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The Lisbon Treaty: a new Era for Europe?

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Your Highness, Dear Wolf,

I have the honour of representing my father, Dusan Sidjanski, who was unfortunately unable to attend this colloquium celebrating the 10th Anniversary of LISD. I am happy to convey to you his message and to express his affection for the Danspeckgrubers.

I

The Lisbon Treaty

(in force as of January 2010)

After the collapse of the European Constitution, the Lisbon Treaty, which contains major innovations and essential changes foreseen in the Constitution, was ratified and came into force. It aims to strengthen the efficiency of the European Union and its capacity to become a global actor.

a) *The change in the distribution of powers*

The main institutional winners are the European Council and the European Parliament. The European Council (heads of state or government alongside the President of the European Commission) has a responsibility to define the guidelines and take major decisions in matters of *high politics*. On the basis of proposals from the Commission, the European Parliament and the Council adopt by *codecision*, in approximately 50 new cases, European laws similar to bicameral federal systems. In this way, legislative power is made more efficient and the Council adopts the qualified majority procedure.

b) ***Main innovations***

A permanent President of the European Council (2 x 2.5 years) has been established.

His role is to facilitate consensus within the European Council and to represent the Union at the level of heads of state and government.

The second innovation: the role of the High Representative who is President of the Council of Foreign Ministers and Vice President of the European Commission.

Baroness Ashton has at her disposal a new European Diplomatic Service. How these two key positions will fit into the EU system and collaborate with the Commission and its President: that is the question.

c) ***Running-in phase***

Presidents van Rompuy and Barroso have concluded a *gentlemen's agreement* and adopted the custom of having breakfast meetings every Monday. Despite their European commitment, are there some signs of potential rivalry? The creation of the *Task Force* by the European Council is the first test. In fact, the Task Force is an informal meeting of Ministers of Finance with the participation of the President of the European Central Bank (ECB), (Jean-Claude Trichet), the President of the Eurogroup, (Jean-Claude Juncker), and the Commissioner for Economic Affairs, (Olli Rehn). It is headed by President van Rompuy. Is it normal that a President of the highest authority in the Union should be in charge of a Task Force? Isn't it a severe deviation from the community method and a shift towards intergovernmental procedure?

In comparison with international organisations, the most original feature of the Union is the role of the Commission as an independent institution, guardian of the Treaty and

the motor of integration. It is a key function in the practice of the community method (invented by Jean Monnet). In my view, the Task Force represents a reversal towards an intergovernmental approach. Nevertheless, the presence of three personalities representing the Commission, the ECB and the Eurogroup facilitates consensus in the Task Force based on the previous work done by the Commission and the ECB. All in all, the immediate de facto result was positive and endorsed by the recent European Council (28th – 29th October 2010). At the same time, the initiative from Angela Merkel, supported by Nicolas Sarkozy, to establish a *permanent crisis mechanism* was adopted. As this new mechanism implies a mini-revision of the Treaty, the European Council invited President van Rompuy to consult with its members and it approved the follow-up of the Task Force. Will it confirm the intergovernmental tendency?

Despite this trend, it is up to the Commission to make legislative proposals to the Council and the European Parliament in order to formally transform the German initiative into European law. Procedures are being mixed, combining both community and intergovernmental approaches. The acceleration of these processes is due essentially to the economic and financial crisis. The question still remains of what the role will be in the future of the European Council, its President and the European Commission. While my friend Andy (Morakcsik) will welcome this new way of proceeding, I am suspicious of giving too much power to intergovernmental institutions in the Union. The EU is at a crossroads.

II

The European Union in the World

- a) Globalisation and the financial crisis have already and will continue to exert strong pressure on the EU, obliging the Union to speak more with one voice. In general, this is what happened in the framework of the G20. Recently, the two Presidents van Rompuy and Barroso addressed a joint statement to the upcoming G20 Seoul summit which they are attending together. As a key trading partner in the world, the EU can contribute to the solution of the world crisis by using its *normative power* and its weight.
- b) The EU is the number one contributor to the developing world, as well as to the majority of the international organisations. However in many cases, the EU does not have the capacity to speak with one voice, with the exception of the World Trade Organisation (WTO) where the Commission represents and speaks on behalf of all the Member States.
- c) In today's polycentric world, the re-emerging powers, such as Russia, and the emerging powers, such as China, India and Brazil, represent a significant change in the global distribution of powers. Will the EU be equipped to transform its potential capacity into real power and influence? We know that with the exception of some sectors such as commerce, science and technology, the EU is principally a *soft* (concept of Joseph Nye) and innovative power. This is less the case in relation to hard power, defence and intervention capacity, which rely on the strength of the big Member States and are not yet institutionalised at the European level.

The EU tends to enhance its special partnerships with Turkey, as well as with Mediterranean, African and Latin American countries (especially Brazil and Mercosur). It tries to promote stable collaboration with China and India and other Asian countries.

In my view, the main strategy of the EU should be to reestablish a strong *Atlantic Community* (EU and USA), based on equal rights. A similar Community built on two pillars should be created between the EU and the area around Russia and Ukraine. In this way, Europe could rely on two Communities, Atlantic and Eastern Europe, based on fundamental common values, on *de facto solidarity*, thereby guaranteeing a better balance and more stable peace in the world.

These are some of the analyses, views and dreams of my father. He has a profound sense of satisfaction to witness the success of his former students and assistants, as in the case of Wolfgang Danspeckgruber who is positively contributing towards peace and development in the world.

Bonne chance et bon succès!

Dusan Sidjanski

9th November, 2010