

MANJA KLEMENČIČ

Manja Klemenčič is Postdoctoral Fellow
at the Minda de Gunzburg Center for
European Studies at Harvard University.

European Democracy in Action

A star pupil playing it safe in the EU An inside view of the first Slovenian European Council Presidency, January-June 2008

This paper explores the domestic political background, the organisation, and the political priorities of Slovenia's EU Council Presidency in the first half of 2008. The paper argues that the EU Presidency serves as a powerful instrument of the further 'Europeanisation' of Slovenia in terms of, on the one hand, the adoption of European practices, norms and values, and on the other hand, promoting its political interests to the European level.

www.notre-europe.eu
e-mail : info@notre-europe.eu

A star pupil playing it safe in the EU An inside view of the first Slovenian EU Council Presidency, January-June 2008

Manja KLEMENČIČ





A Star pupil playing it safe in the EU
An inside view of the first Slovenian EU
Council Presidency, January-June 2008

By MANJA KLEMENČIČ



MANJA KLEMENČIČ

MANJA KLEMENČIČ IS POSTDOCTORAL FELLOW AT THE MINDA DE GUNZBURG CENTER FOR EUROPEAN STUDIES AT HARVARD UNIVERSITY. IN HER PHD STUDIES AT THE CENTRE OF INTERNATIONAL STUDIES, UNIVERSITY OF CAMBRIDGE SHE INVESTIGATED THE ROLE OF STRATEGIC RELATIONSHIPS AMONG MEMBER STATES IN EU NEGOTIATIONS. MANJA ALSO ACTS AS AN INDEPENDENT RESEARCHER AND CONSULTANT IN SLOVENIA WORKING ESPECIALLY ON ISSUES RELATED TO HIGHER EDUCATION.

Picture by Nataša Juhnov

Notre Europe

Notre Europe is an independent think tank devoted to European integration. Under the guidance of Jacques Delors, who created Notre Europe in 1996, the association aims to “think a united Europe.”

Our ambition is to contribute to the current public debate by producing analyses and pertinent policy proposals that strive for a closer union of the peoples of Europe. We are equally devoted to promoting the active engagement of citizens and civil society in the process of community construction and the creation of a European public space.

In this vein, the staff of Notre Europe directs research projects; produces and disseminates analyses in the form of short notes, studies, and articles; and organises public debates and seminars. Its analyses and proposals are concentrated around four themes:

- *Visions of Europe: The community method, the enlargement and deepening of the EU and the European project as a whole are a work in constant progress. Notre Europe provides in-depth analysis and proposals that help find a path through the multitude of Europe’s possible futures.*
- *European Democracy in Action: Democracy is an everyday priority. Notre Europe believes that European integration is a matter for every citizen, actor of civil society*

and level of authority within the Union. Notre Europe therefore seeks to identify and promote ways of further democratising European governance.

- *Cooperation, Competition, Solidarity: « Competition that stimulates, co-operation that strengthens, and solidarity that unites ».* This, in essence, is the European contract as defined by Jacques Delors. True to this approach, Notre Europe explores and promotes innovative solutions in the fields of economic, social and sustainable development policy.
- *Europe and World Governance: As an original model of governance in an increasingly open world, the European Union has a role to play on the international scene and in matters of world governance. Notre Europe seeks to help define this role.*

Successively presided over by Jacques Delors (1996-2004), Pascal Lamy (2004-05), and Tommaso Padoa-Schioppa (since November 2005), Notre Europe aims for complete freedom of thought and works in the spirit of the public good. It is for this reason that all of Notre Europe's work is available for free from our website, in both French and English: www.notre-europe.eu

Executive Summary

This paper explores the domestic political background, the organisation, and the political priorities of Slovenia's EU Council Presidency in the first half of 2008. Slovenia is the first among the Central and Eastern European member states that joined the EU in 2004 to hold the chair; thus acknowledged as a country that has been successfully integrating into EU polity. Specific for this Presidency is also that it will be conducted in the framework of the 'trio Presidency' together with Germany and Portugal who held the chair in 2007.

The paper argues that the EU Presidency serves as a powerful instrument of the further 'Europeanisation' of Slovenia in terms of, on the one hand, the adoption of European practices, norms and values, and on the other hand, promoting its political interests to the European level. 'Top-down' Europeanisation has been especially noticeable in the intensive training of large number of officials to handle the substantial and procedural aspects of EU affairs pertaining to the Presidency tasks, increased meetings between Slovenian officials and politicians and their European counterparts, and a general rise of EU-awareness within the Slovenian administration and among the public. 'Bottom-up' Europeanisation comes through holding the privileged position of a chair in EU Council meetings at the administra-

tive and political level, which presents a unique opportunity for Slovenia to profile itself within the EU and internationally as a competent, efficient and committed EU member states. Slovenia wishes to use this opportunity to show that it 'has clear positions on relevant questions of the European and world politics', and 'prove it is capable of undertaking the most demanding and responsible tasks and thus strengthen its recognition among other EU members and internationally'. In any case, the Presidency may prove to be a catalyst for the Slovenian government to streamline its EU policy priorities, clarify its national interests in dealing with the EU, and signal where it stands in terms of lines of orientation within the EU.

The issues that Slovenia would especially wish to bring to the attention of the EU during its Presidency include the implementation of the Lisbon strategy, climate change and energy policies, ratification of the Lisbon Treaty, and the integration of the Western Balkans into the EU. This last point has over the years become a 'recognition card' of Slovenia's interests in the EU. This is the theme where Slovenia expects to achieve most during its Presidency, but it is also the theme where the risks of failure are the strongest. Granting Macedonia a date for the launch of accession talks and Serbia the status of a candidate country are more feasible goals. Finding a solution for the future of Kosovo will be much tougher. Problems could also arise from a troubled relationship with neighbouring Croatia. Although Slovenia supports Croatia's EU membership, there are also a number of open disputed issues between the two countries that have not yet been resolved over the past 16 years since independence. Given its past within the former Yugoslavia, Slovenia justifiably can claim comparative advantages in terms of knowledge, contacts and influence in this region. Slovenia's interest in the Western Balkans does not come as a surprise. Slovenia is highly invested in the region as an exporter and foreign direct investor. It is therefore of Slovenia's vital national interest that this region remains politically and economically stable and secure. Given its comparative advantages over other EU member states in terms of knowledge of, contacts with, and proximity to the region, this is one of the few, if not the only area, where Slovenia has the confidence and interest to provide leadership within the EU.

Being aware of its own limited administrative resources as well as its status as a newcomer to EU affairs, Slovenia's ambitions in terms of what it intends to achieve are accordingly curbed. The ambition to run EU policy-making processes smoothly and problem-free is motivated also by the fact that the EU Presidency will be held in the shadow of forthcoming parliamentary elections scheduled to take place in October 2008. In short, playing safe will be the motto of the Slovenian EU Presidency, the main aim being to maintain and enhance Slovenia's good reputation, as well as for the present government to confirm its abilities and accumulate electoral good-will for the forthcoming parliamentary elections.

The Presidency undoubtedly poses a considerable challenge for a small country especially with regard to human resources and the size of government administration. This study argues that the Slovenian EU Presidency will be characterised by thorough preparation, appropriate behaviour for a Presidency (i.e. to be neutral, impartial honest-broker), curbed ambitions and high public support for the EU. Similar characteristics also marked the Slovenia's EU accession negotiation which won it the status of 'star pupil'. It appears to be a shared value by the government and public to use the Presidency to consolidate the international reputation of Slovenia. To achieve this task, a major effort has been invested in gaining process expertise, extensive knowledge of dossiers, as well as understanding of domestic political circumstances which form the national preferences of EU member states. Assistance in preparation has been obtained from the European Commission, the Council Secretariat, and also from Germany and Portugal in the framework of political cooperation within the trio-Presidency. For Slovenia, the least experienced in Presidency matters within the trio, this arrangement presents useful assistance in preparation and organisation, but inevitably also limited freedom in choosing its priorities as these are framed by the joint programme.

It remains to be seen to what extent Slovenia will have free hands in engineering compromises and offering leadership in negotiations during its Presidency term. The experience of the drafting of the 18-month trio-Presidency Programme shows that Germany as a large state within the trio inevitably had more leverage than the other two countries. It reportedly managed to anchor its positions by being thoroughly prepared with 'an army' of officials working on individual dossiers, by contrast

to the one or few officials from the small administrations of Portugal and Slovenia. Institutionalisation of the trio-Presidency with one large state part of each set can be also seen as ensuring that large states' interests are defended at all times. With the excuse of political cooperation within the trio it is likely to expect that Germany will act as a 'prompter' during the Slovenian Presidency. It is also interesting to note that if we consider the Franco-German alliance to be still alive, and if France is able to exercise similar leverage in its trio-Presidency with Sweden and the Czech Republic, then this alliance could through the trio-Presidency arrangement exercise leverage over EU political developments for total period of three years.

Table of contents

Introduction	p.1
I - Domestic Basis of Slovenia's EU Policy	p.5
1.1 General context: Slovenia and Europe	p.5
1.2 Path to EU Membership	p.10
1.3 Domestic political circumstances in the wake of the Slovenian EU Council Presidency	p.14
II - The Slovenian EU Council Presidency of 2008	p.21
2.1 Organisation of the Slovenian EU Council Presidency	p.21
2.2 Political priorities	p.26
Conclusion	p.33

Introduction

This paper explores the domestic political background, the organisation, and the political priorities of Slovenia's EU Council Presidency in the first half of 2008. This is Slovenia's first EU Presidency. Slovenia is also the first among the Central and Eastern European member states that joined the EU in 2004 to hold the chair; thus acknowledged as a country that has been successfully integrating into functioning of the EU. Specific for this Presidency is also that it will be conducted in the framework of the 'trio Presidency' together with Germany and Portugal who held the chair in 2007. In 2006, the Council accepted a decision on changing rules and procedures regarding the EU Council Presidency institutionalising cooperation between three consequent Presidencies through a joint preparation of an 18-monthly Presidency Programme in order to 'streamline the programming of the activities of the Council'.¹ The trio-Presidency assumes that the three countries work closely together during the 18 months in order to foster the implementation of joint aims and projects. This in turn implies enhanced political cooperation between the three countries through joint cultural projects, joint further-training programmes and personnel exchanges. Thus, Germany, Portugal and Slovenia jointly prepared an 18-month Programme covering the period from January 2007 to June 2008 which contained the strategic framework setting the programme in a

¹ The Council Decision 10926/06 JUR 268, CAB 29 27/6/2006 installed the 'trio Presidency'.

The author would like to thank Barbara Tori for her excellent research assistance and the confidential interviewees

wider context, a list of specific priorities for the three Presidencies in each policy area, and a comprehensive programme setting out the issues which are expected to be covered during the 18 month period.² For Slovenia, the least experienced in Presidency matters among the three, this arrangement presents useful assistance in preparation and organisation of the Presidency, but inevitably also limited freedom in choosing its priorities as these are framed by the joint programme.

The paper argues that the EU Presidency serves as a powerful instrument of the further 'Europeanisation' of Slovenia in terms of, on the one hand, the adoption of European practices, norms and values, and on the other hand, uploading its political interests to the European level. 'Top-down' Europeanisation has been especially noticeable in the intensive training of large number of officials to handle the substantial and procedural aspects of EU affairs pertaining to the Presidency tasks, increased meetings between Slovenian officials and politicians and their European counterparts, and a general rise of EU-awareness within the Slovenian administration and among the public. 'Bottom-up' Europeanisation comes through holding the privileged position of a chair in EU Council meetings at the administrative and political level, which presents a unique opportunity for having both high visibility and special influence on the processes and outcomes of EU Council decision-making. Such a role gives a small state and a newcomer to the EU unprecedented clout in EU politics, as well as exceptional access to world leaders and the international political arena. It presents Slovenia with a unique opportunity to profile itself within the EU and internationally as a competent, efficient and committed EU member states. Slovenia wishes to use this opportunity to show that it 'has clear positions on relevant questions of the European and world politics', and 'prove it is capable of undertaking the most demanding and responsible tasks and thus strengthen its recognition among other EU members and internationally'.³ In any case, the Presidency may prove to be a catalyst for the Slovenian government to streamline its EU policy priorities, clarify its national interests in dealing with the EU, and signal where it stands in terms of lines of orientation within the EU.

² 18-month Programme of the German, Portuguese and Slovenian Presidencies, Council of the EU, 21.12.2006, 17079/06, POLGEN 125.

³ Šumrada, J., Bagon J., Kek, M., Benedetti, K., Kavčič, A., Mejač, Ž. in Strniša, T. (2005) Priprave Slovenije na predsedovanje Evropski Uniji [Preparations of Slovenia to hold EU Council Presidency], SVEZ, p.29.

The paper is divided into two main parts. The first part focuses on the domestic basis of Slovenian EU policy-making. It first describes the general context of Slovenia in the EU: as a small state with relatively high economic development, and history as part of the former Yugoslavia. Next it crystallises main aspects of Slovenia's path to EU membership especially in terms of describing the more problematic areas of EU accession negotiations. Final section in this part describes the political system in Slovenia and domestic political circumstances and developments in the wake of the Slovenian Presidency. The second part has two sections. One section covers the government organisational preparations for the Presidency. The other section expounds on the four key priority areas of the Slovenian Presidency Programme.

I - Domestic Basis of Slovenia's EU Policy

1.1 General context: Slovenia and Europe

Slovenes are one of the smallest ethnic groups in Europe living in one of the Europe's youngest states. Slavic tribes, the ancestors of contemporary Slovenes, settled in the territory of today's Slovenia in the sixth century A.D. However, from the fourteenth century to the First World War, this territory was ruled by the German Habsburg dynasty, with a short interlude of Napoleonic rule in the years 1809-13. After the defeat of Austria-Hungary in the First World War, Slovenia became part of the newly established Kingdom of Yugoslavia. During the Second World War, Slovenia was divided and the different parts annexed by Germany, Italy and Hungary. After the Second World War, Slovenia once again became part of Yugoslavia, this time the Socialist Federal Republic of Yugoslavia under Josip Broz Tito, who famously followed a policy of Non-Alignment keeping Yugoslavia out of both NATO and the Warsaw Pact. In the 1980's, after the death of Tito and in an atmosphere of economic crises and rekindled ethnic tensions, more and more calls were made from within Slovenia for independence. Seeking independence was

prompted by the unsuccessful struggle of Slovenes for Yugoslavia's transition to democracy and turn to a market economy. In a referendum on Slovenia's independence in December 1990 with 93.5 percent turnout, 88.5 percent of the votes were in favour of independence. This led to the proclamation of independence on the 26th of June 1991. This was followed by ten of days of war, in which the Yugoslav army made an unsuccessful attempt – usually considered half-hearted – to quell what the Serb-dominated Yugoslav government considered to be an unconstitutional separation. The new Republic of Slovenia was recognized by most Western European states in late 1991 and early 1992, and later in 1992 joined the United Nations.

There are three main characteristics of Slovenia that should be highlighted in a discussion of its role in the EU: small size; relatively high economic development; and history as part of the former Yugoslavia. These characteristics shape Slovenia's identity and the role it seeks for itself in the EU. Consequently, these characteristics influence its EU policy, and its approach in holding EU Presidency.

With slightly over 2 million inhabitants and 20,273 sq km of land, Slovenia qualifies as a small state within the EU. Smallness first of all implies small administration and limited number of officials dealing with specific aspects of EU affairs. Given the small administration, Slovenia does not have experts in all EU policy areas, and this means it has to employ some experts from outside the administration – from EU institutions or from other countries – to chair the Council working groups and offer expert support to the chairs.⁴ The Presidency workload occupies much of the small national administration in terms of preparations, planning and organisation. In order to fulfil the Presidency tasks, Slovenia also seeks assistance for preparation and organisation from the Council Secretariat and the Commission, as well as from other experienced member states, especially within the trio. Smallness also implies a limited number of areas where Slovenia may have national interests. Experience shows that small countries tend to add only a very few issues of their own to the EU agenda during their Presidency. This is going to be the case also for Slovenia.

⁴ Poročilo o napredku pri pripravah na predsedovanje Slovenije Svetu EU v prvi polovici leta 2008, obdobje november 2006–april 2007 [Report of developments of preparation of the Slovenian EU Council Presidency in first half of 2008, for period November 2006 to April 2007], p. 6.

Small states tend to prepare particularly well for the Presidency as this role grants them agenda-setting powers and control over the processes of Council negotiations, and thus upgrades their leverage within the decision-making significantly compared to their pre-existing influence. The role of mediator in the negotiations, as well as the capacity to engineer compromises, also gives the opportunity to the presiding state to grant favours to other states, which, in the practice of EU diplomacy, should be reciprocated in later negotiations. Unlike large states, small states usually have limited capacity to grant valuable favours in negotiations as their formal support has relatively small weight, and they also tend to have lesser ability to offer side-payments. In usual Council business, small states have to form coalitions with other states if they wish to influence the negotiations outcomes in a preferred direction. Having a developed network of contacts in member states, as well as knowledge of their domestic political circumstances, is essential to be effective in coalition-building and therefore in the pursuit of negotiation preferences.

Slovenia does not have 'natural' strategic partners within the EU and tends to form ad hoc 'issue-based' coalitions with like-minded countries.⁵ It cooperates in an informal network, the so-called 'Regional Partnership' which was founded in 2001 on the initiative of the Austrian government. It was conceived as the intensification of co-operation and mutual assistance between Austria, and Slovenia, Slovakia, Czech Republic, Hungary and Poland who were all at the time in the process of accession to the EU. The initiator of the 'Regional Partnership', the then Austrian Minister for Foreign Affairs, Ferrero-Waldner, argued that the geographical, economic, political and cultural circumstances in the region called for a special relationship between Austria and the upcoming EU members from the region. The Partnership was set up as a two-stage process: prior to and after the entry of the candidates into the EU. In the first phase, the aim was to agree on the terms of cooperation and intensify and concretise the traditional 'neighbourhood politics' in bilateral and EU frameworks. In the second phase after the enlargement, it was foreseen that a 'Strategic Partnership' would be build on identified common interests that could lead to an 'interests community' of Central European States, similar to the one of the Benelux or Nordic States. This has, however,

⁵ M. Klemenčič (2006) Governmental Coalitions in EU Treaty Negotiations: the Convention on the Future of Europe and the 2003/04 Intergovernmental Conference. University of Cambridge: PhD Thesis.

not taken place. The other Central European states did not share the interests in Regional Partnership as strongly as Austria and were weary of Austria's intentions suspecting it may try to dominate the network and use it as a platform for launching its own national interests. Probably the most enthusiastic was Slovenia like Austria and unlike the other four that cooperated within the Visegrád Group, did not have other alternative strategic relationship options. Slovenia has close bilateral contacts to a number of states, but none of them are formalised (or institutionalised). The Presidency offers Slovenia ample opportunity to further nurture and consolidate these bilateral contacts as numerous bilateral meetings will be conducted between Slovenian officials and their European counterparts as part of the regular Presidency business.

Slovenia has seen one of the most successful transitions from a socialist to a market economy among the transitioning economies of Central and Eastern Europe. It experienced an economic depression prior to this transition, lasting from the end of 1980s to the beginning of 1990s. This period was also marked by the high frequency of strikes over delayed payments of wages which reflected severe business problems especially in the manufacturing industries. These industries were after independence most affected by the loss of markets in the rest of the former SFR Yugoslavia.⁶ The situation stabilised from the mid-1990s when Slovenia started to experience relatively high growth rates and its GDP per capita eventually reached the level of some of the older EU member states, and rose to 70% of the EU average.⁷

The turn in the Slovenian economy was conditioned by a special development pattern based on a combination of factors. First, Slovenia had a relatively high level of development prior to independence in terms of good infrastructure, central geographical location, a well-educated labour force, developed banking sector and international trade channels to the West. Second, after gaining independence Slovenia had a long period of stable centre-left government which embarked on series of reforms, among which the key ones included the liberalisation of the economy, macroeconomic stabilisation, privatisation of state-owned companies,

⁶ The country also inherited from SFR Yugoslavia a high degree of macroeconomic instability with hyperinflation and a large external debt (C. Silva-Jáuregui (2004) Chapter 8: Macroeconomic Stabilisation and Sustainable Growth in M. Mrak, M. Rojec, C. Silva-Jáuregui (eds.) Slovenia: from Yugoslavia to the European Union, p. 116).

⁷ In 2005, GDP amounted to 27.626 mio € and GDP/c to 13.807 €, i.e. 82% EU-25 (Statistical Office of RS, Jan 2007).

and development of institutions in the newly established state. The approach that the government took was a 'gradual transformation' based on retaining rather generous social policies and avoiding a fast liberalisation of financial markets and capital flows, as could be witnessed in some other CEE countries. It must be noted, however, that the reforms have also maintained relatively low incoming foreign direct investments, relatively high taxes and a rather inflexible labour market. Yet, the results of this policy were arguably on the whole positive, a judgment that is confirmed by Slovenia's joining EMU in 2007, and the fact that it is likely to become a net contributor to the EU budget in the next financial perspectives.

Finally, Slovenia's role within the EU and its policies are also marked by its history as part of the former SFR Yugoslavia which ended in 1991 with the declaration of independence. The formation of the first ever Slovenian nation-state was a source of general optimism in the country, and membership to the EU was declared by the political elite to be the primary goal for Slovenia for the immediate future. Slovenes believed that, as a small state within Europe, they would inevitably be heavily affected by the EU. Becoming a member would, at least in principle, enable Slovenia to be part of the decision-making of EU policies. Also, participation in the EU meant a way for Slovenia to participate actively in the international political arena.

Two consequences of the past within SFR Yugoslavia are particularly relevant for Slovenia's EU policy. Slovenia remained closely linked to the markets of the other Yugoslav successor countries and was one of the leading exporters and foreign direct investors in this region. Due to business and social contacts retained from the past, knowledge of the economic and political circumstances, and linguistic and geographical proximity, it had numerous comparative advantages to other states having business interest in the region. Consequently, Slovenia has vast economic and political interests in the region and seeks to be a major player in these countries' effort to integrate to the EU.

Another consequence of the past within SFR Yugoslavia is a number of open disputed issues with neighbouring Croatia. These issues include the land and maritime boundary agreement between both countries (which gives Slovenia most

of Piran Bay and maritime access and several villages to Croatia) which remains unratified. Furthermore, Slovenia disagrees with Croatia's claim to an exclusive economic zone in the Adriatic, as well as its recently announced intention to apply the restrictions of its proclaimed ecological fishing zone to the EU member states as of 1st January 2008. Disputed issues with Croatia presented a major foreign policy challenge for Slovenia since independence and are likely to surface during Slovenia's EU Presidency helm.

1.2 Path to EU Membership

The beginning of formal relations between Slovenia and the EU was in 1992 when Slovenia submitted a request to enter the EU Association Agreement (or so-called Europe Agreement). Then Slovenia and the EU began exploring possibilities of taking steps towards formal EU membership. Negotiations on this agreement were stalled due to Italy's request that Slovenia allow foreigners to purchase real estate in Slovenia, which required a change in Slovenia's constitution. The EU adopted Italy's request and argued that in this aspect Slovenia's property legislation contravened European legislation. Reluctantly, Slovenia agreed to change the constitution. Another problematic issue was the demand by Italy and Austria that Slovenia close its on-road duty-free shops which were allegedly bringing negative effects on the business activity in the border regions. The EU expected from Slovenia the closure of these shops by 1998, which was also mentioned in the Europe Agreement. Both issues led to several postponements in the signing of the EU Agreement, which finally took place in June 1996 when Slovenia officially applied for membership. In 1997, all parliamentary parties except the small opposition party, the Slovenian National Party (SNS), signed an Agreement on Co-operation in the Accession Process with the EU in which they decided that the question of EU membership would not be domestically politicised, but would be jointly handled as a top political priority.

Negotiations between the EU and Cyprus, the Czech Republic, Estonia, Hungary, Poland, and Slovenia (the so-called Luxembourg Group) started in March 1998.⁸ By contrast to the difficulties experienced before beginning of negotiations, Slovenia's accession negotiations were relatively unproblematic in terms of finding agreement on the most difficult issues, and was domestically well-managed, with a high level of transparency, involvement of the National Assembly and civil society,⁹ an intense information campaign on the functioning of the EU, and a high degree of consensus among all the main political actors and the population at large in favour of membership.

The most challenging negotiation issues during the accession negotiations related to the financial package. These included most importantly decisions over EU assistance to the accession countries in the areas of agriculture and structural and cohesion policy, and contributions by the accession countries to the EU budget.¹⁰ The agreed financial package was seen as favourable by the Slovenes since the status of Slovenia as a net recipient of EU funds was secured for the transition period 2004-2006. In the area of agriculture, a combination of EU funds with a partial co-financing of direct payments from the national budget was agreed. This agreement was acceptable also to the Chamber of Agriculture representing farmers' interest, which was very active during the accession negotiations and vocal about their concerns over the economic position of farmers after the accession. Also, funds for the development of rural areas were agreed upon.

In the area of structural and cohesion policy, a solution for closing the negotiating chapter on 'Regional Policy and Co-ordination of Structural Instruments' was based on the agreement that Slovenia is to be considered a single programming area, i.e. a single cohesion region, in the 2004-2006 period. This meant that it got access to a relatively small share of funds which was granted to the most developed among the candidate countries. After that Slovenia was expected to conclude the process of administrative regionalisation.¹¹ Since many parts of Slovenia have a GDP per capita lower than 75% of the EU average, Slovenia should be eligible for funding

8 J. Potočnik (2003) Slovenia's Road to Membership in the European Union in M. Mrak, M. Rojec, C. Silva-Jáuregui (eds.) Slovenia: from Yugoslavia to the European Union, p. 375.

9 Experts and representatives of employers and employees participated in 31 working groups preparing negotiation positions (D. Fink-Hafner and D. Lajh (2003) Managing Europe from home: Slovenian EU policy-making. Europeanization of the Slovenian Core Executive. OEUE Phase I, Occasional Paper 6.1. - 09.03, p. 24).

10 J. Potočnik (2003), p. 377.

11 Regular Report from the Commission 2000.

from cohesion funds. Finally, Slovenia introduced a special issue in the EU budget, namely, the financing of controls at the EU external border (the Schengen border), which means that part of the cost of establishing and maintaining the Schengen border in the new member states will be born by the EU.¹²

Another disputed issue was in chapter free movement of persons. Here, the EU requested a transitional period according to which EU-15 would be allowed to close their labour markets up to seven years after the enlargement. These demands were prompted in particular by Germany and Austria, who both feared a high influx of workers from CEE. Slovenia argued that it should be exempt from this transitional period since all indicators showed that it was very unlikely that there would be high migration from Slovenia. The Commission handled all candidate states in a package on this issue, and, in the end, Slovenia agreed to the transitional period under the condition of reciprocity.¹³

According to the Slovenian Chief Negotiator Janez Potočnik, Slovenia earned the reputation of being one of the most successful candidates due to its favourable starting position 'reflected largely in its relatively high level of development compared with the other candidate countries, as well as its small size, which allowed it adequate flexibility'.¹⁴ Again, Potočnik notes that '...Slovenes were aware throughout the accession process that their country's future image as a member state was being created. Slovenia wanted to be seen as a country with great expertise—flexible, constructive, and well-organized—and as a country that strives to achieve its interests but is at the same time aware that, within the Community, those interests can be realized only through agreement on and understanding of the interests of others as well as the common interest. Aware of its small size and relative lack of political significance, Slovenia always sought to do its work correctly.'¹⁵ It is such attitude that won Slovenia during accession negotiations a label of being a 'star pupil' in the EU.¹⁶ A similar approach and attitude can be seen in the current preparations to hold the EU Presidency.

12 J. Potočnik (2003), p. 377.

13 <http://evropa.gov.si/aktualne-teme/2002-12-11/slovenska-pot/>. All websites mentioned in this paper were active when last visited on 30 November 2007.

14 J. Potočnik (2003), p. 375.

15 J. Potočnik (2003), p. 375.

16 It is difficult to trace back who of the top-ranking EU officials referred first to Slovenia as a 'star pupil' during accession negotiations. This label can, however, be explained with the fact that Slovenia was the only among the candidates to have closed all chapters apart from those on financial package and institutions by the end of 2001 and hence fulfilled the timeframe set by the European Commission.

After the conclusion of the accession negotiations, the referendum on EU membership on 23 March 2003 had a successful and reassuring outcome.¹⁷ 89.6 per cent out of 60.3 per cent of all eligible voters voted in favour of the question 'Do you agree that the Republic of Slovenia should become a member of the European Union?'. The opposition to membership was not particularly vocal and was not organised. Among political parties only the Slovenian Nationalist Party expressed its reservations. According to Eurobarometer surveys of public opinion, high support for membership has been preserved also in the consequent years, along with a favourable view of the EU. While Eurobarometer surveys of many of the new EU member states are showing 'post-enlargement blues', Slovenia appears to have retained a general belief in the benefits that EU membership brings to its people, a high trust in EU institutions, and a belief by most people that Slovenia's voice counts in the EU.¹⁸ Eurobarometer from Spring 2007 shows that 58% of Slovenes still believe that Slovenia's membership in the EU is positive, while only 8% regard the membership as negative. Furthermore, 75% are of the opinion that Slovenia has benefited from being a member of the EU with positive effects especially on the country's security, economy and political stability. For the majority of Slovenes (62%) the EU has a positive image. The trust of Slovenes in the European institutions also remains above the EU average. 67% of Slovenes think that their country's voice counts in the EU. Almost half of Slovenes (49%) believe that the interests of Slovenia are well taken into account in the EU. Slovenes also continue to be at the top of the list of EU citizens in terms of their knowledge of the EU and information on EU affairs. According to Eurobarometer surveys, they feel they understand how the EU works and are well informed about EU matters. When tested they come in the first third of EU countries by their concrete knowledge of the EU. These factors are likely to be reinforced throughout the Slovenian EU Presidency.

17 The EU accession referendum took place at the same time as the referendum on joining NATO, in which 66.02 per cent of participating voters answered in favour of membership.

18 Eurobarometer (67.2) Spring 2007, p. 59-60.

1.3 Domestic political circumstances in the wake of the Slovenian EU Council Presidency

Slovenia is a parliamentary democracy. Legislative function is performed by the National Assembly of the Republic of Slovenia acting as a constitutional and legislative body and by the National Council representing the social, the economic, the professional and the local interests which may initiate legislation, demand referenda and the investigation of matters of public concern and has a 'suspensive veto' power over bills. The Slovenian National Assembly with its ninety deputies reflects the multiparty character of the Slovenian political system. See the division of seats in the national Assembly in the table below. The Government consists of a Prime Minister and Cabinet of Ministers. The Prime Minister has to be confirmed by the National Assembly upon the proposal of the President acting in consultation with representatives of groups of deputies. The Prime Minister, after confirmed, proposes before the National Assembly a list of Ministers for individual election. The second layer in the Government hierarchy consists of state secretaries who are nominated by the Ministers and conduct expert work in their respective areas. The President of the Republic, who has mostly ceremonial functions, is elected through direct elections.

PARLIAMENTARY PARTY	ABBREVIATION	EUROPEAN AFFILIATION	LEADER	NUMBER OF SEATS IN THE ASSEMBLY AFTER 2004 ELECTIONS	NUMBER OF SEATS IN THE ASSEMBLY AT THE END OF 2007
SLOVENSKA DEMOKRATSKA STRANKA/THE SLOVENIAN DEMOCRATIC PARTY	SDS	EPP	JANEZ JANŠA (PRIME MINISTER)	29	29
LIBERALNA DEMOKRACIJA SLOVENIJE/LIBERAL DEMOCRACY OF SLOVENIA	LDS	ELDR	KATARINA KRESAL (NEWLY ELECTED IN 2007)	23	11
SOCIALNI DEMOKRATI/SOCIAL DEMOCRATS	SD	PES	BORUT PAHOR	10	14
NOVA SLOVENIJA - KRŠČANSKA LJUDSKA STRANKA NSI / NEW SLOVENIA - CHRISTIAN PEOPLE'S PARTY	NSI	EPP	ANDREJ BAJUK	9	9
SLOVENSKA LJUDSKA STRANKA/SLOVENIAN PEOPLE'S PARTY	SLS	EPP	BOJAN ŠROT (NEWLY ELECTED IN 2007)	7	7
SLOVENSKA NACIONALNA STRANKA/SLOVENIAN NATIONAL PARTY	SNS		ZMAGO JELINČIČ PLEMENITI	6	6
DEMOKRATIČNA STRANKA UPOKOJENCEV SLOVENIJE/DEMOCRATIC PARTY OF PENSIONERS OF SLOVENIA	DeSUS		KARL ERJAVEC	4	4
ZARES-NOVA POLITIKA/ ZARES - NEW POLITICS	ZARES	EXPECTEDLY ELDR	GREGOR GOLOBIČ	NA	7
				2 SEATS FOR MINORITY REPRESENTATIVES: ONE FOR ITALIAN AND ONE FOR HUNGARIAN	2 SEATS FOR MINORITY REPRESENTATIVES
				NA	SLAVKO GABER, UNAFFILIATED DEPUTY (FORMERLY LDS)

Traditionally, Slovenia had coalition governments, with 12 years in power since independence enjoyed by left-of-centre parties led by the Liberal Democrats.^{19,20} In October 2004, Janez Janša's centre-right Slovenian Democrats succeeded in the elections. SDS formed a government in coalition with three other parties: New Slovenia – Christian People's Party, Slovenian People's Party and Democratic Party of Pensioners of Slovenia. Together they have 49 votes in the National Assembly, which gives it an effective majority and hence sufficient votes to adopt most decisions in the Assembly. As a consequence of its defeat in the elections, the Liberal Democrats was, in the first months of 2007, facing a membership crisis as twelve deputy group members withdrew from LDS due to alleged intra-party disputes. Seven of them formed Skupina nepovezanih poslancev [Group of unaffiliated deputies], headed by Dr. Matej Lahovnik, a Slovenian economist and Minister of Economy in the former government. In March 2007, Skupina nepovezanih poslancev founded Združenje Zares [Association Zares], which in October 2007 formed the political party Zares – nova politika. In the meantime, LDS also reformed itself and elected a new leader, Katarina Kresal. All parliamentary parties with the exception of SNS, have been genuinely in favour of EU membership and have continued to have a favourable view of European integration. For the division of seats at the end of 2007 see the table above.

Autumn 2007, prior to start of the EU Presidency, was eventful on the political scene. The campaigns for presidential elections in October dominated the public discourse. These were the elections for the Slovenian's third President of the Republic.²¹ These elections in a way represented a prelude to the parliamentary election following after the Presidency in October 2008. In the first round of elections in October, the centre-right candidate Lojze Peterle won most votes, and the centre-left votes were split tightly between two candidates, Danilo Türk, supported by SD and Zares, and Mitja Gaspari, supported by LDS, with Türk gaining only a marginal lead to Gaspari.²² The expectation that the centre-left votes would aggregate in support of Türk in the second round against Peterle came true with

19 The only exception to this happened in early April 2000 when the government headed by Prime Minister Janez Drnovšek lost a confidence vote in the National Assembly.

20 In December 2002, Prime Minister Janez Drnovšek and leader of LDS resigned (to allow him to run for the position of President of the Republic), and Anton Rop took over the position of Prime Minister. In both LDS-led governments the coalition consisted of LDS, SD (formerly named ZLSD), SLS and DESUS (<http://www.vlada.si/>).

21 The first was Milan Kučan and the second, Janez Drnovšek.

22 In the first round, the four candidates with most votes were: Lojze Peterle 28.73%, Danilo Türk 24.47%, Mitja Gaspari 24.09%, and Zmago Jelinčič 19.16% (<http://www.volitve.gov.si/vp2007/>).

Türk winning convincingly with almost 70% of votes.²³ Along with the elections, a referendum on a government proposal on privatising the insurance company Triglav was conducted. The result was almost identical to the election results, with a landslide vote against the proposal.²⁴ This result (along with the defeat of the candidate supported by the Prime Minister) has been interpreted by commentators as a 'vote against the government'.

Few days after the second round of elections in November, the Prime Minister made a surprising statement that the government might resign. Later he qualified his announcement by asking the National Assembly for a vote of confidence, which he obtained on 19 November with the support of all deputies of the coalition parties and both minority representatives. The Prime Minister elaborated in his address to the National Assembly and TV interviews that he wished to check the domestic political circumstances before the prestigious task of EU Presidency, for which at least a minimum of cooperation between all political actors was necessary. He assessed that since autumn 2007 such cooperation was not present and that the government worked in 'unbearable circumstances': it was discredited abroad by Slovenian journalists, the opposition was preparing an interpellation and announcing a referendum for 2008, and it was also having difficulties with its coalitional partner DeSUS. The reaction by the opposition was that that the government had no reasons for threatening to resign, and that by doing so it was acting irresponsibly, especially in light of the Presidency, and that its actions were adversely affecting its credibility among international partners. The three key opposition parties, SD, LDS and Zares, were fairly united in proposing that they would continue to exercise a normal level of control over government actions, which should be acceptable in any democracy regardless if it holds EU Presidency.

Regardless of whether this political crisis was induced, as claimed by the opposition, or a justified reaction to the political circumstances in which the government works, as argued by the government, a fairly large number of Slovenes appear to be dissatisfied with the centre-right government, and the left-leaning social democrats have gained in popularity. September 2007 opinion polls on

23 Türk won 68.03% and Peterle 31.97% (<http://www.volitve.gov.si/vp2007/>).

24 71.12% of voters were against the government proposal (<http://www.dvk.gov.si/RefZav/index3.html>).

the popularity of political parties show that Social Democrats, with 19%, enjoy the highest support among Slovenes.²⁵ It is interesting that criticism of the leading SDS at present is similar to those that have been aimed at LDS in the previous election: that of the 'over-reaching power' and 'threatening monopoly'. The opposition parties argue that the lack of public support to the government allegedly reflected the public's dissatisfaction with the current situation in the country in terms of rising social imbalances, inflation, and also the government's interference with all spheres of political, social and economic life.²⁶ The next parliamentary elections are scheduled for October 2008, which means that the Slovenian EU Council Presidency will inevitably be conducted in the spirit of the forthcoming parliamentary election, albeit formal election campaign will likely start only after the conclusion of the Presidency. Opinion polls suggest that the race in those elections will be tight and will inevitably occupy the present government despite (or perhaps also in regard to) the administratively taxing duty of holding an EU Presidency.

It will be particularly difficult to combine playing and communicating to the domestic public the job of running high politics of the EU, while at the same time address domestic issues with relatively low popularity and in wake of the parliamentary elections. One of the issues that will have to be addressed domestically is the accelerating concerns of the public over the rising inflation and the fact that the salaries of workers, despite the improving business indicators, have not risen. Slovenia has in October 2007 been reported as the country with highest inflation in the EMU.²⁷ The highest were rises in prices of food and fuel. On 17 November, trade unions jointly with pensioners and students held an intergenerational protest to raise awareness of worsening social situation in Slovenia given the rise in prices and economic development not followed by rise in wages. While trade unions press for increases in wages and point to the capital gains of company owners, the employers' associations argue that increases in wages would lead to decrease in competitiveness of Slovenian business and potentially even further raise inflation.²⁸ Another issue that has been featuring high in the national media in the autumn 2007 and that will likely echo also during the Presidency are open

25 SD is in the polls followed by SDS with 18% and LDS with 8%. SNS enjoys a 7% support, NSi 6%, SLS 5% and DeSUS 1% support (Politbarometer 9/07, p. 33).

26 In television debate on National TV on November 16 2007.

27 In October was inflation in Slovenia 5.1% (STAT/07/155, 15 November 2007).

28 See websites of the Free TU: <http://www.zzss.si/> and Association of Employers: <http://www.zds.si/en/news/486/>.

questions with neighbouring Croatia. This issue will be closer addressed in the section on political priorities of the Slovenian Presidency.

All in all, given the almost universal and lasting concern of Slovenes about the reputation of Slovenia abroad, it is unlikely that political crises or awkward incidents will occur during the Presidency. It would be unwise for the government to prolong the political crisis by threats of, or actual, resignation into the Presidency period. Such an act would not be appreciated by the electorate unless tangible reasons could be presented, and it is highly questionable whether the electorate sees the present reasons given by the government as such. It would also be unwise for the opposition or any other stakeholder to create incidents and crises beyond the normal political life in a democracy. Any action that would shed negative light on Slovenia while in the centre of European politics is more likely to backfire than to win popularity points during what is universally agreed to be highly important six months for Slovenia.

II - The Slovenian EU Council Presidency of 2008

2.1 Organisation of Slovenian EU Council Presidency

This paper argues that the Presidency project presents not only an opportunity to promote Slovenia in the EU and influence EU policy-making, but also has effects domestically, in terms of further EU-awareness raising within the central government administration, political elites and among the Slovenian public. The preparations for the Presidency include intensive training of civil servants on EU affairs. In the words of one official closely involved with the coordination of the Presidency project, ‘by the end of the Presidency officials will “get PhDs” in EU affairs’.²⁹ Inevitably, European issues will feature much higher on the domestic political agenda in the government and the legislature than this has been the case since the accession negotiations. Inevitably, EU issues will gain top political priority for the Prime Minister, the Cabinet of Ministers as well as the National Assembly. European issues will, due to the Presidency, also dominate the public space with extensive coverage by the media of the Presidency news as well as civil society involvement in events organised in the framework of the Presidency. The approach in organi-

²⁹ Interview with government official, 12 January 2007.

sation of the first Slovenian EU Council Presidency in many ways resembles the approach during the accession negotiations, as it is characterised by thorough and well-managed preparation, is supported by an efficient (and often creative) information campaign, and takes place with a high degree of consensus among all the main political actors and the population at large about the importance of this prestigious task and unique opportunity it offers. One difference perhaps, lies in a somewhat greater secrecy in terms of the preparation of the political priorities to be included in the Presidency Programme. Unlike the accession negotiations, in the Presidency preparations the government did not engage in substantial discussions much civil society or the National Assembly.

The organisation of the Slovenian Presidency in terms of administrative and political procedures rests on the existing structure of management of EU affairs. The main coordination centre for the Presidency project lies within the Government Office for European Affairs (GOEA) which is together with the Ministry of Foreign Affairs (MFA) also responsible for coordinating EU affairs within the government.³⁰ State Secretary for European Affairs, Janez Lenarčič, heads the Operational Group for Preparation Activities and Holding the Presidency, comprising representatives of the ministries.³¹ GOEA has also established the Project Group for the Coordination of Preparation and Holding the Presidency of the EU. This Project Group has been established to monitor the presidency project and its preparation, and act as the focal point for communicating with the other two countries of the presidency trio. It also provides support to the Core Working Group for the EU Presidency chaired by the PM Janez Janša, and with the Minister of Finance, Andrej Bajuk, the Minister of Foreign Affairs, Dimitrij Rupel, the Minister of Public Administration Gregor Virant, and State Secretary for European Affairs, Janez Lenarčič, as members. This Core Group is a novel structure and reflects the particular demands of the Presidency project. The Core Group has the responsibilities of providing general political guidelines and priorities of the Presidency and oversees the preparations of the core tasks of the Presidency managed by sub-groups on Presidency programme, Human Resources, Public Relations and Presidency Budget. Overall responsibility for the Presidency programme lies within MFA which chairs the sub-group on this issue. However within the working group, GOEA is coordinating the preparation of the

³⁰ Šumrada, J. et al (2005), p.3.

³¹ Poročilo o napredku pri pripravah na predsedovanje Slovenije Svetu EU, obdobje januar – april 2007, p. 5.

Presidency programme for the first (Single Market) and third (Justice and Home Affairs) pillar, and MFA for the second pillar (Common Foreign and Security Policy), which reflects the division of policy areas in the usual coordination of EU affairs.

EU affairs are in most Ministries dealt with by an 'EU-unit'.³² These units have in the past not necessarily had much competence to take decisions and often enjoyed limited attention from the state secretaries and the Minister. Officials in these units report that even after the accession in many Ministries EU issues were not treated as a horizontal area, but rather 'just as one of the areas that the Ministry deals with'. This situation has changed dramatically after the beginning of preparations for the Presidency in 2005. EU issues gained a significantly larger proportion of the attention of top officials within the Ministries. The Working Group for European Affairs [Delovna skupina za evropske zadeve] chaired by the State Secretary for European Affairs and attended by state secretaries from all ministries has also seen a new dynamic. According to one official, there was initially a lot of resistance to the meetings of this Working Group. European Affairs were long largely considered to be 'foreign affairs' and many among the state secretaries did not see the point in monthly meetings within the working group, nor did they recognise the competences of the State Secretary for European Affairs. There was also reluctance by many civil servants to accept EU affairs as part of internal affairs and as central in all aspects of their work. After the Presidency preparations the Working Groups is 'fully functioning' and holds regular monthly meetings and often meets even more often.

Also, the general knowledge of EU affairs has risen along with the Presidency preparations as did contacts with counterparts in Europe. Those participating directly in the Presidency project underwent extensive training in various aspects of EU affairs related to the Presidency tasks.³³ For example, in the period from November 2006 to end of April 2007, 3472 civil servants, directly or indirectly involved with the Presidency project, participated in 144 seminars conducted centrally by the Government Academy. Individual Ministries were responsible for providing basic

³² Information in this paragraph has been obtained through interview with two government officials, 12 January 2007 and 13 January 2007.

³³ Trainings were organised centrally as well as within specific ministries (Šumrada, J. et al (2005), p. 27-28).

training in languages and dossiers.³⁴ In addition, the Permanent Representation organised stages for civil servants from Ljubljana in its offices as well as at the Council Secretariat. Ministries were also sending more representatives to the Council working meetings. Since 2006, bilateral meetings between Slovenian government officials and officials in EU institutions and key member states as well as important countries outside the EU have significantly intensified. Meetings with European counterparts also intensified among the National Assembly deputies and interest group representatives. Meetings were conducted also on ministerial and state secretary levels. Meetings within the Presidency trio became particularly frequent.

Given its newness to EU affairs and small size, Slovenia inevitably has to rely on the assistance of the Council Secretariat, the Commission, as well as the two countries in the Presidency trio which both have ample experience in EU Presidency business. This grants them direct influence on Slovenia's choices and in turn limits Slovenia's original contribution in terms of uploading political issues and influencing negotiation outcomes. Working within the trio Presidency in particular poses a number of opportunities as well as challenges for Slovenia. The main task for the three presidencies was to agree on the 18-month programme. Even though the official line is that the cooperation within the trio is very good and all three countries are equal partners, it can nevertheless be assumed that in view of differences in size, experience and roles and ambitions within the EU, like in the ordinary Council negotiations, the dynamic within the trio and the proportion of influence on the 18-month Programme was not fully equal. Germany, for example, has a much larger administration with many more officials working on individual dossiers. These officials can go much deeper in terms of preparation of positions and thus have comparative advantage over small states where a few or even one official cover one (sometimes even more) dossiers. Hence, their capacity in terms of thoroughness of preparation of positions is limited by the sheer amount of work required. This was to some extent true also in the dynamic of negotiations of the 18-month Programme between Germany, Portugal and Slovenia.³⁵ Germany came extremely well prepared into negotiations with thoroughly developed positions which gave it leverage in negotiations with Portugal and Slovenia which due to

³⁴ Information in this paragraph is obtained from Poročilo o napredku pri pripravah na predsedovanje Slovenije Svetu EU, obdobje april - oktober 2006, p.4, 7-8 and 11.

³⁵ Phone interview with Portuguese diplomat, 15 March 2007.

the limited administrative capacities, could not have prepared as well.³⁶ As it is often practice with small states, these tend to focus only on one or few priorities and dedicate their administrative resources to prepare well in these areas. The integration of the Western Balkans to the EU, which is Slovenia's key priority, was included; however, in this area its interests are broadly convergent with the ones of Germany.³⁷ It will be much more interesting to follow to what extent especially Germany may influence Slovenian handling of negotiations when it comes to these questions during its term and whether and to what extent Slovenian representatives will have free hands in brokering compromises.

While the trio Presidency countries and the Council Secretariat undoubtedly have had strong influence on Slovenian Presidency priorities, this is somewhat less true of Slovenian civil society. With the purpose of improving cooperation between civil society and the government, an agreement has been adopted for 2005-2008 which includes the formation of a permanent working group for the consolidation of open questions relevant to the cooperation between the government and NGOs.³⁸ Although information flows regarding the Presidency have been improved between the government and the two umbrella organisations representing civil society: Centre for information, cooperation and development of NGOs and Legal and Information Centre for NGOs, the role of NGOs in the Presidency remains limited. The government had supported the suggestion by the two umbrella organisations to set up a Presidency website for NGOs and they will be invited to co-organise and participate in some of the Presidencies' events.³⁹ NGOs had hoped that the Slovenian government would set a good example of NGO involvement in the Presidency by inviting them to participate in the preparation of substantial issues, but this did not materialise.⁴⁰ As to the National Assembly involvement, Presidency priorities were discussed in the framework of the adoption of the Declaration on activities of the Republic of Slovenia in the institutions of the European Union in the period January 2007 – June 2008 which includes a section on the Presidency.⁴¹

³⁶ Phone interview with Portuguese diplomat, 15 March 2007.

³⁷ 18-month Programme of the German, Portuguese and Slovenian Presidencies, p.62.

³⁸ http://www.mju.gov.si/si/za_nevladne_organizacije/.

³⁹ Interview with a representative of Legal and Information Centre for NGOs, 26 October 2007.

⁴⁰ Ibid. In October 2007, the minister for employment and family has, however, presented to social partners the Presidency priorities and events that will take place in that area (Email correspondance with a representative of Free Trade Unions of Slovenia, 3 December 2007).

⁴¹ Deklaracija o usmeritvah za delovanje Republike Slovenije v institucijah Evropske unije v obdobju januar 2007-junij 2008 / DeUDI EU0708 / (Ur.l. RS, št. 31/2007) [Official Gazette of the Republic of Slovenia, No. 34/04].

Since then, the National Assembly involvement in preparations does not go much beyond being informed about the progress of the Presidency preparations and the 18-month trio Presidency Programme, and there was little substantial discussion on the Presidency Programme.⁴²

2.2. Political priorities of the Presidency

Each EU Presidency has to prepare a programme defining issues and priorities to be discussed during its six months at the helm. This is now done in the framework of the Presidency trio, where the three countries prepare a joint 18-month programme framework. Within this framework the individual Presidency then further elaborates its own set of priorities. It is common within the EU that about 90% of the issues that come on the Presidency agenda are inherited from the previous Presidencies. There is, thus, a rather limited scope for original additions to the agenda. Nevertheless, each country presiding tends to bring some issues to the EU agenda. The number and ambition of these largely depend on the role and ambitions of the state within the EU. Large states have traditionally sought more of a leadership role and have consequently been more ambitious in their proposed agenda, and also bolder in strategically bringing to the table issues of their own national interest. Since the Presidency is expected to be impartial and work exclusively in the common European interest, small states tend to adopt the role of 'honest brokers' rather than that of 'leaders' so as not to damage their reputation by acting against European norms. This is also likely to be the case with Slovenia. Its ambitions are expected to be curbed due to its status as a new member-state, its small size, and the domestic political circumstances discussed earlier. Given the trio arrangement, the Slovenian EU Presidency Programme will inevitably be consistent with the 18-month programme of the trio.

⁴² Email correspondence with two National Assembly deputies from the Committee on European Union, 30 November 2007.

As it looks now, there will be four key priority areas:⁴³

- (1) The Lisbon Strategy: growth and jobs
- (2) Energy and climate change
- (3) Western Balkans
- (4) The Lisbon Treaty

Among the three, it is really the third that is of particular interest to Slovenia.

First, in the area of the Lisbon Strategy the next three-year cycle for implementation will be adopted. The 18-month programme already indicates that during the Slovenian Presidency the appraisal of the National Reform Programmes and update of the Broad Economic Policy Guidelines and Employment Guidelines will be included in the conclusions of the Spring European Council in 2008. Based on a Commission proposal, the Integrated Guidelines for the new cycle, including country-specific recommendations, will then be formally adopted in June 2008.⁴⁴ There are no specific changes foreseen. The attention will be given in particular to the four pillars of the Lisbon Strategy adopted in 2006: research and innovation, competition and fostering of entrepreneurship, flex security, and energy and environment.

Second, in the energy policy will try to further develop the energy policy based on Action Plan 2007-2009, adopted by the spring European Council 2007. The focus of attention will be put on: internal market for gas and electricity, renewable energies, energy technologies and external energy policies. In the area of climate change, Slovenia will deal with a package of regulations designed to help curb the bloc's CO₂ emissions by 20% by 2020, which was supposed to be adopted by the Commission in December but has been postponed to January 2008. Since most countries are already struggling with current targets to curb emissions of greenhouse gas, Slovenia will have to coordinate some highly divergent interests. Slovenia

⁴³ http://www.svez.gov.si/si/predsedovanje_eu/predstavitev/. The final program has been adopted by the government on 28th of November and will be voted on in the National Assembly beginning of December when it will be also released to public. It will be presented to the European public on 20 December in Brussels and in January to the European Parliament.

⁴⁴ 18-month Programme of the German, Portuguese and Slovenian Presidencies, p. 13 and 16.

also intends to continue the work of Germany and Portugal on climate change, highlighting the importance of cooperation between developed and emerging economies, and also cooperation on this issue with Western Balkans.⁴⁵

Third, the absolute top priority of the Slovenian Presidency falls in the areas of further EU enlargement and a 'European perspective' for the Western Balkans. The Slovenian government has repeatedly supported EU enlargement under the condition that the applicant countries comply with the membership criteria. There is a high level of support for enlargement also among the Slovenian public. According to the Eurobarometer, two thirds of Slovenes are supportive of enlargement.⁴⁶ Slovenia has made it a priority that every country in the Western Balkans makes a step forward towards accession during its Presidency. To anchor some of Slovenian government positions on the Western Balkans for the negotiations during the Presidency, Prime Minister Janša wrote a letter to President Barroso and the leaders of EU member states in which he urged 'bold decisions concerning the Western Balkans', including granting Serbia the status of an EU candidate after initiating the Stabilisation and Association Agreement and giving Macedonia a date for the launch of accession talks.⁴⁷ Janša also highlighted that Serbia should be given a clear sign that the future of Kosovo is not being tied to its future in the EU, but that Serbia needed to fulfil the required criteria, including its cooperation with the International Criminal Tribunal for the Former Yugoslavia.⁴⁸ Janša also proposed that EU foreign ministers 'put forward common measures at the December summit in order to unify their positions and breathe fresh air into the Thessaloniki Agenda in which EU confirmed its resolution to open to Western Balkan countries fully and effectively the prospect of joining the EU once they have met the established requirements'.⁴⁹ Slovenia is also keen to encourage regional cooperation with Western Balkans in particular areas, such as traffic, energy, climate change, which would present 'concretisation and reaffirmation of the European perspective' for the countries in this region.⁵⁰ Slovenia's interest in the Western Balkans does not come as a surprise. Slovenia is highly invested in the region as an exporter and

45 Slovenia to Pick up Work of Germany, Portugal on Climate Change, Lisbon, 9 November (STA). All STA (Slovenska tiskovna agencija/Slovenian Press Agency) information is taken from <http://www.sta.si/>.

46 Eurobarometer (67.2) Spring 2007, p.4.

47 PM Says EU Progress Reports for Balkans Realistic, Brussels, 6 November (STA).

48 PM Wants More EU Input on Kosovo, Says Macedonia Top Candidate, Klagenfurt, 6 November (STA).

49 Brussels Welcomes Slovenia's Balkans Initiative, Brussels, 2 October (STA).

50 Interview with government official, 9 November 2007.

foreign direct investor. It is therefore in Slovenia's vital national interest that this region remains politically and economically stable and secure. Given its comparative advantages over other EU member states in terms of knowledge of, contacts with, and proximity to the region, this is one of the few, if not the only area, where Slovenia has the confidence and interest to provide leadership within the EU, although some other countries, for example Austria, Germany and Slovakia, also have vested interests in the region.

One of the biggest challenges during the Presidency is going to be the question of the future of Kosovo, which, as described by a government official, is expected to be 'full crisis management'.⁵¹ Janša believes that the plan by UN special envoy Marti Ahtisaari for supervised independence of Kosovo can be upgraded.⁵² He thinks that the EU member states should play a more proactive role in resolving the future status of Kosovo and propose some solutions before December 10, when the Kosovo troika is expected to unveil its report.⁵³ In his visit to the region in October 2007, Foreign Minister Rupel highlighted that Slovenia's intention was to coordinate its position on Kosovo with other EU members.⁵⁴ As reported by STA, the feeling in MFA is that 'Slovenia would support possible independence of Kosovo if this was also done by "an adequate group" of other EU member states'.⁵⁵

The Presidency will inevitably deal also with Croatia's (and Turkey's) accession negotiations. While the Slovenian government supports Croatia's EU membership, and welcomed the decision on opening the accession negotiations, the diplomatic relations between the two countries have undergone difficulties over the past few years. A much-publicised incident from September 2004 when at the border crossing in Sečovelje, 12 members of the Slovenian People's Party were detained by the Croatian Police, reminds us of the potential for a further escalation of the conflict during the election time. The incident was provoked by the visit of SLS politicians including the (then) leader Janez Podobnik to the allegedly disputed territory where both countries have failed to determine the border. Following the incident, Slovenian government under pre-election pressures informed its EU partners that

51 Ibid.

52 PM Wants More EU Input on Kosovo, Says Macedonia Top Candidate, Klagenfurt, 6 November (STA).

53 At the time of Prime Minister's letter, the EU still lacked a common position: (<http://www.euractiv.com/en/enlargement/kosovo-warned-declare-independence-unilaterally/article-168524>).

54 Slovenia Ready to Join EU Supporters of Kosovo Independence, Ljubljana/Brussels, 26 October (STA).

55 Rupel: Slovenia Wishes to Help Serbia on Path Towards EU, Belgrade, 24 October (STA).

it withdrew its support to Croatian accession to the EU. Interestingly, the incident from 2004 gained a new momentum in 2007 when former Prime Minister Rop (then also the leader of LDS) announced that he had obtained intelligence information from the Slovenian intelligence agency about a secret agreement on staging the above-mentioned incident between the Croatian Prime Minister Ivo Sanader and then Slovenian opposition leader, Janez Janša. The accusations, along with an admittance of spying by the Croatian Prime Minister, further aggravated the relations between both countries and led to a parliamentary investigation of the affair.

In autumn 2007, Slovenia and Croatia began openly to discuss the possibility of an international arbitrage to resolve the open disputes between them, but already the question of who the arbiter should be raised further disputes. Unable to fully resolve them, and in order to avoid further politicising the disputes during the presidential election in Slovenia and the parliamentary election in Croatia, they decided to switch to 'secret diplomacy'. The last issue that arose between the countries was Croatia's announcement that its ecological and fishing zone in the Adriatic would apply to EU member states as of 1st January 2008. Slovenia was pleased to see that the Commission's annual report on Croatia's progress towards accession for 2007 says that Croatia's move was in opposition to a political agreement that Croatia, Italy and Slovenia reached in June 2004 when Croatia obtained the status of a candidate country.⁵⁶ While the general thesis of this paper is that the Slovenian EU Council Presidency is likely to be an efficient and unproblematic affair, it must be noted, however, that strained relations between Slovenia and Croatia, and a number of disputed issues during the election year, constitute a certain potential for problems during the Slovenian Presidency. Relations with Croatia can easily be politicised as part of the pre-parliamentary-election campaign, and the Slovenian government will be closely watched in this area by the opposition. In the past, the former government has been criticising for being too accommodating towards Croatia. The LDS-led government in 2004 was put in a considerable dilemma on how to react to the incident at the border when Croatian police detained SLS politicians, which happened very close to the Slovenian parliamentary elections. The domestic pressures were to act firmly and use its leverage as EU member state and threaten Croatia with vetoing its accession to the EU. Slovenes well remember

⁵⁶ Slovenia Pleased with Progress Reports for Turkey, Balkans, Ljubljana, 6 November (STA).

the veto threat uttered by Italy during Slovenia's accession process. An 'incident', hence, could trigger the need for dealing with the Slovenian-Croatian issue during the Presidency, which would be rather inconvenient in view of the aim to strengthen the good reputation of Slovenia within the EU.

Fourth, Slovenian Presidency will continue the reform process of the EU constitutional order that was after the 'reflection period' restarted by and by and large dominated the German Presidency. After the successful conclusion of the Intergovernmental Conference with the adoption of the Reform Treaty in Lisbon (i.e. the Lisbon Treaty) in October 2007, much to the relief of Slovenian officials, Slovenia will only deal with encouraging the ratification of the Treaty among the member states and not with negotiating the agreement as it was anticipated. Prime Minister Janša announced that Slovenia would aim for a fast ratification of the Treaty to 'send a positive signal to the other member states'.⁵⁷ Speaker of the National Assembly, France Cukjati, also reiterated 'that Slovenia would be among the first EU member states to ratify the bloc's reform treaty'.⁵⁸ Judging from the absence of public debate and marginal coverage in the media, the issue evidently does not appear to be seen as problematic by the Slovenian government and press. Since not much has changed for Slovenia in the Reform Treaty, except that it gained one more seat in the European Parliament, a parliamentary ratification has been envisaged and is likely to be unproblematic. The attitudes towards the Reform Treaty are thus similar to the attitude towards its predecessor, the Treaty establishing a Constitution for Europe, which the National Assembly ratified at its extraordinary session on 1st February 2005.⁵⁹ The parties then and now share the view that the Treaty was ensuring Slovenia a favourable institutional position and was therefore a good starting point for attaining its interests, and that it was an appropriate step towards increased transparency and the more efficient functioning of the Union as a whole.

⁵⁷ Pogodba kompromisov [Treaty of compromises], Večer, 20 October 2007, p.1.

⁵⁸ Speaker Promises Slovenia among First to Endorse Reform Treaty, 10 November 2007 (STA).

⁵⁹ In 2007, with 80% support for adoption of the Constitutional Treaty Slovenia came in second place after Belgium within EU-25 (Standard Eurobarometer 67, Spring 2007, p. 60-61). Slovenia was the third EU member state to ratify the Treaty (after Lithuania and Hungary). It was supported by 79 deputies of six parliamentary parties: SDS, NSi, SLS, DeSUS, LDS and SD. Four deputies of the Slovenian National Party opposed the ratification, 7 abstained (Vladni portal z informacijami o življenju v Evropski uniji).

Conclusion

Slovenes pride themselves in being the first among the new member states to hold the EU Presidency. This decision by the European Council arguably reflects the member states' view that Slovenia is prepared to play this difficult, but gratifying role efficiently. This acknowledgement is likely to further enforce the Slovenian government's and public's positive view of, and commitment to, the Union if, as expected, the Presidency will proceed smoothly and some tangible results can be shown at the end. In other words, this paper argues that the Presidency role contributes significantly to consolidating Slovenia's approach and attitude as 'a committed European'.

The Presidency undoubtedly poses a considerable challenge for a small country especially with regard to human resources and the size of government administration. This study argues that the Slovenian EU Presidency will be characterised by thorough preparation, appropriate behaviour for a Presidency (i.e. to be neutral, impartial honest-broker), curbed ambitions and high public support for the EU. Similar characteristics also marked the Slovenia's EU accession negotiation which won it the status of 'star pupil'. It appears to be a shared value by the government

and public to use the Presidency to consolidate the international reputation of Slovenia. To achieve this task, a major effort has been invested in gaining process expertise, extensive knowledge of dossiers, as well as understanding of domestic political circumstances which form the national preferences of EU member states. All these are essential for an effective running of the Presidency tasks. Being aware of its own limited administrative resources as well as its status as a newcomer to EU affairs, Slovenia's ambitions in terms of what it intends to achieve are accordingly curbed. The ambition to run EU policy-making processes smoothly and problem-free is motivated also by the fact that the EU Presidency will be held in the shadow of forthcoming parliamentary elections scheduled to take place in October 2008. In short, playing safe will be the motto of the Slovenian EU Presidency, the main aim being to maintain and enhance Slovenia's good reputation, as well as for the present government to confirm its abilities and accumulate electoral good-will for the forthcoming parliamentary elections.

The issues that Slovenia would especially wish to bring to the attention of the EU during its Presidency include the implementation of the Lisbon strategy, climate change and energy policies, ratification of the Lisbon Treaty, and the integration of the Western Balkans into the EU. This last point has over the years become a 'recognition card' of Slovenia's interests in the EU. This is the theme where Slovenia expects to achieve most during its Presidency, but it is also the theme where the risks of failure are the strongest. Granting Macedonia a date for the launch of accession talks and Serbia the status of a candidate country are more feasible goals. Finding a solution for the future of Kosovo will be much tougher. Problems could also arise from a troubled relationship with neighbouring Croatia. Although Slovenia supports Croatia's EU membership, there are also a number of open disputed issues between the two countries that have not yet been resolved over the past 16 years since independence. Given its past within the former Yugoslavia, Slovenia justifiably can claim comparative advantages in terms of knowledge, contacts and influence in this region. Slovenia's interest in the Western Balkans does not come as a surprise. Slovenia is highly invested in the region as an exporter and foreign direct investor. It is therefore of Slovenia's vital national interest that this region remains politically and economically stable and secure. Given its compara

tive advantages over other EU member states in terms of knowledge of, contacts with, and proximity to the region, this is one of the few, if not the only area, where Slovenia has the confidence and interest to provide leadership within the EU.

To what extent Slovenia will have free hands in engineering compromises and offering leadership in negotiations during its Presidency remains to be seen. The experience of the drafting of the 18-month trio-Presidency Programme shows that Germany as a large state within the trio inevitably had more leverage than the other two countries. It reportedly managed to anchor its positions by being thoroughly prepared with 'an army' of officials working on individual dossiers, by contrast to the one or few officials from the small administrations of Portugal and Slovenia. Institutionalisation of the trio-Presidency with one large state part of each set can be also seen as ensuring that large states' interests are defended at all times. With the excuse of political cooperation within the trio it is likely to expect that Germany will act as a 'prompter' during the Slovenian Presidency. It is also interesting to note that if we consider the Franco-German alliance to be still alive, and if France is able to exercise similar leverage in its trio-Presidency with Sweden and the Czech Republic, then this alliance could through the trio-Presidency arrangement exercise leverage over EU political developments for total period of three years.

Previously Published Studies

An open Europe in a multipolar World: Lessons from the Portuguese Experience - Álvaro de Vasconcelos (October 2007).

Transnational Production Networks in the Automobile Industry - Heribert Dieter (June 2007).

Power to the People: Promoting Investment in Community-Owned and Micro-Scale Distributed Electricity Generation at the EU Level - Stephen Boucher, Columbia University Workshop (May 2007).

Funding the EU Budget with a Genuine Own Resource: The Case for a European Tax - Jacques Le Cacheux (May 2007).

Wine and Europe: the Metamorphoses of a Land of Choice – Aziliz Gouez and Boris Petric (March 2007)

Germany and Europe: New Deal or Déjà vu? – Ulrike Guérot (December 2006)

Regional Economic Integration in South America - Alvaro Artigas (November 2006)

The Impact of Television Media on the French Referendum Campaign in 2005 - Jacques Gerstlé (November 2006)

Plan B: How to Rescue the European Constitution? - Andrew Duff (October 2006).

A transition Presidency? An Inside View of Finland's - Second Presidency of the EU - Teija Tiilikainen (July 2006).

The Vision of Europe in the New Member States – Notre Europe asked different Personalities of the New Member States to give their Vision of Europe in 2020 - Gaëtane Ricard-Nihoul, Paul Damm and Morgan Larhant (July 2006).

Sense and Flexibility – Striking a Balance between Sovereignty and Harmonisation in the Implementation of the EU ETS - Stephen Boucher, University of Columbia Workshop on EU ETS (May 2006).

The Question of European Identity - Aziliz Gouez, Marjorie Jouen and Nadège Chambon (January 2006).

Report on East Asian Integration: Opportunities and Obstacles for Enhanced Economic Cooperation - Co-ordinated by Heribert Dieter, With Contributions from Jean-Christophe Defraigne, Heribert Dieter, Richard Higgott and Pascal Lamy (January 2006).

An Honest Broker in Difficult Times: Austria's Presidency of the EU - Sonja Puntschner-Riekman, Isabella Eiselt and Monika Mokre (December 2005). **The European Constitution and Deliberation: the Example of Deliberative Focus Groups ahead of the French Referendum of 29 May 2005** - Henri Monceau (November 2005).

The French “no” vote on May 29, 2005: Understand, Act - Gaëtane Ricard-Nihoul (October 2005)

Defining a new European Social Contract - Marjorie Jouen and Catherine Palpant (September 2005).

The best laid plans: Britain's Presidency of the Council of European Union - Anand Menon and Paul Riseborough (June 2005).

European Budget: the Poisonous Budget Rebate Debate - Jacques Le Cacheux (June 2005).

Analysis of European Elections (June 2004) - Céline Belot and Bruno Cautrès (June 2005).

Why they wanted Europe: A Call of 12 french Pionners of European integration - Jean-Louis Arnaud (May 2005).

Ratification and Revision of the Constitutional Treaty - Henri Oberdorff (May 2005).

Luxembourg at the Helm: Experience, Determination and Self Denial - Mario Hirsch (December 2004).

A Driving Force Despite Everything: Franco-German Relations and the Enlarged European Union - Martin Koopmann (November 2004).

Europe and its Think Tanks: a Promise to be Fulfilled - Stephen Boucher, Benjamin Hobbs, Juliette Ebelé, Charlotte Laigle, Michele Poletto, Diego Cattaneo and Radoslaw Wegrzyn (October 2004).

A View from Outside: the Franco-German Couple as seen by their Partners - Matt Browne, Carlos Closa, Soren Dosenrode, Franciszek Draus, Philippe de Schoutheete and Jeremy Shapiro (April 2004).

Leading from Behind: Britain and the European Constitutional Treaty - Anand Menon (January 2004).

US Attitudes towards Europe: a Shift of Paradigms? - Timo Behr (November 2003).

Giving Euro-Mediterranean Cooperation a breath of fresh air - Bénédicte Suzan (October 2003).

Italy and Europe 2003 Presidency - Roberto Di Quirico (July 2003).

European Attitudes towards Transatlantic relations 2000-2003: an Analytical Survey - Anand Menon and Jonathan Lipkin (June 2003).

Large and Small Member States in the European Union: Reinventing the Balance - Paul Magnette and Kalypso Nicolaïdis (May 2003).

Enlargement and Investment in Central and Eastern Europe - Bérénice Picciotto (May 2003)

The Institutional Architecture of the European Union: a third Franco-German way? - Renaud Dehousse, Andreas Maurer, Jean Nestor, Jean-Louis Quermonne and Joachim Schild (April 2003).

A New Mechanism of Enhanced Co-operation for the Enlarged Union - Eric Philippart (March 2003).

Greece, the European Union and 2003 Presidency - George Pagoulatos (December 2002).

The Question of the European Government - Jean-Louis Quermonne (November 2002).

The European Council - Philippe de Schoutheete and Helen Wallace (September 2002).

Multilevel Government in three Eastern and Central European Candidates Countries: Hungary, Poland and Czech Republic (1990-2001) - Michal Illner (June 2002).

The Domestic Basis of Spanish European Policy and the 2002 Presidency - Carlos Closa (December 2001)

The Convention of a Charter of Fundamental Rights: a Method for the Future? - Florence Deloche Gaudéz (December 2001).

The Federal Approach to the European Union or the Quest for an Unprecedented European Federalism - Dusan Sidjanski (July 2001).

The Belgian Presidency 2001 - Lieven de Winter and Huri Türsan (June 2001).

The European Debate in Sweden - Olof Petersson (December 2000).

An enlargement Unlike the others ... Study of the Specific Features of the Candidate Countries of Central and Eastern Europe - Franciszek Draus (November 2000).

The French and Europe: the State of the European Debate at the Beginning of the French presidency - Jean Louis Arnaud (July 2000).

Portugal 2000: the European way - Alvaro de Vasconcelos (January 2000).

The Finnish Debate on the European Union - Esa Stenberg (August 1999).

The American Federal Reserve System: Functioning and Accountability - Axel Krause (April 1999).

Making EMU work - partnership Notre Europe and Centro European Ricerche (March 1999).

The Intellectual Debate in Britain on the European Union - Stephen George (October 1998).

Britain and the new European agenda - Centre for European Reform, Lionel Barber (April 1998).

Social Europe, History and Current State of Play - Jean-Louis Arnaud (July 1997).

Reinforced Cooperation: Placebo rather than Panacea - Françoise de la Serre and Helen Wallace (September 1997).

The Growth Deficit and Unemployment: the Cost of Non-Cooperation - Pierre-Alain Muet (April 1997).

Legal Mentions

With the support of the European Commission : support to active entities at European level in the field of active European citizenship.



Neither the European Commission nor *Notre Europe* are to be held responsible for the manner in which the information in this text may be used. This may be reproduced if the source is cited.

Dépôt legal

© *Notre Europe* December 2007

All the publications are available in our Website: <http://www.notre-europe.eu>