasingly integrated Union, and to the persons whom our economies and our aging societies will continue to need in the years to come.

The economic crisis has been an alarm bell, but it has also demonstrated that certain aspects of the European model – such as the social protection afforded by the welfare state, or the single currency – have served to cushion its effects and have allowed many States to avoid worse consequences. For this reason, with the constitutional issue resolved, now is the right time to concentrate more closely on certain strategic policies (such as energy, migration and economic policy) on the basis of the lessons learned from this period of crisis. Reinforcing the credibility of EU enlargement and greater respect for commitments already made can serve, at moments like these of considerable turbulence in Central and Eastern Europe, as an anchor of stability in the entire continent and at the same time can help dispel some of the doubts and confusion that arose during the recent debate on the stillborn European Constitution and its replacement, the Lisbon Treaty.

Spain has important assets to contribute and lessons learned that can serve as inspiration not only to candidate countries or recent Member States but also to the Union as a whole in fields as wide ranging as banking regulation, the promotion of renewable energies or the employment and social rights of immigrants. These assets, together with the ability to present an ambitious vision of the new phase following the Irish referendum, and the future figure of a permanent President of the EU, are the tools that Spain can use to help model this renewed European Union during the first six months of 2010.

Widening and deepening: For a stronger Union

Spain will assume the presidency of the EU shortly after the start of a new phase of European construction in which there will no longer be any excuses for not tackling Europe's functional problems or not setting in train new integration projects. It is particularly important now to put forward proposals for revitalising European integration. Spain is today the Member State that most clearly supports a more integrated Union and the continuation of the enlargement process. The message may be a minority one among the elite of Europe, though not among its citizens: from the Spanish position, there would be no contradiction between growing outwards and downwards, since the success of the European project will be due to a large extent to its ability to embrace, attract and transform other States joining an increasingly close Union.

The European Union has the opportunity to begin a new phase marked by greater concern as regards its response to the priorities of its citizens

Respect for the commitment to enlargement can serve as an anchor of stability in times of turbulence in Central and Eastern Europe

Spain is today the Member State that most clearly supports a more integrated EU and the continuation of the process of enlargement

To start up the integration engine, the presidency could conclude with an institutional declaration that would lead to a phase of greater openness to the world's problems and the concerns of its people

In the wider Europe, whose boundaries would be those of the Council of Europe, all States should have the expectation of accession provided they meet the Copenhagen criteria

The presidency would be a unique opportunity to include Spain in the integration engine of the EU by acting in three directions: intensifying institutional integration by implementing the Lisbon Treaty; re-formulating the integrationist coalition with the most supportive governments in order to create centres of closer integration; and finally, resisting all unilateral temptations, avoiding concentrating solely on Spain's traditional questions, and instead tackling firmly and decisively the central issues of the European agenda.

In our opinion, a good way of starting up the integration engine would be to conclude the presidency with an important Institutional Declaration comparable to the Laeken Declaration, which in 2001 began the process of the Convention and placed the European Constitution on the horizon. This new declaration, which would contain the core ideas of the Reflection Group on the Future of Europe, would mark the end of a period of uncertainty focused on procedural issues and on absorbing the last enlargement, and would pave the way for a new phase of greater attention to the world's principal problems (climate change, security, poverty and global governance) and, at the same time, greater proximity to the concerns and opinions of EU citizens.

This commitment to in-depth change could be in addition to a new vision of the "wider Europe". We do not think the idea of "neighbourhood", which places the Mediterranean area and Eastern Europe within the same institutional framework, satisfies the aspirations of the States at which it is aimed: placing countries with a European vocation such as Ukraine or Georgia in the same institutional framework as Libya or Syria means, in our opinion, relinquishing a very large part of the EU's power to transform and to stabilise. It would therefore be advisable to opt for separate policies relating to the Mediterranean area from the vision of a Europe that extends to the geographical limits of the Council of Europe (to Russia, the Caucasus and Turkey – without the current exception of Belarus), in which all States have the expectation of becoming members of the EU as long as they meet the Copenhagen criteria. Assuming that this is an important development of the current majority position in Brussels, it would be possible to strongly defend this concept of a "wider Europe", which would comprise the countries that could expect to be included in it – the Eastern Partnership countries, Russia, Norway, Switzerland and the European micro-States. We think this "wider Europe" should be receptive to Russia and could not be constructed against it, and it would have the virtue of preventing Russia from being tempted to construct an "alternative" Europe, without any conditions or requirements for reforms, that could be attractive not only to ex-Soviet States but also to candidates frustrated by the uncertainty of the prospect of accession without any clearly defined timescale.

In line with its decided support for Turkey's accession, the Spanish Government should also ensure that negotiations with the country actually advance during its presidency. It should not miss the opportunity to make visible progress, or even try to conclude agreements, with Croatia and Iceland, or to take significant steps forward with the other candidate States in the Western Balkans. Having overcome the institutional uncertainty after the Irish referendum, the Spanish Government could work towards securing the budgetary framework and the broad agreements between

States that have been the prerequisite for all previous waves of enlargement and will consequently be so for the next one. In order to do this, it would be important for the presidency to obtain the support of the States that most favour enlargement, while establishing a dialogue with those that are most averse to it (in particular France and Germany) and refuting the idea that enlargement means dilution.

Spain's presidency is a unique opportunity to help shape the next phase of integration in a way that is more consistent with its aim of a stronger Union as a result of both greater integration and the ability to attract and transform all countries in the continent. After the Lisbon Treaty comes into force, defending a "wider Europe" with these arguments, and facing up to the likely objections from the more sceptical Member States, would place Spain at the forefront of a European project that is faithful to its open, integrating origins and with its sights set decidedly on the future.

A useful Europe: economic recovery and promotion of the European Social Agenda

At a time of profound crisis, when some European economies are suffering acutely, economic policy assumes a leading role on the European stage. In this chapter, there would be three priority problems to be confronted by Spain's presidency of the EU Council: defining a strategy for overcoming the crisis; redefining an Agenda for Growth and Employment more geared to sustainable investment in physical, human and technological capital, with the transformation of the European Social Agenda into the germ of a European Social Protection Area; and stimulating the internal market, particularly in the services sector.

The economic crisis is undermining the credibility of the Stability and Growth Pact, the conception of which clashes with the new European Economic Recovery Plan, which encourages Member States to incur public sector deficits to alleviate the effects of the crisis on aggregate demand in the EU, and especially in Spain. It is particularly important for Spain to forge a credible path back to budget stability, since the capital markets would severely castigate Spanish debt. The Spanish presidency must therefore make a special effort to ensure that the Council approves the recommendations that will guide the adjustment towards budget stability in the Eurozone within the framework of the Pact's application. The timings may be adjusted to the cycle, but the aims of the Pact should be not only maintained but reinforced.

We also believe that any temptation to postpone the fiscal impulse, if the current unfavourable situation continues, should be included in further reviews of the European Economic Recovery Plan. The crisis has shown that coordination is vital in the management of the cycle, and that markets castigate particularly those economies that, either because of their economic structure or their policies, are more exposed than their neighbours to external financing. Finally, we consider that the policies for overcoming the crisis will lack all credibility unless they are accompanied by in-depth reform of financial supervision mechanisms – subjects on which Spain can contribute its considerable experience.

The Spanish presidency is an opportunity to shape the next phase of integration in a way that is more consistent with the aim of a stronger Union

There will be three priority issues: overcoming the crisis, drawing up a new agenda for sustainable growth within the framework of a social Europe, and stimulating the internal market

The crisis has shown European coordination to be vital in the management of the economic cycle

The crisis offers the chance to initiate the harmonisation and the necessary reforms for creating a European Social Protection Area that will allow convergence in social policies at different speeds

We must demonstrate to citizens that the European project is in their interests in times that are economically extremely difficult

The performance of the Lisbon Agenda, which is to be reviewed in 2010, seems to be diminishing, as demonstrated by its complete overhaul in 2005, its incorporation in national reform programmes, and its integration with employment and social cohesion policies. In view of the risk of reformist fatigue on the part of governments and public opinion, the new Strategy for Growth should place more emphasis on economic policies for investment in physical, human and technological assets that sustain long-term growth by both public and private sector enterprises, rather than on reforms aimed at redefining the role of the public and private sectors in this collective movement. For its part, the European Employment Strategy should be adapted to an environment in which unemployment is severely affecting a large number of people and, if the economy does not recover in the near future, could reduce their employability in the medium and long term. For this reason, Spain's EU presidency should give a decisive stimulus towards European standardisation of public employment services as an instrument for reflection on and reform of active employment policies.

The actions for further implementation of the European Social Agenda are the other side of the coin of European economic integration. However, advances in this field have been particularly difficult in the EU on account of the reluctance of some Member States – particularly the United Kingdom but also Ireland and now the new Member States in Eastern Europe – to accept a harmonisation process that could involve convergence in fiscal and social protection mechanisms that are common in Central and Northern European countries. The crisis may offer the chance to work towards harmonisation and reforms of an optional, pan-European nature under a title acceptable to everyone, such as the “European Social Protection Area”, which like other European areas (Schengen, Higher Education, Research) allows the convergence and reform of social policies by groups of countries at different speeds. Reciprocal agreements should be drawn up (on the basis of existing ones) on the recognition of social and employment rights and on the process of reflection under the Open Method of Coordination on flexicurity and in the field of fiscal harmonisation.

The creation of the internal market has been the European Union's most effective mechanism for promoting economic reforms in its Member States. However, a number of recent controversies show a certain exhaustion and flagging of this policy. Spain's presidency of the EU has, in our opinion, a special responsibility to ensure that ambitious, demanding action is taken in the procedures for evaluating the transposition of the Services Directive, so as to improve integration in the provision of the services that are subject to the new Directive.

To sum up, we are convinced that the instruments available to the President of the European Council will enable the Spanish Government to identify certain problems, and to propose priorities and actions that can be shared by the nucleus of Member States prepared to support pragmatic, realistic European policies for economic recovery. According to our analysis, the key to implementing action on these three priorities will depend on the Spanish Government's capacity to forge alliances with the Member States that most need or are most keen to have European policies that will help to curb the apprehension caused by the crisis and to establish the agenda for recovery. The aim would be to demonstrate to citizens that the European project is in their interests at an extremely difficult economic time.

The construction of a European Immigration Policy

With respect to the European Immigration Policy, the present economic crisis could be an incentive for Member States to try to reach a consensus on those points on which defence of national sovereignty usually leads to stalemate and prevents any agreements from being reached. The harsh consequences of this tough economic situation for workers, and for immigrants in particular, could be a starting point for reflecting on the immigration policy to be followed in Europe. In addition, the Spanish presidency will need to pay attention to the integration of immigrants in the receiving societies, to make progress in establishing communal minimum rules for “first reception”, and to call for the reinforcement of equal opportunities so as to ensure integration and social cohesion in Member States.

One of the main challenges that the Spanish presidency can take up is to propose a reformulation of the European discourse on immigration and to encourage the effective promotion of regulated immigration. It is necessary, if not a matter of urgency, to counteract a discourse that is profitable in terms of domestic policy in certain Member States and that has so far focused unduly on the elements of control and on the security aspects of immigration, and instead to emphasise the idea of orderly, regulated immigration. In this respect, the Spanish Government could strongly defend a model that essentially links migratory flows to the needs of the labour market, acknowledging the positive contribution of immigration to the economic development – both past and future – of the European Union.

The Spanish presidency should design a road map for the Stockholm Programme that is consistent with the European Pact on Immigration and Asylum and with the procedures of the new institutional architecture resulting from the application of the Lisbon Treaty. In line with an innovative, renewed discourse, during its presidency the Spanish Government could promote a more global vision of matters related to immigration, and advance towards a European Immigration Policy that would embrace all aspects of the phenomenon of migration. In order to put this integrated approach into practice, thought could be given to promoting the creation of a “European Immigration Agency” that would be responsible for ensuring the design and implementation of a consistent, comprehensive policy, thus providing a positive horizon for this sensitive issue.

Spain can use its own experience for promoting the external dimension of the European Immigration Policy consistently with the commitments made in the Global Approach to Immigration. The Spanish presidency will be in a position to encourage and reinforce the political dialogue on this subject with third countries, in order to make progress on issues such as the integration of immigrants, the transfer home of funds, the fight against human trafficking, and the links between migration and development. In the dialogue with third countries, guaranteeing the security of the European space cannot come at the cost of protecting the freedoms and fundamental rights of immigrants. During its presidency, therefore, the Spanish Government has a real opportunity to significantly advance an issue to which it is particularly sensitive as a result of its location on the southern and western frontiers of Europe.

The Spanish presidency will need to focus on the integration of immigrants in the receiving societies and to call for the reinforcement of equal opportunities

The Spanish Government should promote a European immigration policy that embraces all aspects of the phenomenon of migration

In the dialogue with third countries, guaranteeing the security of the European Union cannot come at the cost of the freedoms and fundamental rights of immigrants

Energy can be part of the structural solutions to the current crisis if there is a change of energy model that serves as a vector for economic growth

The presidency would be a good opportunity to find specific formulas for applying the “polluter pays” principle to all sectors

The energy agenda: between hope and reality

The obvious political will of the European authorities to construct a new energy policy, in which the external dimension would play an important role, contrasts with the fact that so far no substantial advances have been made that would allow EU residents to have an energy supply that is increasingly more affordable, more secure and less harmful to the environment. The confusion and the dysfunctions in the European energy market and the resistance to change shown by governments and businesses do nothing to help with the essential task of informing public opinion and involving it in a debate that has enormous consequences for people's everyday lives.

Energy, however, can form part of the structural solutions to the current crisis if there is a change of energy model that serves as a vector for economic growth. Renewable energies provide obvious opportunities, but no part of the energy mix – not even coal or nuclear energy – can be ignored when it comes to reconsidering the future scenario. In addition to diversification, agreements with third countries – which reinforce not so much independence but mutual interdependence – and a qualitative leap in energy infrastructure, both infrastructure that links up with third countries and with countries in the EU, are tasks to which the presidency should pay special attention in order to guarantee long term security of supply.

Spain, which is well known for its progress in the field of liberalisation of energy markets, is especially interested in a domestic market that is better coordinated and free of asymmetries. The question of energy efficiency, too, provides Spain with an opportunity to launch a campaign – already proposed by the EU Energy Commissioner – to put rhetorical undertakings into practice.

Again with a view to improving the environmental aspect of the energy policy, Spain's presidency, which will commence immediately after the Copenhagen Conference on climate change, will be the time to implement new measures in tandem with a US Administration that is much more receptive to these questions, on the occasion of the USA-EU summit. A contribution to the essential stimulus towards research and development in energy could be made, for example, by creating an appropriate regulatory framework for new advances such as electric vehicles. Finally, the presidency would be a good chance to find specific formulas for applying the “polluter pays” principle in a more systematic way to all polluting sectors.

PART TWO: THE EUROPEAN UNION AS A GLOBAL PLAYER

The vision of a strong, open European Union that is of use to its citizens must be accompanied by new moves beyond its frontiers. The arguments on the emergence of new polarities of power that relegate Europe to a secondary or almost irrelevant position can be exaggerated: the European potential may be divided and in a state of relative decline, but we should certainly not underrate the role that a united Europe can play on big international issues. The present moment allows us to reconsider the role of the EU in a new multilateral space in light of the performance and opening-up of the Obama Administration. After an initial year of

“restarting” its principal relations, the US Government must implement its strategy for a multilateralism that is consistent with the main global challenges. Whether it does this with Europe as a privileged ally or without Europe will depend to a large extent on the ability of the EU itself to formulate its own vision.

It is not Spain’s duty as President to design this role, which should be a joint undertaking beyond the span of a six-month presidency. But if the European Union aspires to be one of the pillars on which a new multilateralism is to be constructed, it will be the task of the Spanish presidency to help form affinities with the United States, particularly on the occasion of the Summit that is to take place within six months. In our opinion, and as will be discussed further on, Latin America should be another of these pillars, probably the one most sensitive to the arguments, values and aims of the EU in the international arena; precisely because of this, the Spanish Government should work hard during its presidency to cement this relationship that is so strategic to us.

As a condition for being able to operate in this global context, the EU should reassert its role as an anchor of stability. For this reason, we think it essential to adjust the European security architecture so as to recognise the role of the EU in this field, while at the same time providing guarantees to those players who see their security as less consolidated. These countries are located in the east of the continent: from Russia to Georgia, the security concerns of all the players in the European system should be included in this new architecture.

Finally, outside the continent but within its immediate vicinity, the Mediterranean and the Middle East have shown themselves to be the principal source of international conflict: in our opinion, only to the extent that it can contribute to containing and possibly resolving the main conflicts in the region will the EU achieve security on its southern flank and be able to legitimately claim for itself a role in international security.

Towards a new European security architecture

The year 2010 may be an appropriate time for the European Union to finally advance the development of a more coherent, credible and effective security and defence policy. This policy should be based on three principles: defence and protection of persons, consolidation of peace, and dialogue with the main players on the international stage. The EU and its Member States are certainly already working in this direction, but we think they could do so more decisively and convincingly. Spain’s presidency of the Council could play a determining role in furthering these aims.

The European Union should not and cannot act in all existing or potential conflicts on the planet, but if European security means human security, then the decision as to which missions should be undertaken cannot hinge solely on the geographical proximity or the interests of certain Member States. The supreme responsibility of the EU in the settlement of international conflicts must be the protection of persons and their rights and liberties. In other words, it must be based on the primacy of human rights, the responsibility to provide protection, and the idea that prevention is better than intervention. The Spanish Government has on numerous occasions

If the European Union wants to be one of the pillars on which a new multilateralism is to be built, it is important to strengthen affinities with the United States

The security concerns of all countries should be included in the new security architecture

The supreme responsibility of the EU in the settlement of international conflicts must be the protection of persons and their rights and freedoms

The European Union has demonstrated that it is able to deploy military and civil missions in multiple theatres of conflict; now is the time to consolidate its position as a global player in security issues

made a commitment to human security. The six-month presidency would consequently be the right time to take a further step in this direction and to consolidate the civil perspective of all operations carried out under the European Security and Defence Policy.

European security also consists in making more and better contributions to the consolidation of peace, either through development aid, humanitarian aid or military and civil intervention in the resolution of conflicts. Now that the European Union has demonstrated that it is able to deploy military and civil missions in multiple theatres of conflict, 2010 is the time to consolidate its position as a global player. There are three key policies for fostering this consolidation. Firstly, the problems relating to the financing of missions should be resolved. Secondly, there should be no hesitation over the decision to deploy troops when and where necessary. And finally, the civil and military level of each international operation undertaken by the European Union should be better coordinated. The commitment to multilateralism involves the United Nations, but it also involves support for existing regional mechanisms in Africa and Latin America, for example. This commitment by the Spanish Government must be *de jure* and *de facto*; in other words, Spain's commitment in deciding on and carrying out missions under the European Security and Defence Policy must be exemplary, and for this it is essential to secure more resources.

Finally, we consider that European security should include dialogue and cooperation with the principal players around the world. Certainly, the United States and Russia are the main players for the EU. In addition to the essential transatlantic cooperation, which has visibly resumed the path of multilateralism after the election of Barack Obama, dialogue with Russia is fundamental to European security. Spain can play an important role in improving cooperation between the EU and Russia provided it also facilitates dialogue between those Member States closest to Russia and those that are more hesitant. This means that Spain should not be seen by the others as a country that is uncritical of Russia. Spain's six-month presidency may also be a particularly appropriate time to strengthen relations between Spain and Russia and hence to gain more credibility in the eyes of its European partners in order to start building a real relationship of effective cooperation between the EU and Russia. We believe that the construction of a new European security framework can be a crucial element in this new relationship between Europe and Russia – a relationship that, like it or not, will inevitably condition much of the future of the European Union as a “wider Europe” and as a credible global player.

The Mediterranean and the Middle East: a risky priority

The Mediterranean and Middle East agenda is still plagued with difficulties. It is a complicated undertaking for the Spanish presidency of the Council of the European Union and its successful handling is beset by complexities rather than risks. We only have to look at how the recent French initiative for the Union for the Mediterranean has brought with it as many expectations as misgivings, and its turbulent start-up is not helping to make it more attractive. Even so, there are so many interests at stake that a country such as Spain, with a European and Mediterranean outlook, can and must consider the Mediterranean and the Middle East as a priority for its presidency. In our opinion, this involvement should be

undertaken in such a way as not to create excessive expectations and should consider European interests as inseparable from legitimate national interests.

Spain needs a strong European policy in the Mediterranean and this will only be possible if all the Member States accept it as their own. To do this, it should exploit as far as possible the virtues of the Barcelona Process, make use of the innovations of the Union for the Mediterranean and correct some of its structural problems. Only if the collective interest prevails over national interests when it comes to clarifying and rationalising its institutional structure can the Union for the Mediterranean be constructed for the people at which it is aimed: those living on and around its shores.

To do this, the Spanish presidency of the EU should be more ambitious in its approach to relations with Europe's southern neighbours. Taking the initiative in the fields of agricultural policy, mobility, energy and active development policies has the potential for generating change. We consider that in all these fields it is possible to articulate a "new deal" that would be sufficiently attractive to stimulate reforms without the bait of the prospect of accession. In the light of the experience accumulated in the region over the fifteen years of the Barcelona Process, the reforms advocated should be evaluated on the basis of objective criteria and should also be linked to the idea of unblocking disputes among neighbouring States.

It is likely, too, that in 2010 the Arab-Israeli conflict and also the delicate situation in Iraq and Iran will continue to have a negative effect on the future of the region. The European Union should return to a dialogue with all the players in the region without exception. If it proves necessary and practical, Spain's presidency could also consider offering the Israelis and Palestinians transatlantic security guarantees if they advance along the path to peace, in direct cooperation with a US Administration that would act as an honest broker. At the same time, it would be advisable to go beyond the Mediterranean framework and adopt a regional approach to the Gulf area and the Arabian Peninsula, striving for an agreement with the Gulf Cooperation Council but also cooperation agreements or even other types of agreements with Yemen and Iraq. As Iraq becomes emancipated from the US, an institutional framework for relations with this country could begin to be drawn up during the Spanish presidency. In our opinion it makes more sense to develop a framework in a regional context rather than under the aegis of policies deriving strictly from the results of the invasion. As to the other big player in the region, Iran, the Spanish presidency should try and avoid any division among Europeans and be prepared for a rapid response in the event of new outbursts of tension in the area.

Global partners: Europe and Latin America

Spain's presidency of the Council also offers the opportunity to develop relations between the European Union and Latin America and the Caribbean (LAC) in their progress towards greater maturity. These relations are based on shared values that should support a common project with a medium- and long-term vision that caters for the varied nature of the two regions. Rather than bartering between opposing economic inter-

Spain needs a strong European policy in the Mediterranean and this will only be possible if all the Member States accept it as their own

We must propose a "new deal" in agriculture, mobility, energy and regional development in order to drive through reforms without the bait of the prospect of accession

The presidency should avoid any division among Europeans on matters such as Iran and be prepared for a rapid response in the event of new outbursts of tension in the Middle East

Relations between Latin America and the EU are based on shared values that must sustain a communal global project

European cooperation should focus on policies that contribute to integration and to economic and social convergence in Latin America

ests, varnished with fragmentary elements of solidarity, Spain should try to ensure that convergence on values is based on measurable shared objectives. In practice, this includes raising the question of common EU/LAC positions in debates and in international organisations – in particular the United Nations – and finding the right balance between the aims to be achieved, the available resources and the obstacles to be overcome, by establishing as far as possible the responsibilities of each institution. From our analysis, this global opportunity does not form an important part of the thinking of most European States (with a few notable exceptions such as France under Sarkozy), and it is therefore almost obligatory for the Spanish Government to use its presidency of the Council and the EU-LAC Summit to put it at the forefront of the common foreign policy.

The presidency should avoid success or failure being measured according to whether or not partnership agreements are concluded. Having learned from previous experience, instead of a hurried signature it is better to establish solid conditions based on the principles that are to govern the relations, clearly defining the handling of asymmetries, any special or differentiated treatment, measures to compensate for the necessary reforms, the legal instruments setting out the political and financial commitments, and the instruments for the monitoring and accountability of the policies so defined. During the six-month presidency, the terms must be drawn up for reviewing the strategy that has governed the association between the EU and the region since 2005, and for ensuring that the Summit is able to make progress in sectoral dialogues so as to be able to draw up a bi-regional action plan.

We believe that EU support for regional integration should not transpose the European model on the region or take an excessively institutionalist approach to cooperation. Instead of concentrating on these issues, the presidency should help focus European cooperation on promoting policies that generate integrationist dynamics and that contribute to economic and social convergence in the region by dealing with internal asymmetries between countries and regions. This would involve a list of actions that include infrastructures, social cohesion funds, harmonisation of legislation, regulatory policies, effective dispute resolution mechanisms, harmonisation of employment legislation, and responsible management of migration and industrial policies for the linking of production sectors. The presidency can take this opportunity to advocate this better design, which could succeed in ensuring that the trend of diminishing cooperation with the region is reversed.

CONCLUSIONS

It is not the first time that Spain faces the challenge of assuming the presidency of the Council of the European Union: it has already done so with outstanding success on three previous occasions. Despite its proven ability to manage an agenda as complex as that from a rotating presidency, the Spanish Government should not be over-confident. It should not give in to the pressing need to contain expenditure in times of crisis but, on the contrary, should maintain – or even increase – the few resources, particularly human resources, deployed on European and foreign policy. At a time when public sector budgets are stretched beyond their capac-

ity, there is no need to point out that the priority must be to make every effort to use resources in the most efficient way possible. In many international issues, opting for European solutions rather than unilateral ones usually results in a considerably more effective use of resources, and it can therefore be considered a gesture of political responsibility to people who are suffering the worst effects of the crisis.

As well as coordination structures, it may be useful to reserve additional institutional resources in order to establish early warning systems and crisis cells that could be activated in the event of unforeseen situations, as well as mechanisms for dialogue with Member States and global players in the event of circumstances that require an immediate response from Europe. In this way there would be more guarantees, and fewer incentives for the “big” States, in particular France, Germany and the United Kingdom, to be tempted to fill the void, as happened with the Gaza crisis, or to act independently of the EU. If there is a crisis, full support and diplomatic cover for the permanent President may constitute an important advantage that, if properly used, would bring about one of the best results of Spain’s term of office: an EU President who is strong and able to lead.

It is important, too, that political support for the presidency comes from the Spanish Parliament, and in particular from a consensus on the general objectives of the presidency, for the office should be treated as a matter of common interest and not from a party perspective. Moreover, it will be an ideal moment to begin a more in-depth debate with the Spanish people on the model for Europe that the Spanish Government will advocate. It is not simply a matter of explaining the aims and the programme but above all of appearing receptive to ideas, criticisms and proposals about a Union that suffers from disaffection on the part of its people – as demonstrated, for example, by the low levels of participation in European elections.

From the point of view of the institutional architecture, the rotating presidency would also be a splendid occasion to try and improve the way in which Spain’s participation in the EU is handled by the Government. Responsibility for inter-ministerial coordination of the presidency of the European Union by the Spanish Government is placed on its political Deputy Prime Minister, and this step, which we consider correct, could be the opportunity to draw a more general conclusion: participation in the European Union should not be coordinated principally by the Ministry of Foreign Affairs and Cooperation but by the Deputy Prime Minister. Consideration could also be given to whether the office of the Secretary General for the European Union should cease to come under the Ministry of Foreign Affairs and Cooperation and should report directly to the Deputy Prime Minister. This would place emphasis on the priority and transverse nature of European issues and the Spanish Government’s commitment to integration, by sending a message to the people that European politics is no longer, for many purposes, simply foreign politics but a structural part of the Member States.

The first six months of 2010 will be the opportunity to assert Spain’s role in Europe. For a country of our importance, the best way to be more influential in the world is to be influential in the EU, and the best way to protect our own interests is to make them part of the general interest. Strengthening the European Union is to strengthen Spain and its future.

Opting for European solutions rather than unilateral ones is generally more efficient, and can therefore be considered an act of responsibility in times of crisis

The presidency is an opportunity for in-depth debate in the Spanish Parliament and with the Spanish people on the model of Europe advocated by the Spanish Government

Spanish EU policy should cease to be a matter for the Ministry of Foreign Affairs and become the responsibility of the Deputy Prime Minister, demonstrating that the EU is no longer foreign policy in the strict sense

It is important to put our own issues on the European agenda, but to be at the heart of the decision-making process Spain cannot remain in the background on the key items

To do so, we must raise our eyes to the horizon in an exercise in committed Europeanism and relinquish “private areas” in international circles, unilateral endeavours and strategic or tactical alliances with non-EU countries, committing ourselves unambiguously to European solutions. Influence is demonstrated, in part, by the ability to introduce our own issues and keep them at the top of the European agenda, but Spain cannot be at the heart of European decision-making if it remains in the background during debates on some of the key agenda items.

To sum up, we believe that the key to strengthening the EU lies in a solid, well articulated vision that is the result of a debate to which we wish to contribute with this analysis. The aim of the vision we propose here – that of a strong, open Union that is able to provide solutions and protect the rights of its citizens in times of crisis, and at the same time to play a part in tackling the major global issues – is to serve as an inspiration for the Spanish Government’s actions during the first half of 2010, but also for the construction of a better Spanish strategy in Europe in the years to come.

It will not be easy to combine handling of the economic crisis with the launch of new integration initiatives; closer integration with enlargement; responses to European concerns with contributions to the major issues of global governance; a difficult internal economic situation with an ambitious, proactive rotating presidency; or support for a strong permanent President with capacity for leadership and for leaving one’s mark. But Spain’s presidency should not shun the idea of promoting its own model for the Union – a model that may not be the most popular among today’s rulers and elites but that aims to come closer to the aspirations of a very important sector of the people of Europe.